

# State Corporation Commission

## 2015 Fiscal Impact Statement

**1. Bill Number:** SB760

**House of Origin**    ☐ Introduced    ☒ Substitute    ☒ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Edwards

**3. Committee:** Commerce and Labor

**4. Title:** Medicare; supplement policies for certain individuals under age 65.

**5. Summary:** Medicare supplement policies for individuals under age 65. Requires insurers issuing Medicare supplement policies in the Commonwealth to make all standardized Medicare Supplement available to any Medicare enrollee under 65 years of age who resides in the Commonwealth, is enrolled in Medicare Part B, and is eligible for Medicare due to disability, not including individuals with end-stage renal disease. A Medicare supplement policy issued to such an individual 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 date of application for coverage. The enrollment period for an individual is the six-month period following the month the individual became eligible for Medicare or during the 63-day period following termination of coverage under a group health insurance policy.

**6. Budget amendment necessary:** No

**7. Fiscal Impact Estimates:** No fiscal impact on the State Corporation Commission

**8. Fiscal implications:** None on the State Corporation Commission

**9. Specific agency or political subdivisions affected:** State Corporation Commission Bureau of Insurance

**10. Technical amendment necessary:** No

**11. Other comments:** This bill would require issuers of Medicare Supplement policies in Virginia to make all standardized Medicare Supplement plans available on a guaranteed issue basis (no underwriting) to individuals under age 65 who are enrolled in Medicare due to disability, subject to certain time restrictions as identified in the bill. The bill further requires that premium rates developed for these individuals are subject only to the variances permitted in Virginia § 38.2-3447 (age, tobacco use, family composition, rating areas). Consequently, an insurer issuing these products would have more ability to price and underwrite the products issued to individuals over age 65 than it would with respect to individuals under age 65 and disabled.

Senate Bill 760 was recommitted to Senate Commerce and Labor on February 10, 2015 and was referred by letter to the Health Insurance Reform Commission for an assessment of the proposed mandate on health insurers.

**Date:** 02/20/15/V. Tompkins

cc: Secretary of Commerce and Trade, Secretary of Health and Human Resources