

SENATE BILL NO. 1143

November 26, 2024, Introduced by Senator IRWIN and referred to the Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 3829 (MCL 500.3829), as amended by 2018 PA 429.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3829. (1) An insurer shall not deny or condition the
2 issuance or effectiveness of a Medicare supplement policy available
3 for sale in this state, or discriminate in the pricing of ~~such a~~
4 **Medicare supplement** policy, because of the health status, claims
5 experience, receipt of health care, or medical condition of an
6 applicant if ~~an~~ **any of the following apply:**

1 (a) An application for the **Medicare supplement** policy is
2 submitted during the 6-month period beginning with the first month
3 in which an individual who is 65 years of age or older enrolled for
4 benefits under Medicare part B.

5 (b) The applicant is a non-age-eligible individual and either
6 of the following applies:

7 (i) The application for the Medicare supplement policy is
8 submitted during the 6-month period beginning with the first month
9 in which the non-age-eligible individual enrolled for benefits
10 under Medicare part B.

11 (ii) Both of the following apply:

12 (A) The applicant was enrolled in Medicare part B before the
13 effective date of the amendatory act that added this subdivision.

14 (B) Either of the following applies:

15 (I) The applicant submits an application for the Medicare
16 supplement policy during the 6-month period beginning on the
17 effective date of the amendatory act that added this subdivision.

18 (II) If the application is not available for the applicant to
19 submit under sub-sub-subparagraph (I) on or before the effective
20 date of the amendatory act that added this subdivision, the
21 applicant requests an application for the Medicare supplement
22 policy during the 6-month period beginning on the effective date of
23 the amendatory act that added this subdivision.

24 (c) All of the following apply:

25 (i) At the time the application is submitted, the applicant is
26 insured under a Medicare supplement policy.

27 (ii) The application is submitted:

28 (A) To an insurer that is different than the insurer that
29 issued the applicant's current Medicare supplement policy.

1 (B) Not later than 60 days after the applicant's date of
2 birth.

3 (iii) The applicant seeks to maintain the same Medicare
4 supplement policy.

5 (2) An insurer that issues a Medicare supplement policy in
6 this state shall make Medicare supplement policies available to all
7 applicants described in subsection (1)(b). For a Medicare
8 supplement policy offered to an applicant described in subsection
9 (1)(b), all of the following apply:

10 (a) The applicant must not be charged more than the premium
11 rate for an individual who is 65 years of age.

12 (b) The insurer shall demonstrate compliance with subdivision
13 (a).

14 (c) The Medicare supplement policy must not contain a waiting
15 period or preexisting condition limitation or exclusion.

16 (3) Each Medicare supplement policy currently available from
17 an insurer must be made available to all applicants who qualify
18 under this section without regard to age.

19 (4) ~~(2)~~—If an applicant qualifies under subsection (1),
20 submits an application during the time period provided in
21 subsection (1), and as of the date of application has had a
22 continuous period of creditable coverage of not less than 6 months,
23 the insurer shall not exclude benefits based on a preexisting
24 condition. If the applicant qualifies under subsection (1), submits
25 an application during the time period in subsection (1), and as of
26 the date of application has had a continuous period of creditable
27 coverage that is less than 6 months, the insurer shall reduce the
28 period of any preexisting condition exclusion by the aggregate of
29 the period of creditable coverage applicable to the applicant as of

1 the enrollment date. The secretary shall specify the manner of the
2 reduction under this subsection.

3 **(5)** ~~(3)~~ Except as provided in subsection ~~(2)~~ **(4)** and section
4 3833, subsection (1) does not prevent the exclusion of benefits
5 under a policy, during the first 6 months, based on a preexisting
6 condition for which the policyholder or certificate holder received
7 treatment or was otherwise diagnosed during the 6 months before the
8 coverage became effective.

9 **(6)** ~~(4)~~ As used in this section, "creditable coverage" does
10 not include any of the following:

11 (a) One or more of the following:

12 (i) Coverage only for accident or disability income insurance,
13 or any combination of accident or disability income insurance.

14 (ii) Coverage issued as a supplement to liability insurance.

15 (iii) Liability insurance, including general liability insurance
16 and automobile liability insurance.

17 (iv) Workers' compensation or similar insurance.

18 (v) Automobile medical payment insurance.

19 (vi) Credit-only insurance.

20 (vii) Coverage for on-site medical clinics.

21 (viii) Other similar insurance coverage, specified in federal
22 regulations, under which benefits for medical care are secondary or
23 incidental to other insurance benefits.

24 (b) The following benefits if they are provided under a
25 separate policy, certificate, or contract of insurance or are
26 otherwise not an integral part of the plan:

27 (i) Limited scope dental or vision benefits.

28 (ii) Benefits for long-term care, nursing home care, home
29 health care, community-based care, or any combination of long-term

1 care, nursing home care, home health care, or community-based care.

2 (iii) Such other similar, limited benefits as are specified in
3 federal regulations.

4 (c) The following benefits if offered as independent,
5 noncoordinated benefits:

6 (i) Coverage only for a specified disease or illness.

7 (ii) Hospital indemnity or other fixed indemnity insurance.

8 (d) The following if it is offered as a separate policy,
9 certificate, or contract of insurance:

10 (i) Medicare supplemental policy as defined in 42 USC 1395ss.

11 (ii) Coverage supplemental to the coverage provided under
12 chapter 55 of title 10 of the United States Code, 10 USC 1071 to
13 1110b.

14 (iii) Similar supplemental coverage provided to coverage under a
15 group health plan.