

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Health Care to which was referred House Bill No. 29
3 entitled “An act relating to permitting Medicare supplemental plans to offer
4 expense discounts” respectfully reports that it has considered the same and
5 recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

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

8 § 4080e. MEDICARE SUPPLEMENTAL HEALTH INSURANCE
9 POLICIES; COMMUNITY RATING; DISABILITY

10 (a) A health insurance company, hospital or medical service corporation, or
11 health maintenance organization shall use a community rating method
12 acceptable to the Commissioner for determining premiums for Medicare
13 supplemental insurance policies.

14 (b)(1) The Commissioner shall adopt rules for standards and procedure for
15 permitting health insurance companies, hospital or medical service
16 organizations, or health maintenance organizations that issue Medicare
17 supplemental insurance policies to use one or more risk classifications in their
18 community rating method. The premium charged shall not deviate from the
19 community rate and the rules shall not permit medical underwriting and
20 screening, except that a health insurance company, hospital or medical service
21 corporation, or health maintenance organization may set different community

1 rates for persons eligible for Medicare by reason of age and persons eligible for
2 Medicare by reason of disability.

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

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

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17 Sec. 2. EFFECTIVE DATE

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

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(Committee vote: _____)

Representative Jickling

FOR THE COMMITTEE