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H.29

Introduced by Representatives Trieber of Rockingham, Scheuermann of
Stowe, Nolan of Morristown, Ode of Burlington, Olsen of
Londonderry, Partridge of Windham, and Wright of Burlington

Referred to Committee on

Date:

Subject: Health; health insurance; Medicare supplemental plans; community
rating; expense discounts

Statement of purpose of bill as introduced: This bill proposes to permit
Medicare supplemental plans to offer discounts that are designed to encourage
timely, full payment of premiums.

An act relating to permitting Medicare supplemental plans to offer expense
discounts

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 8 V.S.A. § 4080e is amended to read:

§ 4080e. MEDICARE SUPPLEMENTAL HEALTH INSURANCE
POLICIES; COMMUNITY RATING; DISABILITY

(a) A health insurance company, hospital or medical service corporation, or
health maintenance organization shall use a community rating method

1 acceptable to the Commissioner for determining premiums for Medicare
2 supplemental insurance policies.

3 (b)(1) The Commissioner shall adopt rules for standards and procedure for
4 permitting health insurance companies, hospital or medical service
5 organizations, or health maintenance organizations that issue Medicare
6 supplemental insurance policies to use one or more risk classifications in their
7 community rating method. The premium charged shall not deviate from the
8 community rate except as provided in subdivision (2) of this subsection and the
9 rules shall not permit medical underwriting and screening, except that a health
10 insurance company, hospital or medical service corporation, or health
11 maintenance organization may set different community rates for persons
12 eligible for Medicare by reason of age and persons eligible for Medicare by
13 reason of disability.

14 (2) A health insurance company, hospital or medical service
15 corporation, or health maintenance organization that issues Medicare
16 supplemental insurance policies may offer expense discounts to encourage
17 timely, full payment of premiums. Expense discounts may include premium
18 reductions for advance payment of a full year's premiums, for paperless
19 billing, for electronic funds transfer, and for other activities directly related to
20 premium payment. A health insurance company, hospital or medical service
21 corporation, or health maintenance organization that issues Medicare

1 supplemental insurance policies shall not offer reduced premiums or other
2 discounts related to a person's age, gender, marital status, or other
3 demographic criteria.

4 * * *

5 Sec. 2. EFFECTIVE DATE

6 This act shall take effect on July 1, 2017.