

1 S.239

2 Introduced by Senators Hooker, Balint, Hardy, Lyons, Pollina and Ram

3 Hinsdale

4 Referred to Committee on Health and Welfare

5 Date: January 12, 2022

6 Subject: Health; health insurance; Medicare supplemental insurance; open

7 enrollment

8 Statement of purpose of bill as introduced: This bill proposes to create annual  
9 open enrollment periods for Medicare supplemental insurance policies and to  
10 prohibit health insurers from charging additional premiums, fees, or penalties  
11 based on an individual's failure to enroll in a Medicare supplemental insurance  
12 policy within six months following the individual's 65th birthday. The bill  
13 would permit enrollees to change at any time from one Medicare supplemental  
14 insurance policy to another policy with comparable or lesser benefits. It would  
15 also direct the Department of Financial Regulation to convene a stakeholder  
16 group to consider issues related to the availability of, enrollment in, and use of  
17 supplemental coverage for Medicare beneficiaries and to provide  
18 recommendations to the General Assembly.

19 An act relating to enrollment in Medicare supplemental insurance policies

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

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

3 § 4080e. MEDICARE SUPPLEMENTAL HEALTH INSURANCE

4 POLICIES; COMMUNITY RATING; DISABILITY

5 \* \* \*

6 (d)(1) A health insurance company, hospital or medical service  
7 corporation, or health maintenance organization offering a Medicare  
8 supplemental insurance policy shall guarantee acceptance of an individual's  
9 application for coverage during the six-month period following the  
10 individual's 65th birthday and during an annual open enrollment period that  
11 shall coincide with the federal open enrollment period for Medicare Part D  
12 plans. A health insurance company, hospital or medical service corporation, or  
13 health maintenance organization offering a Medicare supplemental insurance  
14 policy shall not make any premium rate distinctions or charge any additional  
15 fees or penalty amounts based on an applicant's failure to enroll in a Medicare  
16 supplemental insurance policy during the applicant's initial open enrollment  
17 period upon attaining 65 years of age.

18 (2) A health insurance company, hospital or medical service  
19 corporation, or health maintenance organization offering a Medicare  
20 supplemental insurance policy shall allow an enrollee to change at any time

1 ~~from one Medicare supplemental insurance policy to another policy offering~~  
2 comparable or lesser benefits.

3 Sec. 2. MEDICARE SUPPLEMENTAL COVERAGE; DEPARTMENT OF  
4 FINANCIAL REGULATION; REPORT

5 (a) The Department of Financial Regulation shall convene a group of  
6 interested stakeholders to consider issues relating to the availability of,  
7 enrollment in, and use of supplemental coverage by individuals enrolled in  
8 Medicare. A majority of the stakeholders shall not have a financial stake in  
9 any Medicare supplemental coverage product.

10 (b) The stakeholder group shall examine:

11 (1) the options available to older Vermonters through Medicare  
12 supplement and Medicare Advantage plans, the affordability of these options,  
13 and the extent to which the State may regulate or otherwise affect the options  
14 offered to Medicare beneficiaries in Vermont, including the marketing of these  
15 products;

16 (2) the effects of annual or continuous open enrollment periods for  
17 Medicare supplemental coverage available in other states, including whether  
18 they have led to adverse selection or higher rate increases, or both, and the  
19 extent to which an open enrollment change for Medicare supplemental  
20 coverage would be likely to increase access to affordable coverage for eligible  
21 individuals and to reduce medical debt, and

1 ~~(2) whether Vermont residents are receiving accurate information about~~  
2 Medicare supplemental coverage options and sufficient assistance with  
3 selecting products that are in their best interests and, if not, how to best  
4 remedy the situation.

5 (c) On or before January 15, 2023, the Department of Financial Regulation  
6 shall provide its findings and recommendations regarding Medicare  
7 supplemental coverage, including any recommendations for changes to  
8 Vermont law, to the House Committee on Health Care and the Senate  
9 Committees on Health and Welfare and on Finance.

