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RWH/CL

P.L. 2019, CHAPTER 139, *approved June 26, 2019*
Senate, No. 3651 (*First Reprint*)

1 AN ACT concerning Medicare supplement coverage and amending
2 P.L.1995, c.229.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 1 of P.L.1995, c.229 (C.17B:26A-12) is amended to
8 read as follows:

9 1. The Legislature finds and declares that:

10 a. As of April 1, 1995, individuals in the State of New Jersey
11 under age 65 who became eligible for Medicare benefits due to a
12 disability or because they suffer from the end stage of renal disease
13 do not have access to Medicare supplement insurance, otherwise
14 known as "Medigap" insurance.

15 b. Prior to that date only one health insurance carrier in New
16 Jersey offered Medicare supplement insurance contracts to the
17 under 65 population. Unsustainable losses, caused in part by the
18 fact that this carrier was the only carrier providing such coverage,
19 led to the carrier's withdrawal from the Medicare supplement
20 insurance market for the under 65 population on March 31, 1995.

21 c. Because Medicare supplement insurance pays for many of
22 the health care expenses not covered by Medicare, the absence of
23 Medicare supplement insurance will eventually leave thousands of
24 blind, AIDS, disabled and dialysis patients in New Jersey without
25 any means of secondary insurance to supplement their Medicare
26 coverage. For many of these people with serious illnesses, the 20
27 percent co-payments and deductibles charged by Medicare will
28 cause financial hardship and emotional distress. If no action is
29 taken, Medicare recipients under 65 years old will be forced to
30 deplete their personal assets and may eventually be forced to resort
31 to Medicaid to supplement their health care needs.

32 d. Subsequent to the enactment of P.L.1995, c. 229
33 (C.17B:26A-12 et seq.), section 401 of the Medicare Access and
34 CHIP Reauthorization Act of 2015, Pub. L. 114-10, amended
35 section 1882 of the Social Security Act (42 U.S.C. s.1395ss),
36 prohibiting the issue of Medicare supplement policies that provide
37 coverage of the Medicare Part B deductible to an individual who, on
38 or after January 1, 2020, is a newly eligible Medicare beneficiary,
39 and further specifying that ¹, with respect to newly eligible
40 Medicare beneficiaries, ¹ reference to a Medicare supplement policy
41 which has a benefit package classified as Medicare ¹[Part]

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly floor amendments adopted June 20, 2019.

1 Supplement Plan¹ C shall be deemed, as of January 1, 2020, to be a
 2 reference to a Medicare supplement policy which has a benefit
 3 package classified as Medicare ¹【Part】 Supplement Plan¹ D, unless
 4 the Secretary of the United States Department of Health and Human
 5 Services provides otherwise.

6 e. Therefore, the Legislature declares that it is in the public
 7 interest:

8 (1) to ensure that Medicare supplement insurance is available to
 9 the individuals under 65 years of age who become eligible for
 10 Medicare benefits;

11 (2) to require all health insurance carriers who currently sell
 12 Medicare supplement insurance to the ¹【over】¹ age 65 ¹and over¹
 13 population to also offer, at a minimum, Medicare Supplement Plan
 14 C coverage to the under age 65 population who become eligible for
 15 Medicare prior to January 1, 2020;

16 (3) to require all health insurance carriers that currently sell
 17 Medicare supplement insurance to the ¹【over】¹ age 65 ¹and over¹
 18 population to also offer, at a minimum, Medicare Supplement Plan
 19 D coverage to the under age 65 population who become newly
 20 eligible on or after January 1, 2020;

21 (4) to establish a mechanism that will: allow the premiums on
 22 those Medicare supplement insurance policies and contracts to
 23 remain affordable; encourage insurance carriers to continue to serve
 24 or enter this market; and provide for the equitable sharing of any
 25 losses;

26 **【(4)】** (5) to ensure that premiums for the more than 200,000
 27 New Jersey residents who have purchased Medicare supplement
 28 insurance remain affordable and do not become subject to excessive
 29 rate increases; and

30 **【(5)】** (6) that regulations necessary to effectuate the purposes
 31 of this act be promulgated by the Commissioner of Banking and
 32 Insurance expeditiously due to the urgency of the situation.

