

1 TO THE HONORABLE SENATE:

2 The Committee on Health and Welfare to which was referred Senate Bill
3 No. 239 entitled “An act relating to enrollment in Medicare supplemental
4 insurance policies” 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 * * *

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

1 supplemental insurance policy during the applicant’s initial open enrollment
2 period upon attaining 65 years of age.

3 (2) A health insurance company, hospital or medical service
4 corporation, or health maintenance organization offering a Medicare
5 supplemental insurance policy shall allow an enrollee to change at any time
6 from one Medicare supplemental insurance policy to another policy offering
7 comparable or lesser benefits.

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

14 Sec. 2. MEDICARE SUPPLEMENTAL COVERAGE; MEDICARE
15 ADVANTAGE PLANS; DEPARTMENT OF FINANCIAL
16 REGULATION; REPORT

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

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

4 (b) The stakeholder group shall examine:

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

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

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

1 (4) the reasons that some Medicare beneficiaries do not have secondary
2 coverage and the policy options available to increase their access.

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

9 Sec. 3. EFFECTIVE DATES

10 (a) Sec. 1 (8 V.S.A. § 4080e) shall take effect on July 1, 2023.

11 (b) Sec. 2 (Medicare supplemental coverage; Medicare Advantage plans;
12 Department of Financial Regulation; report) and this section shall take effect
13 on passage.

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18 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE