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SENATE BILL NO. 760

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Commerce and Labor
on February 9, 2015)

(Patron Prior to Substitute—Senator Edwards)

A *BILL to amend the Code of Virginia by adding in Chapter 36 of Title 38.2 a section numbered 38.2-3610, relating to Medicare supplement policies for individuals under age 65.*

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 36 of Title 38.2 a section numbered 38.2-3610 as follows:

§ 38.2-3610. Medicare supplement policies for persons eligible by reason of disability.

A. An insurer issuing Medicare supplement policies in the Commonwealth shall offer the opportunity of enrolling in a Medicare supplement policy. Medicare supplement policies shall be issued on a guaranteed renewable basis under which the insurer shall be required to continue coverage as long as premiums are paid on the policy. Medicare supplement policies shall be offered to any individual who resides in the Commonwealth, is enrolled in Medicare Part B, and is under 65 years of age and eligible for Medicare by reason of disability, not including individuals with end-stage renal disease:

1. Upon the request of the individual during the six-month period beginning with the first month in which the individual is eligible for Medicare by reason of a disability. For those persons who are retroactively enrolled in Medicare Part B due to a retroactive eligibility decision made by the Social Security Administration, the application must be submitted within a six-month period beginning with the month in which the person receives notification of the retroactive eligibility decision; or

2. Upon the request of the individual during the 63-day period following termination of coverage under a group health plan.

B. The six-month period to enroll in a Medicare supplement policy for an individual who is under 65 years of age and is eligible for Medicare by reason of disability and otherwise eligible under subsection A and first enrolled in Medicare Part B before October 1, 2015, shall begin on October 1, 2015.

C. A Medicare supplement policy issued to an individual under subsection A may not exclude benefits based on a preexisting condition if the individual has a continuous period of creditable coverage of at least six months as of the effective date of coverage.

D. An insurer may develop premium rates specific to the class of individuals described in subsection A.

E. For purposes of this section, "group health plan" means the same as that term is defined in § 38.2-3431.

F. Carriers offering Medicare supplement policies in the Commonwealth shall offer policies for person under 65 years of age who are eligible for Medicare by reason of disability under this provision.

G. Insurance brokers shall charge a flat administrative fee, not a percentage fee.