33 (cf: P.L.1995, c.229, s.1)

34

35 2. Section 2 of P.L.1995, c.229 (C.17B:26A-13) is amended to
 36 read as follows:

37 2. a. **【No later than 60 days after the effective date of this act】**
 38 Except as otherwise provided in subsection d. of this section, every
 39 carrier issuing or renewing Medicare supplement insurance policies
 40 or contracts shall, as a condition of issuing or renewing health
 41 benefits plans in this State **【,】** ;

42 (1) offer and renew, at a minimum, Medicare Supplement Plan C
 43 policies or contracts to persons in this State 50 years of age or older
 44 who are entitled to Medicare benefits due to disability **【,** except as
 45 otherwise provided in subsection d. of this section **】** prior to January
 46 1, 2020;

1 (2) offer and renew, at a minimum, Medicare Supplement Plan
2 D policies or contracts to persons in this State 50 years of age or
3 older who are newly eligible Medicare beneficiaries on or after
4 January 1, 2020; and

5 (3) offer and renew Medicare Supplement Plan D policies or
6 contracts to persons in this State 50 years of age or older who are
7 entitled to Medicare benefits due to disability prior to January 1,
8 2020 if such a person applies for Medicare Supplement Plan D on
9 or after January 1, 2020 but during the six-month period beginning
10 with the first of the month in which the individual is enrolled in
11 Medicare Part B, and the individual is not covered by any other
12 Medicare Supplement Plan.

13 b. No carrier shall deny or condition the issuance or renewal of
14 a Medicare supplement insurance policy or contract available for
15 sale in this State pursuant to subsection a. of this section nor
16 discriminate in the pricing of such policy or contract because of the
17 health status, claims experience, receipt of health care or medical
18 condition of an applicant if an application for **【the policy or**
19 **contract】** Medicare 'Supplement' Plan C is submitted during the
20 six-month period beginning with the first month in which an
21 individual is enrolled for benefits under Medicare Part B or if the
22 application for **【the policy or contract】** Medicare 'Supplement'
23 Plan D is submitted within **【six】** 12 months **【after the effective date**
24 **of this act】** beginning with the first month in which an individual is
25 enrolled for benefits under Medicare Part B if the individual is a
26 newly eligible Medicare beneficiary on or after January 1, 2020.

27 c. Subsections a. and b. of this section shall not be construed as
28 preventing the exclusion of benefits under a policy or contract
29 during the first three months, based on a preexisting condition for
30 which the insured received treatment or was otherwise diagnosed
31 during the six months before the policy or contract became
32 effective, except that the limitation shall not apply to an individual
33 who has, under a prior health benefits policy or contract, with no
34 intervening lapse in coverage, been treated or diagnosed by a
35 physician for a condition under that policy or contract or satisfied a
36 three-month preexisting condition limitation.

37 d. (1) Notwithstanding the provisions of subsection a. of this
38 section to the contrary, a carrier that does not currently issue or
39 renew individual Medicare supplement insurance policies or
40 contracts and does issue and renew Medicare supplement insurance
41 policies or contracts for groups whose membership in the group is
42 not based on health status, claims experience, receipt of health care
43 or medical condition, shall not be required to provide coverage to
44 persons eligible for Medicare supplement insurance coverage
45 pursuant to subsection a. of this section, other than to members of
46 the group.

1 (2) No group to which the provisions of paragraph (1) of this
2 subsection apply shall institute an age requirement for participation
3 in the group after June 1, 1995.

4 e. (1) Rates for Medicare supplement insurance policies or
5 contracts issued pursuant to this section shall be no greater than the
6 lowest rate charged by a carrier for the same type of policies or
7 contracts issued to persons 65 years of age and over and shall be
8 formulated in accordance with the provisions of section 6 of
9 P.L.1982, c.95 (C.17:35C-6) or section 6 of P.L.1982, c.94
10 (C.17B:26A-6), as appropriate, and any rules or regulations
11 promulgated pursuant thereto.

12 (2) Following the close of each carrier's accounting year, if the
13 commissioner determines that a carrier's loss ratio for policies or
14 contracts issued pursuant to section 2 or 3 of ~~【this act】~~ P.L.1995,
15 c.229 (C.17B:26A-13 or 17B:26A-14) was less than 75% for group
16 policies or contracts or less than 65% for individual policies or
17 contracts for that calendar year, the carrier shall be required to
18 refund to the holders of any policy or contract the difference
19 between the amount of net earned premium it received that year and
20 the amount that would have been necessary to achieve the 75% or
21 65% loss ratio, as appropriate.

22 (cf: P.L.1995, c.229, s.2)

23

24 3. Section 3 of P.L.1995, c.229 (C.17B:26A-14) is amended to
25 read as follows:

26 3. a. The commissioner shall adopt rules and regulations
27 establishing a plan to provide Medicare Supplement Plan C
28 coverage of the standardized Medicare supplement plans to persons
29 under 50 years of age in this State who are entitled to Medicare
30 benefits due to disability ~~【no later than 120 days after the effective~~
31 ~~date of this act】~~ prior to January 1, 2020, and further, establishing a
32 plan to provide Medicare Supplement Plan D coverage to persons in
33 this State under 50 years of age who are entitled, on a newly
34 eligible basis, to Medicare benefits due to disability on or after
35 January 1, 2020.

