

SENATE, No. 1092

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JANUARY 30, 2020

Sponsored by:
Senator JOSEPH F. VITALE
District 19 (Middlesex)

SYNOPSIS

Provides guaranteed issue rights to certain applicants for Medicare supplement insurance policies.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning Medicare supplement insurance coverage and
2 supplementing P.L.1982, c.94 (C.17B:26A-1 et seq.).

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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7 1. a. No later than 60 days after the effective date of this act, no
8 carrier issuing or renewing Medicare supplement insurance policies or
9 contracts in this State shall: (1) deny or condition the effectiveness
10 or issuance, or discriminate in the pricing, of Medicare supplement
11 insurance policies or contracts based on the health status, claims
12 experience, receipt of health care by, or medical condition of an
13 applicant, and (2) exclude benefits based on an applicant's
14 preexisting medical conditions. The provisions of this act shall
15 only apply when the application for Medicare supplement coverage
16 is submitted on or after the first day of the first month in which the
17 applicant is 65 years of age or older and the applicant is enrolled for
18 benefits under Medicare Part B.

19 b. As used in this act:

20 "Carrier" means an insurance company, health service corporation,
21 hospital service corporation, medical service corporation, or health
22 maintenance organization authorized to issue health benefits plans in
23 this State.

24 "Health benefits plan" means a hospital and medical expense
25 insurance policy; hospital service corporation contract, medical
26 service corporation contract or health service corporation contract
27 delivered or issued for delivery in this State.

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29 2. The Commissioner of Banking and Insurance shall adopt
30 rules and regulations pursuant to the "Administrative Procedure
31 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the
32 purposes of this act.

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34 3. This act shall take effect immediately.

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STATEMENT

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39 This bill prohibits health insurance companies, health service
40 corporations, hospital service corporations, medical service
41 corporations, and health maintenance organizations that issue
42 Medicare supplement insurance policies or contracts in the State: (1)
43 from denying or conditioning the effectiveness or issuance, or
44 discriminating in the pricing, of Medicare supplement insurance
45 policies or contracts based on the health status, claims experience,
46 receipt of health care by, or medical condition of an applicant; and (2)
47 from excluding benefits based on an applicant's preexisting medical
48 condition. Under the bill, these provisions only apply when the

1 application for Medicare supplement coverage is submitted on or after
2 the first day of the first month in which the applicant is 65 years of age
3 or older and the applicant is enrolled for benefits under Medicare
4 Part B.

5 Medicare supplement insurance, also known as “medigap”
6 insurance, is sold by private insurance companies and can help pay
7 some of the out-of-pocket costs associated with Medicare Part A and
8 Medicare Part B, such as copayments, coinsurance, deductibles and
9 other fees.

10 The types of consumer protections provided under this bill are
11 collectively known as guaranteed issue rights and prohibit health
12 insurance carriers from denying an applicant a Medicare supplement
13 insurance policy or contract based on factors such as age, gender, or
14 health status, and from varying premiums based on an applicant’s pre-
15 existing medical conditions.

16 Currently in New Jersey, applicants are provided guaranteed issued
17 rights to Medicare supplement insurance during a one-time, six-month
18 open enrollment period for beneficiaries ages 65 and older when
19 enrolling in Medicare Part B, and for certain qualifying events which
20 generally include instances when Medicare beneficiaries involuntarily
21 lose supplemental coverage. Medicare beneficiaries who miss these
22 enrollment opportunities may unknowingly forfeit the chance to
23 purchase Medicare supplement insurance later in life. This bill
24 addresses this issue by providing continuous guaranteed issue rights to
25 applicants ages 65 and older who are also enrolled for benefits under
26 Medicare Part B.