

Medicare Supplement Insurance Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jake Fitisemanu

LONG TITLE**General Description:**

This bill amends provisions regarding Medicare supplement insurance coverage.

Highlighted Provisions:

This bill:

- defines terms;
- allows enrollees of Medicare supplement insurance plans to select comparable or lower tier plans;
- does not allow an issuer to deny coverage based on medical underwriting when selecting a comparable or lower tier plan; and
- allows an individual under the age of 65 and that is eligible for Medicare to enroll in a Medicare supplement insurance plan under certain circumstances.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

31A-22-620, as last amended by Laws of Utah 2024, Chapter 120

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **31A-22-620** is amended to read:

31A-22-620 . Medicare Supplement Insurance Minimum Standards Act.

(1) As used in this section:

(a) "Applicant" means:

- (i) in the case of an individual Medicare supplement insurance policy, the person who seeks to contract for insurance benefits; and
- (ii) in the case of a group Medicare supplement insurance policy, the proposed certificate holder.

32 (b) "Certificate" means any certificate delivered or issued for delivery in this state under
33 a group Medicare supplement insurance policy.

34 (c) "Certificate form" means the form on which the certificate is delivered or issued for
35 delivery by the issuer.

36 (d) "Enrollee" means an individual enrolled in Medicare supplement insurance.

37 [~~(d)~~] (e) "Issuer" includes insurance companies, fraternal benefit societies, health care
38 service plans, health maintenance organizations, and any other entity delivering, or
39 issuing for delivery in this state, Medicare supplement insurance policies or
40 certificates.

41 (f) "Medicare supplement insurance open enrollment" means the annual enrollment
42 period from October 15 through December 7 when an enrollee can change existing
43 Medicare supplement insurance.

44 [~~(e)~~] (g) "Policy form" means the form on which the policy is delivered or issued for
45 delivery by the issuer.

46 (2)(a) Except as otherwise specifically provided, this section applies to:

47 (i) all Medicare supplement insurance policies delivered or issued for delivery in this
48 state on or after the effective date of this section;

49 (ii) all certificates issued under group Medicare supplement insurance policies, that
50 have been delivered or issued for delivery in this state on or after the effective
51 date of this section; and

52 (iii) policies or certificates that were in force prior to the effective date of this section,
53 with respect to requirements for benefits, claims payment, and policy reporting
54 practice under Subsection (3)(d), and loss ratios under Subsection (4).

55 (b) This section does not apply to a policy of one or more employers or labor
56 organizations, or of the trustees of a fund established by one or more employers or
57 labor organizations, or a combination of employers and labor unions, for employees
58 or former employees or a combination of employees and former employees, or for
59 members or former members of the labor organizations, or a combination of
60 members and former members of labor organizations.

61 (c) This section does not prohibit, nor does it apply to insurance policies or health care
62 benefit plans, including group conversion policies, provided to Medicare eligible
63 persons that are not marketed or held out to be Medicare supplement insurance
64 policies or benefit plans.

65 (3)(a) A Medicare supplement insurance policy or certificate in force in the state may

- 66 not contain benefits that duplicate benefits provided by Medicare.
- 67 (b) Notwithstanding any other provision of law of this state, a Medicare supplement
68 policy or certificate may not exclude or limit benefits for loss incurred more than six
69 months from the effective date of coverage because it involved a preexisting
70 condition. The policy or certificate may not define a preexisting condition more
71 restrictively than: "A condition for which medical advice was given or treatment was
72 recommended by or received from a physician within six months before the effective
73 date of coverage."
- 74 (c) The commissioner shall adopt rules to establish specific standards for policy
75 provisions of Medicare supplement insurance policies and certificates. The standards
76 adopted shall be in addition to and in accordance with applicable laws of this state. A
77 requirement of this title relating to minimum required policy benefits, other than the
78 minimum standards contained in this section, may not apply to Medicare supplement
79 insurance policies and certificates. The standards may include:
- 80 (i) terms of renewability;
 - 81 (ii) initial and subsequent conditions of eligibility;
 - 82 (iii) nonduplication of coverage;
 - 83 (iv) probationary periods;
 - 84 (v) benefit limitations, exceptions, and reductions;
 - 85 (vi) elimination periods;
 - 86 (vii) requirements for replacement;
 - 87 (viii) recurrent conditions; and
 - 88 (ix) definitions of terms.
- 89 (d) The commissioner shall adopt rules establishing minimum standards for benefits,
90 claims payment, marketing practices, compensation arrangements, and reporting
91 practices for Medicare supplement insurance policies and certificates.
- 92 (e) The commissioner may adopt rules to conform Medicare supplement insurance
93 policies and certificates to the requirements of federal law and regulations, including:
- 94 (i) requiring refunds or credits if the policies do not meet loss ratio requirements;
 - 95 (ii) establishing a uniform methodology for calculating and reporting loss ratios;
 - 96 (iii) assuring public access to policies, premiums, and loss ratio information of
97 issuers of Medicare supplement insurance;
 - 98 (iv) establishing a process for approving or disapproving policy forms and certificate
99 forms and proposed premium increases;

