

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 32

Introduced by Jacobson, 42.

Read first time January 05, 2023

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to the Medical Supplement Insurance Minimum
2 Standards Act; to amend section 44-3601, Reissue Revised Statutes of
3 Nebraska; to change provisions relating to requirements for issuers
4 of medicare supplement insurance policies or certificates and
5 coverage of individuals under sixty-five years of age who are
6 eligible for medicare by reason of disability or end-stage renal
7 disease; to harmonize provisions; and to repeal the original
8 section.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-3601, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 44-3601 Sections 44-3601 to 44-3610 and section 2 of this act shall
4 be known and may be cited as the Medicare Supplement Insurance Minimum
5 Standards Act.

6 Sec. 2. (1) Any issuer of medicare supplement policies or
7 certificates in this state, including policies or certificates issued on
8 an individual or group basis, or through a group trust, shall offer the
9 opportunity of enrolling in any of its issued medicare supplement
10 policies or certificates to any individual who (a) is a resident of this
11 state, (b) is under sixty-five years of age, (c) is eligible for medicare
12 by reason of disability or end-stage renal disease, and (d) is enrolled
13 in Part A and B of medicare or will be so enrolled by the effective date
14 of coverage.

15 (2) Such medicare supplement policies or certificates shall be
16 issued on a guaranteed renewable basis under which the issuer shall be
17 required to continue coverage as long as premiums are paid on the policy
18 or certificate. Such medicare supplement policies or certificates shall
19 be offered:

20 (a) Upon the request of the individual during the six-month period
21 beginning with the first month in which the individual is eligible for
22 medicare by reason of disability or end-stage renal disease. For
23 individuals who are retroactively enrolled in Part B of medicare due to a
24 retroactive eligibility decision made by the Social Security
25 Administration, the application shall be submitted within a six-month
26 period beginning with the month in which the individual receives
27 notification of the retroactive eligibility decision; or

28 (b) Upon the request of the individual during the sixty-three-day
29 period following voluntary or involuntary termination of coverage under a
30 group health plan.

31 (3) The six-month period to enroll in a medicare supplement policy

1 or certificate for an individual who is under sixty-five years of age and
2 is otherwise eligible to enroll in a medicare supplement policy or
3 certificate by reason of disability or end-stage renal disease under
4 subsection (1) of this section and who first enrolled in Part B of
5 medicare prior to the effective date of this act, shall begin on the
6 effective date of this act.

7 (4)(a) An issuer of medicare supplement policies or certificates in
8 this state shall not charge a rate for such policy or certificate to an
9 individual under sixty-five years of age who is eligible for medicare by
10 reason of disability or end-stage renal disease more than the weighted
11 average aged premium rate for the policy or certificate and shall
12 demonstrate compliance with this section for each plan.

13 (b) The weighted average aged premium rate shall be calculated by:

14 (i) First multiplying the premium rate for each age band, sixty-five
15 years of age and over, by the number of Nebraska insureds in-force in
16 that age band to arrive at the total Nebraska premium for each age band
17 sixty-five years of age and over;

18 (ii) Then calculating the sum of the Nebraska premium for all age
19 bands sixty-five years of age and over to arrive at the total Nebraska
20 premium for all age bands sixty-five years of age and over;

21 (iii) Then calculating the sum of the Nebraska insureds in-force for
22 all age bands sixty-five years of age and over to arrive at the total
23 number of Nebraska insureds in-force for all age bands sixty-five years
24 of age and over; and

25 (iv) Finally, dividing the total Nebraska premium for all age bands
26 sixty-five years of age and over by the total number of Nebraska insureds
27 in-force for all age bands, sixty-five years of age and over, to
28 determine the weighted average aged premium rate.

29 Sec. 3. Original section 44-3601, Reissue Revised Statutes of
30 Nebraska, is repealed.