

Council Substitute for
Committee Substitute for House Bill No. 675

An act relating to Medicare supplement policies; amending s. 627.671, F.S.; revising a short title; amending s. 627.6741, F.S.; requiring that insurers issuing Medicare supplement policies in this state offer the opportunity to enroll in a Medicare supplement policy to certain individuals having a disability or end-stage renal disease; permitting insurers offering Medicare supplement policies to effect a one-time rate schedule change; authorizing insurers to propose a rate adjustment that considers the experience of policies or certificates for persons younger than 65 years of age; establishing credibility criteria for the rate adjustment; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 627.671, Florida Statutes, is amended to read:

627.671 Medicare supplement reform; short title.—Sections 627.671-627.675 may be cited as the “Alonzo Mourning Access to Care Act Florida Medicare Supplement Reform Act.”

Section 2. Subsection (1) of section 627.6741, Florida Statutes, is amended to read:

627.6741 Issuance, cancellation, nonrenewal, and replacement.—

(1)(a) An insurer issuing Medicare supplement policies in this state shall offer the opportunity of enrolling in a Medicare supplement policy, without conditioning the issuance or effectiveness of the policy on, and without discriminating in the price of the policy based on, the medical or health status or receipt of health care by the individual:

1.(a) To any individual who is 65 years of age or older, or under 65 years of age and eligible for Medicare by reason of disability or end-stage renal disease, and who resides in this state, upon the request of the individual during the 6-month period beginning with the first month in which the individual has attained 65 years of age and is enrolled in Medicare Part B, or is eligible for Medicare by reason of a disability or end-stage renal disease, and is enrolled in Medicare Part B; or

2.(b) To any individual who is 65 years of age or older, or under 65 years of age and eligible for Medicare by reason of a disability or end-stage renal disease, who and is enrolled in Medicare Part B, and who resides in this state, upon the request of the individual during the 2-month period following termination of coverage under a group health insurance policy.

(b) The 6-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 or end-stage renal disease and otherwise eligible under sub-

paragraph (a)1. or subparagraph (a)2. and first enrolled in Medicare Part B before October 1, 2009, begins on October 1, 2009.

(c) A company that has offered Medicare supplement policies to individuals under 65 years of age who are eligible for Medicare by reason of disability or end-stage renal disease before October 1, 2009, may, for one time only, effect a rate schedule change that redefines the age bands of the premium classes without activating the period of discontinuance required by s. 627.410(6)(e)2.

(d) As a part of an insurer's rate filings, before and including the insurer's first rate filing for a block of policy forms in 2015, notwithstanding the provisions of s. 627.410(6)(e)3., an insurer shall consider the experience of the policies or certificates for the premium classes including individuals under 65 years of age and eligible for Medicare by reason of disability or end-stage renal disease separately from the balance of the block so as not to affect the other premium classes. For filings in such time period only, credibility of that experience shall be as follows: if a block of policy forms has 1,250 or more policies or certificates in force in the age band including ages under 65 years of age, full or 100 percent credibility shall be given to the experience; and if fewer than 250 policies or certificates are in force, no or zero percent credibility shall be given. Linear interpolation shall be used for in-force amounts between the low and high values. Florida-only experience shall be used if it is 100 percent credible. If Florida-only experience is not 100 percent credible, a combination of Florida-only and nationwide experience shall be used. If Florida-only experience is zero percent credible, nationwide experience shall be used. The insurer may file its initial rates and any rate adjustment based upon the experience of these policies or certificates or based upon expected claim experience using experience data of the same company, other companies in the same or other states, or using data publicly available from the Centers for Medicaid and Medicare Services if the insurer's combined Florida and nationwide experience is not 100 percent credible, separate from the balance of all other Medicare supplement policies.

A Medicare supplement policy issued to an individual under subparagraph (a)1. or subparagraph (a)2. ~~paragraph (a) or paragraph (b)~~ may not exclude benefits based on a preexisting condition if the individual has a continuous period of creditable coverage, as defined in s. 627.6561(5), of at least 6 months as of the date of application for coverage.

Section 3. This act shall take effect October 1, 2009.

Approved by the Governor June 10, 2009.

Filed in Office Secretary of State June 10, 2009.