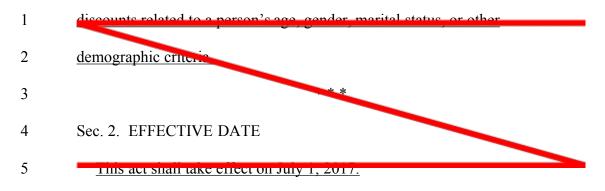
BILL AS PASSED BY THE HOUSE 2017

| 1 | H.29 |
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| 2 | Introduced by Representatives Trieber of Rockingham, Scheuermann of |
| 3 | Stowe, Nolan of Morristown, Ode of Burlington, Olsen of |
| 4 | Londonderry, Partridge of Windham, and Wright of Burlington |
| 5 | Referred to Committee on |
| 6 | Date: |
| 7 | Subject: Health; health insurance; Medicare supplemental plans; community |
| 8 | rating; expense discounts |
| 9 | Statement of purpose of bill as introduced: This bill proposes to permit |
| 10 | Medicare supplemental plans to offer discounts that are designed to encourage |
| 11 | timely, full payment of premiums. |
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| 12 13 | An act relating to permitting Medicare supplemental plans to offer expense discounts |
| 14 | It is hereby enacted by the General Assembly of the State of Vermont: |
| 15 | Sec. 1. & V.S.A. § 1080e is amonded to read: |
| 16 | § 4080e. MEDICARE SUPPLEMENTAL HEALTH INSURANCE |
| 17 | POLICIES; COMMUNITY RATING; DISABILITY |
| 18 | (a) A health insurance company, hospital or medical service corporation, or |
| 19 | health maintenance organization shall use a community rating method |
| 20 | acceptable to the Commissioner for determining premiums for Medicare |

| 1 | supplemental insurance policies |
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| 2 | (b)(1) The Commissioner shall adopt rules for standards and procedure for |
| 3 | permitting health insurance companies, hospital or medical service |
| 4 | organizations, or health maintenance organizations that issue Medicare |
| 5 | supplemental insurance policies to use one or more risk classifications in their |
| 6 | community rating method. The premium charged shall not deviate from the |
| 7 | community rate except as provided in subdivision (2) of this subsection and |
| 8 | the rules shall not permit medical underwriting and screening, except that a |
| 9 | health insurance company, hospital or medical service corporation, or health |
| 10 | maintenance organization may set different community rates for persons |
| 11 | eligible for Medicare by reason of age and persons eligible for Medicare by |
| 12 | reason of disability. |
| 13 | (2) A health insurance company, hospitator medical service |
| 14 | corporation, or health maintenance organization that issues Medicare |
| 15 | supplemental insurance policies may offer expense discounts to encourage |
| 16 | timely, full payment of premiums. Expense discounts may include premium |
| 17 | reductions for advance payment of a full year's premiums, for paperless |
| 18 | billing, for electronic funds transfer, and for other activities directly related to |
| 19 | premium payment. A health insurance company, hospital or medical service |
| 20 | corporation, or health maintenance organization that issues Medicare |
| 21 | supplemental insurance policies shall not offer reduced premiums or other |



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

(b)(1) The Commissioner shall adopt rules for standards and procedure for permitting health insurance companies, hospital or medical service organizations, or health maintenance organizations that issue Medicare supplemental insurance policies to use one or more risk classifications in their community rating method. The premium charged shall not deviate from the community rate and the rules shall not permit medical underwriting and screening, except that a health insurance company, hospital or medical service corporation, or health maintenance organization may set different community rates for persons eligible for Medicare by reason of age and persons eligible

for Medicare by reason of disability.

(2)(A) A health insurance company, hospital or medical service corporation, or health maintenance organization that issues Medicare supplemental insurance policies may offer expense discounts to encourage timely, full payment of premiums. Expense discounts may include premium reductions for advance payment of a full year's premiums, for paperless billing, for electronic funds transfer, and for other activities directly related to premium payment. The availability of one or more expense discounts shall not be considered a deviation from community rating.

(B) A health insurance company, hospital or medical service corporation, or health maintenance organization that issues Medicare supplemental insurance policies shall not offer reduced premiums or other discounts related to a person's age, gender, marital status, or other demographic criteria.

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Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2017.