

2022 -- S 2194

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO INSURANCE -- MEDICARE SUPPLEMENT INSURANCE POLICIES

Introduced By: Senator Dennis L. Algieri

Date Introduced: February 08, 2022

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 27-18.2-1 and 27-18.2-3 of the General Laws in Chapter 27-18.2
2 entitled "Medicare Supplement Insurance Policies" are hereby amended to read as follows:

3 **27-18.2-1. Definitions.**

4 (a) "Applicant" means:

5 (1) In the case of an individual Medicare supplement policy, the person who seeks to
6 contract for insurance benefits; and

7 (2) In the case of a group Medicare supplement policy, the proposed certificate holder.

8 (b) "Certificate" means, for the purposes of this chapter, any certificate delivered or issued
9 for delivery in this state under a group Medicare supplement policy.

10 (c) "Certificate form" means the form on which the certificate is delivered or issued for
11 delivery by the issuer.

12 (d) "Director" ~~means the director of the department of business regulation.~~ [or](#)
13 ["Commissioner" means the commissioner for the office of the health insurance commissioner.](#)

14 (e) "Issuer" includes insurance companies, fraternal benefit societies, health care service
15 plans, health maintenance organizations, and any other entity delivering or issuing for delivery in
16 this state Medicare supplement policies or certificates.

17 (f) "Medicare" means the "Health Insurance for the Aged Act," 42 U.S.C. § 1395 et seq.

18 (g) "Medicare supplement policy" means a group or individual policy of accident and
19 sickness insurance, as defined in § 27-18-1, or a subscriber contract of a nonprofit hospital service

1 corporation or of a nonprofit medical service corporation or an evidence of coverage of a health
2 maintenance organization as defined in § 42-62-4(5) or as licensed under chapter 41 of this title,
3 other than a policy issued pursuant to a contract under Section 1876 of the Federal Social Security
4 Act, 42 U.S.C. § 1395mm, or an issued policy under a demonstration project specified in 42 U.S.C.
5 § 1395ss(g)(1), which is advertised, marketed or designed primarily as a supplement to
6 reimbursements under Medicare for the hospital, medical or surgical expenses of persons eligible
7 for Medicare.

8 (h) "Policy form" means the form on which the policy is delivered or issued for delivery
9 by the issuer.

10 **27-18.2-3. Standards for policy provisions.**

11 (a) No Medicare supplement insurance policy or certificate in force in the state shall contain
12 benefits which duplicate benefits provided by Medicare.

13 (b) Notwithstanding any other provision of law of this state, a Medicare supplement policy
14 or certificate shall not exclude or limit benefits for loss incurred more than six (6) months from the
15 effective date of coverage because it involved a preexisting condition. The policy or certificate shall
16 not define a preexisting condition more restrictively than a condition for which medical advice was
17 given or treatment was recommended by or received from a physician within six (6) months before
18 the effective date of coverage.

19 (c) The ~~director~~ commissioner shall adopt reasonable regulations to establish specific
20 standards for policy provisions of Medicare supplement policies and certificates. Those standards
21 shall be in addition to and in accordance with the applicable laws of this state, including but not
22 limited to §§ 27-18-3(a) and 42-62-12 and regulations promulgated pursuant to those sections. No
23 requirement of this title or chapter 62 of title 42 relating to minimum required policy benefits, other
24 than the minimum standards contained in this chapter, shall apply to Medicare supplement policies
25 and certificates. The standards may cover, but not be limited to:

- 26 (1) Terms of renewability;
- 27 (2) Initial and subsequent conditions of eligibility;
- 28 (3) Nonduplication of coverage;
- 29 (4) Probationary periods;
- 30 (5) Benefit limitations, exceptions, and reductions;
- 31 (6) Elimination periods;
- 32 (7) Requirements for replacement;
- 33 (8) Recurrent conditions; and
- 34 (9) Definitions of terms.

1 (d) The ~~director~~ commissioner may adopt reasonable regulations that specify prohibited
2 policy provisions not specifically authorized by statute, if, in the opinion of the ~~director~~
3 commissioner, those provisions are unjust, unfair, or unfairly discriminatory to any person insured
4 or proposed to be insured under a Medicare supplement policy or certificate.

