

2025 -- H 5499

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO INSURANCE -- MEDICARE SUPPLEMENT INSURANCE POLICIES

Introduced By: Representatives Stewart, Giraldo, Furtado, Potter, Edwards, Donovan,
Morales, Fogarty, and Tanzi

Date Introduced: February 13, 2025

Referred To: House Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-18.2-3 of the General Laws in Chapter 27-18.2 entitled "Medicare
2 Supplement Insurance Policies" is hereby amended to read as follows:

3 **27-18.2-3. Standards for policy provisions.**

4 (a) No Medicare supplement insurance policy or certificate in force in the state shall contain
5 benefits that duplicate benefits provided by Medicare.

6 (b) Notwithstanding any other provision of law of this state, a Medicare supplement policy
7 or certificate shall not exclude or limit benefits for loss incurred more than six (6) months from the
8 effective date of coverage because it involved a preexisting condition. The policy or certificate shall
9 not define a preexisting condition more restrictively than a condition for which medical advice was
10 given or treatment was recommended by or received from a physician within six (6) months before
11 the effective date of coverage.

12 (c) The commissioner shall adopt reasonable regulations to establish specific standards for
13 policy provisions of Medicare supplement policies and certificates. Those standards shall be in
14 addition to and in accordance with the applicable laws of this state, including but not limited to §§
15 27-18-3(a) and 42-62-12 and regulations promulgated pursuant to those sections. No requirement
16 of this title or chapter 62 of title 42 relating to minimum required policy benefits, other than the
17 minimum standards contained in this chapter, shall apply to Medicare supplement policies and
18 certificates. The standards may cover, but not be limited to:

19 (1) Terms of renewability;

- 1 (2) Initial and subsequent conditions of eligibility;
- 2 (3) Nonduplication of coverage;
- 3 (4) Probationary periods;
- 4 (5) Benefit limitations, exceptions, and reductions;
- 5 (6) Elimination periods;
- 6 (7) Requirements for replacement;
- 7 (8) Recurrent conditions; and
- 8 (9) Definitions of terms.

9 (d) The commissioner may adopt reasonable regulations that specify prohibited policy
10 provisions not specifically authorized by statute, if, in the opinion of the commissioner, those
11 provisions are unjust, unfair, or unfairly discriminatory to any person insured or proposed to be
12 insured under a Medicare supplement policy or certificate.

13 (e) The commissioner shall adopt reasonable regulations to establish minimum standards
14 for premium rates, benefits, claims payment, marketing practices, and compensation arrangements
15 and reporting practices for Medicare supplement policies and certificates.

16 (f) The commissioner may adopt any reasonable regulations necessary to conform
17 Medicare supplement policies and certificates to the requirements of federal law and regulations
18 promulgated pursuant to federal law, including but not limited to:

19 (1) Requiring refunds or credits if the policies or certificates do not meet loss ratio
20 requirements;

21 (2) Establishing a uniform methodology for calculating and reporting loss ratios;

22 (3) Assuring public access to policies, premiums, and loss ratio information of issuers of
23 Medicare supplement insurance;

24 (4) Establishing a process for approving or disapproving policy forms and certificate forms
25 and proposed premium increases;

26 (5) Establishing a policy for holding public hearings prior to approval of premium increases
27 that may include the applicant's provision of notice of the proposed premium increase to all
28 subscribers subject to the proposed increase, at least ten (10) days prior to the hearing; and

29 (6) Establishing standards for Medicare select policies and certificates.

30 (g) ~~Each Medicare supplement Plan A policy or applicable certificate that an issuer~~
31 ~~currently, or at any time hereafter, makes available in this state shall be made available to any~~
32 ~~applicant under the age of sixty five (65) who is eligible for Medicare due to a disability or end-~~
33 ~~stage renal disease, provided that the applicant submits their application during the first six (6)~~
34 ~~months immediately following the applicant's initial eligibility for Medicare Part B, or alternate~~

1 ~~enrollment period as determined by the commissioner. The issuance or coverage of any Medicare~~
2 ~~supplement policy pursuant to this section shall not be conditioned on the medical or health status~~
3 ~~or receipt of health care by the applicant; and no insurer shall perform individual medical~~
4 ~~underwriting on any applicant in connection with the issuance of a policy pursuant to this~~
5 ~~subsection.~~

6 Rhode Island residents eligible for Medicare due to age sixty-five (65) years or older or
7 due to disability or end-stage renal disease if under age sixty-five (65) years are entitled to
8 continuous enrollment rights for Medicare supplement ("Medigap") policies. Insurers are
9 prohibited from using medical underwriting or any other method to deny Medigap coverage to
10 eligible individuals who are applying under the provisions of this chapter. Premium rates for
11 Medicare supplement policies shall be determined on a community-rated basis.

12 (h) ~~Individuals enrolled in Medicare Parts A and B applying for a Medicare supplement~~
13 ~~plan, regardless of age, shall receive guaranteed issue rights for standardized Medicare Supplement~~
14 ~~Plan A during an annual enrollment period of at least one month each calendar year, as established~~
15 ~~by the issuer. The issuance or coverage of any Medicare supplement policy pursuant to this section~~
16 ~~shall not be conditioned on the medical or health status or receipt of health care by the applicant;~~
17 ~~and no insurer shall perform individual medical underwriting in connection with the issuance of a~~
18 ~~policy pursuant to this subsection; provided:~~

19 (1) ~~That the applicant, having been enrolled in Medicare Part A and Part B, enrolled in a~~
20 ~~Medicare Advantage plan under Medicare Part C, and remains enrolled in such a plan when the~~
21 ~~Medicare supplement application is submitted.~~

22 The office of the health insurance commissioner ("OHIC") shall conduct an annual review
23 of premium rates for Medicare supplement policies pursuant to §27-18.2-3(d).

24 (i) OHIC shall monitor compliance with the provisions of this chapter and may impose
25 administrative penalties on insurers for violations, including, but not limited to fines, suspension
26 of policy offerings, or corrective action orders. Nothing in this title 27 ("insurance") shall limit the
27 actions that may be taken by the Rhode Island attorney general under any state or federal laws.

28 (j) If any provision of this section or the application to any person or circumstance, is held
29 to be invalid, the remaining provisions of this section shall not be affected. The invalidity of any
30 part of this section shall not affect the validity of the remaining provisions.

31 SECTION 2. This act shall take effect on January 1, 2026

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would seek to promote increased consumer access to Medicare supplement health
2 insurance policies.

3 This act would take effect on January 1, 2026.

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