

IN THE SENATE

SENATE BILL NO. 1143

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO INSURANCE; AMENDING SECTION 41-4404, IDAHO CODE, TO REVISE PROVISIONS REGARDING STANDARDS FOR MEDICARE SUPPLEMENT POLICIES AND CERTIFICATES AND TO MAKE TECHNICAL CORRECTIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 41-4404, Idaho Code, be, and the same is hereby amended to read as follows:

41-4404. STANDARDS FOR POLICY PROVISIONS AND AUTHORITY TO PROMULGATE RULES. (1) No medicare supplement policy or certificate in force in this state shall contain benefits that duplicate benefits provided by medicare.

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

(3) The director may adopt reasonable rules to establish specific standards for policy provisions of medicare supplement policies and certificates. The standards shall be in addition to and in accordance with applicable laws of this state, including chapter 21, title 41, Idaho Code, disability insurance policies. No requirement of the insurance code relating to minimum required policy benefits, other than the minimum standards contained in this chapter, shall apply to medicare supplement policies and certificates. The standards may cover, but not be limited to:

(a) Terms of renewability;

(b) Initial and subsequent conditions of eligibility, including an annual period during which a policyholder may terminate an existing medicare supplement policy and be eligible to purchase any other medicare supplement policy on a guaranteed issue basis;

(c) Nonduplication of coverage;

(d) Probationary periods;

(e) Benefit limitations, exceptions and reductions;

(f) Elimination periods;

(g) Requirements for replacement;

(h) Recurrent conditions;

(i) Definition of terms;

(j) Open enrollment; and

(k) Attained age rating prohibited; issue age rating prohibited for policies issued after December 31, 2021; and community rating permitted.

1 (4) The director may adopt reasonable rules to establish minimum stan-
2 dards for benefits, claims payment, marketing practices and compensation
3 arrangements, and reporting practices, for medicare supplement policies and
4 certificates.

5 (5) The director may adopt from time to time reasonable rules necessary
6 to conform medicare supplement policies and certificates to the require-
7 ments of federal law and regulations promulgated thereunder, including, but
8 not limited to:

9 (a) Requiring refunds or credits if the policies or certificates do not
10 meet loss ratio requirements;

11 (b) Establishing a uniform methodology for calculating and reporting
12 loss ratios;

13 (c) Assuring public access to all policies, premiums and loss ratio in-
14 formation of issuers of medicare supplement insurance;

15 (d) Establishing a process for approving or disapproving policy forms
16 and certificate forms and proposed premium increases;

17 (e) Establishing a policy for holding public hearings prior to approval
18 of premium increases; and

19 (f) Establishing standards for medicare select policies and certifi-
20 cates.

21 (6) The director may adopt reasonable rules that specify prohibited
22 policy provisions not otherwise specifically authorized by statute ~~which~~
23 that, in the opinion of the director, are unjust, unfair, or unfairly dis-
24 criminatory to any person insured or proposed to be insured under a medicare
25 supplement policy or certificate.