5 (e) The ~~director~~ commissioner shall adopt reasonable regulations to establish minimum
6 standards for premium rates, benefits, claims payment, marketing practices, and compensation
7 arrangements and reporting practices for Medicare supplement policies and certificates.

8 (f) The ~~director~~ commissioner may adopt any reasonable regulations necessary to conform
9 Medicare supplement policies and certificates to the requirements of federal law and regulations
10 promulgated pursuant to federal law, including but not limited to:

11 (1) Requiring refunds or credits if the policies or certificates do not meet loss ratio
12 requirements;

13 (2) Establishing a uniform methodology for calculating and reporting loss ratios;

14 (3) Assuring public access to policies, premiums, and loss ratio information of issuers of
15 Medicare supplement insurance;

16 (4) Establishing a process for approving or disapproving policy forms and certificate forms
17 and proposed premium increases;

18 (5) Establishing a policy for holding public hearings prior to approval of premium increases
19 which may include the applicant's provision of notice of the proposed premium increase to all
20 subscribers subject to the proposed increase, at least ten (10) days prior to the hearing; and

21 (6) Establishing standards for Medicare select policies and certificates.

22 (g) Each Medicare supplement policy or applicable certificate that an issuer currently, or
23 at any time hereafter, makes available in this state shall be made available to any applicant under
24 the age of sixty-five (65) who is eligible for Medicare due to a disability or end-stage renal disease,
25 provided that the applicant submits their application during the first six (6) months immediately
26 following the applicant's initial eligibility for Medicare Part B, or alternate enrollment period as
27 determined by the commissioner. The issuance or coverage of any Medicare supplement policy
28 pursuant to this section shall not be conditioned on the medical or health status or receipt of health
29 care by the applicant; and no insurer shall perform individual medical underwriting on any
30 applicant in connection with the issuance of a policy pursuant to this subsection.

31 SECTION 2. Chapter 27-18.2 of the General Laws entitled "Medicare Supplement
32 Insurance Policies" is hereby amended by adding thereto the following section:

33 **27-18.2-3.1. Premium rate review.**

34 (a) An issuer shall not deliver or issue for delivery a policy or certificate to a resident of

1 this state unless the policy form or certificate form has been filed with and approved by the
2 commissioner in accordance with filing requirements and procedures prescribed by the
3 commissioner.

4 (b) The commissioner shall review the rate, rating formula, or rate manual filing and
5 approve the filing, propose to the health insurance issuer how the filing can be amended and
6 approved, or take such other actions separately or in combination as the commissioner deems
7 appropriate and as authorized by law.

8 (c) The commissioner may approve, disapprove, or modify the rates, rating formula, or
9 rating manual filed by the issuer.

10 (d) A health insurance rate, rating formula, or rate manual shall not be approved unless the
11 commissioner determines that the health insurance issuer has demonstrated to the satisfaction of
12 the commissioner that it is consistent with the proper conduct of the business of the issuer, and
13 consistent with the interests of the public. In considering the interests of the public, the
14 commissioner shall seek to ensure affordability and to minimize unreasonable disparities in access
15 to coverage.

16 SECTION 3. This act shall take effect January 1, 2023.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO INSURANCE -- MEDICARE SUPPLEMENT INSURANCE POLICIES

1 This act would require that Medicare supplement policies be made available to Medicare
2 eligible disabled individuals under the age of sixty-five (65). In addition, this act would transfer
3 authority over Medicare supplement insurance policies from the director of business regulations to
4 the insurance commissioner. This act would also require the insurance commissioner to create filing
5 requirements and procedures for issuing a Medicare supplement insurance policy, review all policy
6 forms or certificate forms that have been filed prior to issuing a policy, approve the filing or propose
7 to the insurance issuer how the filing can be amended and approved, and review the rate, rating
8 formula, or rate manual filing and approve, disapprove, or modify the rates, rating formula, or rating
9 manual filed by the issuer.

10 This act would take effect January 1, 2023.

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