

By: Shaheen

H.B. No. 3074

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the eligibility of certain individuals to purchase  
3 Medicare supplement benefit plans at the lowest standard premium  
4 rate.

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

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

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

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

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

15 (b) For purposes of this section:

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

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

23 (3) a Medicare supplement benefit plan is considered a  
24 "tier three plan" if the plan is identified by the department as

1 high-deductible Plan F or G or Plan K or L.

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

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

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

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

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

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

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

19 (1) height;

20 (2) weight; or

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

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

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

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