36 b. The plan shall not deny or condition the issuance or renewal
37 of a Medicare supplement insurance policy or contract available for
38 sale in this State pursuant to subsection a. of this section nor
39 discriminate in the pricing of such policy or contract because of the
40 health status, claims experience, receipt of health care or medical
41 condition of an applicant if an application for ~~【the】~~ a Medicare
42 'Supplement' Plan C policy or contract is submitted during the six-
43 month period beginning with the first month in which an individual
44 is enrolled for benefits under Medicare Part B or if the application
45 for ~~【the】~~ a Medicare 'Supplement' Plan D policy or contract is
46 submitted ~~【within six months after the effective date of this act】~~
47 during the 12-month period beginning with the first month in which

1 an individual is enrolled for benefits under Medicare Part B, and a
2 newly eligible Medicare beneficiary on or after January 1, 2020.
3 The plan shall provide that an individual who becomes eligible for
4 Medicare due to disability prior to January 1, 2020 has an
5 opportunity to apply for Medicare 'Supplement' Plan D if the
6 individual applies on or after January 1, 2020, but during the six-
7 month period beginning with the first of the month in which the
8 individual is enrolled for benefits under Medicare Part B, and the
9 individual is not covered by any other Medicare Supplement Plan.

10 c. Subsections a. and b. of this section shall not be construed as
11 preventing the exclusion of benefits under a policy or contract
12 during the first three months, based on a preexisting condition for
13 which the insured received treatment or was otherwise diagnosed
14 during the six months before the policy or contract became
15 effective.

16 d. The plan shall provide for the appointment of a contracting
17 carrier to provide the coverage specified in subsection a. of this
18 section. The carrier shall have experience in providing and
19 servicing standardized Medicare supplement insurance policies or
20 contracts to persons in this State.

21 e. The rates for the plan established pursuant to subsection a.
22 of this section shall be no greater than the lowest rate charged by
23 the contracting carrier for Medicare Supplement Plan C or Medicare
24 Supplement Plan D policies or contracts, as applicable, issued by
25 the contracting carrier to persons pursuant to subsection a. of
26 section 2 of **[this act]** P.L.1995, c.229 (C.17B:26A-13).

27 f. The plan shall provide for the appointment of a governing
28 board which shall be responsible for implementing the provisions of
29 **[this act]** P.L.1995, c.229 (C.17B:26A-12 et seq.) consistent with
30 the rules and regulations adopted pursuant to subsection a. of this
31 section. The governing board shall include representatives from,
32 among others, the carriers and health maintenance organizations
33 subject to the provisions of section 4 of **[this**
34 **act]** P.L.1995, c.229 (C.17B:26A-15).

35 (cf: P.L.1995, c.229, s.3)

36
37 4. Section 6 of P.L.1995, c.229 (C.17B:26A-17) is amended to
38 read as follows:

39 6. As used in this act:

40 "Carrier" means an insurance company or service corporation
41 authorized to issue health benefits plans in this State.

42 "Financially impaired" means a carrier or health maintenance
43 organization which, after the effective date of **[this act]** P.L.1995,
44 c.229 (C.17B:26A-12 et seq.), is not insolvent, but is deemed by the
45 commissioner to be potentially unable to fulfill its contractual
46 obligations, or a carrier or health maintenance organization which is

1 under an order of rehabilitation or conservation by a court of
2 competent jurisdiction.

3 "Health benefits plan" means a hospital and medical expense
4 insurance policy; hospital service corporation contract, medical service
5 corporation contract or health service corporation contract delivered or
6 issued for delivery in this State.

7 "Newly eligible" means first eligible for Medicare benefits by
8 reason of age or disability on or after January 1, 2020, in accordance
9 with 42 U.S.C. s.426 or 426-1.

10 (cf: P.L.1995, c.229, s.6)

11

12 5. This act shall take effect immediately.

13

14

15

16

17 Revises law concerning Medicare supplement insurance
18 coverage.

SENATE, No. 3651

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 13, 2019

Sponsored by:

Senator NELLIE POU

District 35 (Bergen and Passaic)

Senator TROY SINGLETON

District 7 (Burlington)

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

SYNOPSIS

Revises law concerning Medicare supplement insurance coverage.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/21/2019)

1 AN ACT concerning Medicare supplement coverage and amending
2 P.L.1995, c.229.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 1 of P.L.1995, c.229 (C.17B:26A-12) is amended to
8 read as follows:

9 1. The Legislature finds and declares that:

10 a. As of April 1, 1995, individuals in the State of New Jersey
11 under age 65 who became eligible for Medicare benefits due to a
12 disability or because they suffer from the end stage of renal disease do
13 not have access to Medicare supplement insurance, otherwise known
14 as "Medigap" insurance.