- 100 (v) establishing a policy for holding public hearings prior to approval of premium
101 increases;
- 102 (vi) establishing standards for Medicare select policies and certificates; and
103 (vii) nondiscrimination for genetic testing or genetic information.
- 104 (f) The commissioner may adopt rules that prohibit policy provisions not otherwise
105 specifically authorized by statute that, in the opinion of the commissioner, are unjust,
106 unfair, or unfairly discriminatory to any person insured or proposed to be insured
107 under a Medicare supplement insurance policy or certificate.
- 108 (g)(i) During Medicare supplement insurance open enrollment, an issuer shall allow
109 an enrollee that is enrolled in one of the issuer's Medicare supplement insurance
110 plans to choose a different Medicare supplement insurance plan that is:
- 111 (A) offered by the issuer; and
112 (B) considered a comparable or lower tier plan than the enrollee's current plan.
- 113 (ii) An issuer may not deny enrollment based on medical underwriting when an
114 enrollee selects a plan in accordance with Subsection (3)(g)(i).
- 115 (4) Medicare supplement insurance policies shall return to policyholders benefits that are
116 reasonable in relation to the premium charged. The commissioner shall make rules to
117 establish minimum standards for loss ratios of Medicare supplement insurance policies
118 on the basis of incurred claims experience, or incurred health care expenses where
119 coverage is provided by a health maintenance organization on a service basis rather than
120 on a reimbursement basis, and earned premiums in accordance with accepted actuarial
121 principles and practices.
- 122 (5)(a) To provide for full and fair disclosure in the sale of Medicare supplement
123 insurance, a Medicare supplement insurance policy or certificate may not be
124 delivered in this state unless an outline of coverage is delivered to the applicant at the
125 time application is made.
- 126 (b) The commissioner shall prescribe the format and content of the outline of coverage
127 required by Subsection (5)(a).
- 128 (c) For purposes of this section, "format" means style arrangements and overall
129 appearance, including such items as the size, color, and prominence of type and
130 arrangement of text and captions. The outline of coverage shall include:
- 131 (i) a description of the principal benefits and coverage provided in the policy;
132 (ii) a statement of the renewal provisions, including any reservation by the issuer of a
133 right to change premiums; and disclosure of the existence of any automatic

- 134 renewal premium increases based on the policyholder's age; and
- 135 (iii) a statement that the outline of coverage is a summary of the policy issued or
- 136 applied for and that the policy should be consulted to determine governing
- 137 contractual provisions.
- 138 (d) The commissioner may make rules for captions or notice if the commissioner finds
- 139 that the rules are:
- 140 (i) in the public interest; and
- 141 (ii) designed to inform prospective insureds that particular insurance coverages are
- 142 not Medicare supplement coverages, for all accident and health insurance policies
- 143 sold to persons eligible for Medicare, other than:
- 144 (A) a Medicare supplement insurance policy; or
- 145 (B) a disability income policy.
- 146 (e) The commissioner may prescribe by rule a standard form and the contents of an
- 147 informational brochure for persons eligible for Medicare, that is intended to improve
- 148 the buyer's ability to select the most appropriate coverage and improve the buyer's
- 149 understanding of Medicare. Except in the case of direct response insurance policies,
- 150 the commissioner may require by rule that the informational brochure be provided
- 151 concurrently with delivery of the outline of coverage to any prospective insureds
- 152 eligible for Medicare. With respect to direct response insurance policies, the
- 153 commissioner may require by rule that the prescribed brochure be provided upon
- 154 request to any prospective insureds eligible for Medicare, but in no event later than
- 155 the time of policy delivery.
- 156 (f) The commissioner may adopt reasonable rules to govern the full and fair disclosure
- 157 of the information in connection with the replacement of accident and health policies,
- 158 subscriber contracts, or certificates by persons eligible for Medicare.
- 159 (6) Notwithstanding Subsection (1), Medicare supplement insurance policies and
- 160 certificates shall have a notice prominently printed on the first page of the policy or
- 161 certificate, or attached to the front page, stating in substance that the applicant has the
- 162 right to return the policy or certificate within 30 days of its delivery and to have the
- 163 premium refunded if, after examination of the policy or certificate, the applicant is not
- 164 satisfied for any reason. Any refund made pursuant to this section shall be paid directly
- 165 to the applicant by the issuer in a timely manner.
- 166 (7)(a) Every issuer of Medicare supplement insurance policies or certificates in this
- 167 state shall:

168 (i) provide a copy of any Medicare supplement insurance advertisement intended for
169 use in this state, whether through written or broadcast medium, to the
170 commissioner for review[-] ; and

171 (ii) allow an individual who is under 65 years old and becomes eligible for Medicare
172 due to disability or end stage renal disease to enroll in a Medicare supplement
173 insurance plan if the individual submits an application for a Medicare supplement
174 insurance plan within 180 days from the day on which the applicant enrolls for
175 benefits under Medicare.

176 (8) The commissioner may adopt rules:

177 (a) to conform Medicare and Medicare supplement insurance policies and certificates to
178 the marketing requirements of federal law and regulation[-] ;

179 (b) to implement Medicare supplement insurance open enrollment as described in
180 Subsection (3)(g); or

181 (c) to implement the offering of Medicare supplement insurance plans to people under
182 65 years old in accordance with Subsection (7)(a)(ii).

183 Section 2. **Effective Date.**

184 This bill takes effect on May 7, 2025.