10 Sec. 3. EFFECTIVE DATE

11 ~~This act shall take effect on July 1, 2022.~~

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

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

*\* \* \**

*(d) The Department of Financial Regulation shall collaborate with health  
insurers, advocates for older Vermonters and for other Medicare-eligible  
adults, and the Office of the Health Care Advocate to educate the public about  
the benefits and limitations of Medicare supplemental insurance policies and  
Medicare Advantage plans, including information to help the public  
understand issues relating to coverage, costs, and provider networks.*

*Sec. 2. MEDICARE SUPPLEMENTAL COVERAGE; MEDICARE  
ADVANTAGE PLANS; DEPARTMENT OF FINANCIAL  
REGULATION; REPORT*

~~*(1) The Department of Financial Regulation shall convene a group of  
interested stakeholders, including representatives of the Community of Vermont  
Elders, the area agencies on aging, and the Office of the Health Care  
Advocate, to consider issues relating to the availability of, enrollment in, and  
use of supplemental coverage by individuals enrolled in Medicare or a*~~

~~Medicare Advantage plan. A majority of the stakeholders shall not have a financial stake in any Medicare supplemental coverage or Medicare Advantage product.~~

*(a) The Department of Financial Regulation shall convene a group of interested stakeholders, including Vermonters eligible for Medicare by reason of age, disability status, or end stage renal disease and representatives of health care providers, the Community of Vermont Elders, the area agencies on aging, the Office of the Health Care Advocate, and the Department of Vermont Health Access, to consider issues relating to Medicare Advantage plans and to the availability of, enrollment in, and use of supplemental coverage by individuals enrolled in Medicare. A majority of the stakeholders shall not have a financial stake in any Medicare supplemental coverage or Medicare Advantage product.*

*(b) The stakeholder group shall examine:*

*(1) the options available to older Vermonters, Vermonters under 65 years of age with end stage renal disease, and Vermonters under 65 years of age whose disabilities make them eligible for Medicare, through Medicare supplement and Medicare Advantage plans, the affordability of these options, and the extent to which the State may regulate or otherwise affect the options offered to Medicare beneficiaries in Vermont, including the marketing and advertising of these products;*

*(2) the effects of annual or continuous open enrollment periods for Medicare supplemental coverage available in other states, including whether they have led to adverse selection or higher rate increases, or both; other options for enabling Vermont residents to enroll in Medicare supplemental coverage after their initial open enrollment period ends without experiencing higher premiums or financial penalties; and the extent to which an open enrollment change for Medicare supplemental coverage would be likely to increase access to affordable coverage for eligible individuals and to reduce medical debt;*

*(3) whether Vermont residents are receiving accurate information about Medicare supplemental coverage and Medicare Advantage plan options and sufficient assistance with selecting products that are in their best interests and, if not, how to best remedy the situation;*

*(4) the costs of Medicare Part B premiums, Medicare Part D plans, Medicare supplement plans, and Medicare Advantage plans; the effect of those costs on access to health care for Vermonters with low income who are not eligible for Medicaid or for a Medicare Savings Program; the income eligibility thresholds for Medicare Savings Programs in Vermont and in other*

states; and whether Vermont should consider revising the income eligibility thresholds for its Medicare Savings Programs;

~~(4)~~ (5) the reasons that some Medicare beneficiaries do not have secondary coverage and the policy options available to increase their access; and

~~(5)~~ (6) any other issues that the Department deems appropriate relating to the availability of, enrollment in, and use of supplemental coverage by individuals enrolled in Medicare or in a Medicare Advantage plan.

(c) On or before January 15, 2023, the Department of Financial Regulation shall provide its findings and recommendations regarding Medicare supplemental coverage and Medicare Advantage plans, including any recommendations for changes to Vermont law, to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

*Sec. 3. EFFECTIVE DATE*

This act shall take effect on passage.