

State Corporation Commission

2020 Fiscal Impact Statement

1. **Bill Number:** SB250

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. **Patron:** Edwards

3. **Committee:** Passed Both Houses

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

5. **Summary:** Requires insurers issuing Medicare supplement policies in the Commonwealth to offer the opportunity of enrolling in a Medicare supplement policy to any individual under age 65 who resides in the Commonwealth, is enrolled in Medicare Part A and Part B, and is eligible for Medicare by reason of disability as defined by 42 U.S.C. § 426(b). The provisions of the measure are applicable to health plans and health maintenance organizations issuing Medicare supplement policies or certificates in the Commonwealth, including policies or certificates issued on an individual or group basis or through a group trust. The six-month period to enroll in a Medicare supplement policy or certificate 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 January 1, 2021, shall begin on January 1, 2021.

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 and the Commission's Bureau of Insurance

10. **Technical Amendment Necessary:** No

11. **Other Comments:** Only one insurance carrier writes Medicare Supplement for individuals under age 65 and disabled in one restricted service area of the Commonwealth. In 2015, similar legislation, Senate Bill 760, was referred to the Health Insurance Reform Commission for review. The Bureau of Insurance surveyed the 32 insurers offering Medicare Supplement policies in Virginia to persons age 65 or older to determine the effect of such legislation on their willingness to remain involved in the Medicare Supplement market if legislation were enacted that required them to offer policies to eligible persons under age 65 and disabled. The 30 carriers responding to the survey indicated that they would stay in the market and write such insurance at costs estimated from 1½ to 5 times higher than for individuals aged 65 or greater. Similar legislation was introduced in 2016 and 2017, but was not enacted.

Date: 3/3/20/V. Tompkins