

1 AN ACT relating to Medicare supplement insurance.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 304.14-520 is amended to read as follows:

4 Notwithstanding any other provision of state law~~[- of this state]~~, for a Medicare
5 supplement policy:

6 **(1) Except as provided in subsection (2) of this section, an insurer shall not deny, or**
7 **condition the issuance or effectiveness of, the policy, or discriminate in the**
8 **pricing of the policy, based on the age, gender, health status, claims experience,**
9 **receipt of health care, or medical condition of an applicant or a person covered**
10 **under the policy;**~~may not deny a claim for losses incurred more than six (6)~~
11 ~~months from the effective date of coverage for a pre-existing condition. The policy~~
12 ~~may not define a pre-existing condition more restrictively than a condition for~~
13 ~~which medical advice was given or treatment was recommended by or received~~
14 ~~from a physician within six (6) months before the effective date of coverage.]~~

15 **(2) (a) An insurer shall not charge non-age eligible persons more than the**
16 **weighted average premium rate for the policy, which shall be calculated by:**
17 **1. First multiplying the premium rate for each age band, age sixty-five**
18 **(65) and over, by the number of Kentucky insureds in-force in that age**
19 **band to arrive at the total Kentucky premium for each age band age**
20 **sixty-five (65) and over;**
21 **2. Then calculating the sum of the Kentucky premium for all age bands**
22 **age sixty-five (65) and over to arrive at the total Kentucky premium for**
23 **all age bands age sixty-five (65) and over;**
24 **3. Then calculating the sum of the Kentucky insureds in-force for all age**
25 **bands age sixty-five (65) and over to arrive at the total number of**
26 **Kentucky insureds in-force for all age bands age sixty-five (65) and**
27 **over; and**

1 4. Then dividing the total determined under subparagraph 2. of this
 2 paragraph by the total determined under subparagraph 3. of this
 3 paragraph to determine the weighted average premium rate.

4 (b) As used in this subsection, "non-age eligible persons":

5 1. Means persons who are eligible for Medicare by reason other than
 6 age; and

7 2. Includes persons entitled to benefits under Part A pursuant to Section
 8 226 or 226A of the Social Security Act, 42 U.S.C. sec. 426(b) or 426-1,
 9 as amended;

10 (3) The policy shall not contain any waiting period or pre-existing condition
 11 limitation or exclusion; and

12 (4) (a) At a minimum, applications shall be accepted, and policies shall be issued:

13 1. During the thirty (30) days following the birthday of a person covered
 14 by a Medicare supplement policy; and

15 2. During the sixty (60) days following the date an individual becomes
 16 eligible for Medicare.

17 (b) For purposes of paragraph (a)1. of this subsection, the insurer shall:

18 1. Make available to the insured different Medicare supplement policies
 19 with benefits that are equal to or less than the benefits of the person's
 20 existing coverage; and

21 2. Notify an insured of the insured's rights under this paragraph at least
 22 thirty (30) days, but no more than sixty (60) days, before the insured's
 23 birthday.

24 ➔Section 2. This Act shall apply to Medicare supplement policies available,
 25 issued, or renewed in this state on or after the effective date of this Act.