87R9199 SMT-D

By:  Shaheen H.B. No. 3074

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of certain individuals to purchase Medicare supplement benefit plans at the lowest standard premium rate.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Subchapter A, Chapter 1652, Insurance Code, is amended by adding Section 1652.006 to read as follows:

Sec. 1652.006.  RATE REQUIREMENTS FOR POLICIES OFFERED AT CERTAIN PERIODS. (a) In this section:

(1)  "Entity" means an entity that delivers or issues for delivery a Medicare supplement benefit plan in this state.

(2)  "Substantially comparable plan" means a Medicare supplement benefit plan that is of the same tier as another Medicare supplement benefit plan as provided by Subsection (b).

(b)  For purposes of this section:

(1)  a Medicare supplement benefit plan is considered a "tier one plan" if the plan is identified by the department as Plan C, D, E, F except for high-deductible F, G except for high-deductible G, I, J, M, or N;

(2)  a Medicare supplement benefit plan is considered a "tier two plan" if the plan is identified by the department as Plan A or B; and

(3)  a Medicare supplement benefit plan is considered a "tier three plan" if the plan is identified by the department as high-deductible Plan F or G or Plan K or L.

(c)  Except as provided by Subsection (f), an entity shall offer a plan at the lowest standard premium rate charged for that plan if:

(1)  on the date an applicant applies for the plan, the applicant is covered by a substantially comparable plan; and

(2)  the applicant applies for the plan during the applicant's eligibility period described by Subsection (d).

(d)  An applicant is eligible under Subsection (c) for a period occurring once every five years, beginning the year in which the applicant's 70th birthday occurs. The eligibility period:

(1)  begins on the first day of the applicant's birth month; and

(2)  ends on the last day of the second month that follows the applicant's birth month.

(e)  An entity may not deny coverage or offer a plan to which this section applies at a higher premium rate based on the applicant's:

(1)  height;

(2)  weight; or

(3)  medical history except for age and tobacco use.

(f)  Notwithstanding Subsection (c), an entity may charge a higher standard rate for tobacco users than non-tobacco users.

SECTION 2.  The changes in law made by this Act apply only to a Medicare supplement benefit plan delivered, issued for delivery, or renewed on or after January 1, 2022.

SECTION 3.  This Act takes effect September 1, 2021.