

REFERENCE TITLE: medicare supplement; disability; renal disease

State of Arizona
House of Representatives
Fifty-fifth Legislature
First Regular Session
2021

HB 2274

Introduced by
Representatives Butler: Jermaine, Powers Hannley, Salman, Senator Alston

AN ACT

AMENDING SECTION 20-1133, ARIZONA REVISED STATUTES; RELATING TO MEDICARE SUPPLEMENT INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-1133, Arizona Revised Statutes, is amended to
3 read:

4 20-1133. Medicare supplement insurance; disability; end-stage
5 renal disease; applicability

6 A. The director shall adopt ~~those~~ rules ~~as are~~ necessary to comply
7 with the requirements of the social security disability amendments of 1980
8 (P.L. 96-265; 94 STAT. 441; 42 United States Code section 1395ss) and any
9 federal laws or regulations pertaining to that section, so that this state
10 may retain its full authority to regulate minimum standards for medicare
11 supplement insurance.

12 B. Subject to the other limitations provided in this subsection, ~~no~~
13 ~~benefit~~ BENEFITS mandated in this title for health insurance policies
14 ~~shall~~ DO NOT apply to medicare supplement insurance policies unless such
15 mandated policy benefits are set forth in rules adopted pursuant to this
16 section or unless the statute mandating policy benefits expressly states
17 that it is made specifically applicable to medicare supplement insurance
18 policies. ~~no~~ A medicare supplement insurance policy shall NOT contain any
19 exclusion for services provided by any type of properly licensed health
20 care provider if the provider's services are eligible for medicare
21 reimbursement and if the specific services in question would be covered by
22 medicare. ~~in no event shall~~ The scope of benefits of a medicare
23 supplement policy MAY NOT be less than the minimum level of benefits
24 established by federal law.

25 C. ANY INSURER THAT OFFERS MEDICARE SUPPLEMENT INSURANCE POLICIES
26 IN THIS STATE TO PERSONS WHO ARE AT LEAST SIXTY-FIVE YEARS OF AGE SHALL
27 ALSO OFFER MEDICARE SUPPLEMENT INSURANCE POLICIES TO PERSONS WHO ARE
28 ELIGIBLE FOR AND ENROLLED IN MEDICARE DUE TO A DISABILITY OR END-STAGE
29 RENAL DISEASE. ALL BENEFITS AND COVERAGES THAT APPLY TO A MEDICARE
30 ENROLLEE WHO IS AT LEAST SIXTY-FIVE YEARS OF AGE MUST ALSO APPLY TO A
31 MEDICARE ENROLLEE WHO IS ENROLLED DUE TO A DISABILITY OR END-STAGE RENAL
32 DISEASE.

33 D. A MEDICARE ENROLLEE MAY ENROLL IN A MEDICARE SUPPLEMENT
34 INSURANCE POLICY AT ANY TIME ALLOWED OR REQUIRED BY FEDERAL LAW OR WITHIN
35 SIX MONTHS AFTER ANY OF THE FOLLOWING:

36 1. ENROLLING IN MEDICARE PART B OR JANUARY 1, 2022 FOR AN ENROLLEE
37 WHO IS UNDER SIXTY-FIVE YEARS OF AGE AND WHO IS ELIGIBLE FOR MEDICARE DUE
38 TO A DISABILITY OR END-STAGE RENAL DISEASE, WHICHEVER IS LATER.

39 2. RECEIVING NOTICE THAT THE ENROLLEE HAS BEEN RETROACTIVELY
40 ENROLLED IN MEDICARE PART B DUE TO A RETROACTIVE ELIGIBILITY DECISION MADE
41 BY THE SOCIAL SECURITY ADMINISTRATION.

42 3. TERMINATION OF COVERAGE UNDER A GROUP HEALTH INSURANCE PLAN.

43 E. AN INSURER MAY NOT CHARGE AN ENROLLEE WHO QUALIFIES FOR MEDICARE
44 DUE TO A DISABILITY OR END-STAGE RENAL DISEASE AND WHO IS UNDER SIXTY-FIVE
45 YEARS OF AGE A PREMIUM RATE FOR A MEDICAL SUPPLEMENTAL INSURANCE BENEFIT

1 PLAN OFFERED BY THE INSURER THAT EXCEEDS THE INSURER'S HIGHEST RATE
2 PURSUANT TO THE INSURER'S RATE SCHEDULE FILED WITH THE DEPARTMENT FOR THAT
3 PLAN CHARGED TO ENROLLEES WHO ARE AT LEAST SIXTY-FIVE YEARS OF AGE.

4 F. A MEDICARE SUPPLEMENT INSURANCE POLICY ISSUED PURSUANT TO THIS
5 SECTION MAY NOT PROHIBIT A PAYMENT MADE BY A THIRD PARTY ON BEHALF OF AN
6 ENROLLEE IF FULL PAYMENT IS MADE IN A TIMELY MANNER AS PROVIDED IN THE
7 POLICY.

8 ~~F.~~ G. Notwithstanding any other provision of this title, rules
9 adopted pursuant to this section apply to insurance furnished under
10 disability insurance policies, ~~under~~ subscription contracts of hospital,
11 medical, dental or optometric service corporations, ~~under~~ certificates of
12 fraternal benefit societies, ~~under~~ evidences of coverage of health care
13 services organizations and ~~under~~ coverages issued by any other insurer,
14 which policies, contracts, certificates, membership coverages, evidences
15 of coverage and coverages are delivered or issued for delivery in this
16 state on or after the effective date of rules adopted pursuant to
17 subsection A OF THIS SECTION. In adopting the rules required by
18 subsection A OF THIS SECTION, the director shall prescribe an effective
19 date of the rules that will allow insurers sufficient time to bring their
20 forms and practices into compliance with the requirements of the rule.