15 b. Prior to that date only one health insurance carrier in New
16 Jersey offered Medicare supplement insurance contracts to the under
17 65 population. Unsustainable losses, caused in part by the fact that
18 this carrier was the only carrier providing such coverage, led to the
19 carrier's withdrawal from the Medicare supplement insurance market
20 for the under 65 population on March 31, 1995.

21 c. Because Medicare supplement insurance pays for many of the
22 health care expenses not covered by Medicare, the absence of
23 Medicare supplement insurance will eventually leave thousands of
24 blind, AIDS, disabled and dialysis patients in New Jersey without any
25 means of secondary insurance to supplement their Medicare coverage.
26 For many of these people with serious illnesses, the 20 percent co-
27 payments and deductibles charged by Medicare will cause financial
28 hardship and emotional distress. If no action is taken, Medicare
29 recipients under 65 years old will be forced to deplete their personal
30 assets and may eventually be forced to resort to Medicaid to
31 supplement their health care needs.

32 d. Subsequent to the enactment of P.L.1995, c. 229 (C.17B:26A-
33 12 et seq.), section 401 of the Medicare Access and CHIP
34 Reauthorization Act of 2015, Pub. L. 114-10, amended section 1882 of
35 the Social Security Act (42 U.S.C. s.1395ss), prohibiting the issue of
36 Medicare supplement policies that provide coverage of the Medicare
37 Part B deductible to an individual who, on or after January 1, 2020, is
38 a newly eligible Medicare beneficiary, and further specifying that
39 reference to a Medicare supplement policy which has a benefit
40 package classified as Medicare Part C shall be deemed, as of January
41 1, 2020, to be a reference to a Medicare supplement policy which has a
42 benefit package classified as Medicare Part D, unless the Secretary of
43 the United States Department of Health and Human Services provides
44 otherwise.

45 e. Therefore, the Legislature declares that it is in the public
46 interest:

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 (1) to ensure that Medicare supplement insurance is available to
2 the individuals under 65 years of age who become eligible for
3 Medicare benefits;

4 (2) to require all health insurance carriers who currently sell
5 Medicare supplement insurance to the over age 65 population to also
6 offer, at a minimum, Medicare Supplement Plan C coverage to the
7 under age 65 population who become eligible for Medicare prior to
8 January 1, 2020;

9 (3) to require all health insurance carriers that currently sell
10 Medicare supplement insurance to the over age 65 population to also
11 offer, at a minimum, Medicare Supplement Plan D coverage to the
12 under age 65 population who become newly eligible on or after
13 January 1, 2020;

14 (4) to establish a mechanism that will: allow the premiums on
15 those Medicare supplement insurance policies and contracts to remain
16 affordable; encourage insurance carriers to continue to serve or enter
17 this market; and provide for the equitable sharing of any losses;

18 **[(4)] (5)** to ensure that premiums for the more than 200,000 New
19 Jersey residents who have purchased Medicare supplement insurance
20 remain affordable and do not become subject to excessive rate
21 increases; and

22 **[(5)] (6)** that regulations necessary to effectuate the purposes of
23 this act be promulgated by the Commissioner of Banking and
24 Insurance expeditiously due to the urgency of the situation.

25 (cf: P.L.1995, c.229, s.1)

26

27 2. Section 2 of P.L.1995, c.229 (C.17B:26A-13) is amended to
28 read as follows:

29 2. a. **[No later than 60 days after the effective date of this act]**
30 Except as otherwise provided in subsection d. of this section, every
31 carrier issuing or renewing Medicare supplement insurance policies or
32 contracts shall, as a condition of issuing or renewing health benefits
33 plans in this State **[.]** :

34 (1) offer and renew, at a minimum, Medicare Supplement Plan C
35 policies or contracts to persons in this State 50 years of age or older
36 who are entitled to Medicare benefits due to disability **[,** except as
37 otherwise provided in subsection d. of this section**]** prior to January 1,
38 2020;

39 (2) offer and renew, at a minimum, Medicare Supplement Plan D
40 policies or contracts to persons in this State 50 years of age or older
41 who are newly eligible Medicare beneficiaries on or after January 1,
42 2020; and

43 (3) offer and renew Medicare Supplement Plan D policies or
44 contracts to persons in this State 50 years of age or older who are
45 entitled to Medicare benefits due to disability prior to January 1, 2020
46 if such a person applies for Medicare Supplement Plan D on or after
47 January 1, 2020 but during the six-month period beginning with the

1 first of the month in which the individual is enrolled in Medicare Part
2 B, and the individual is not covered by any other Medicare
3 Supplement Plan.

4 b. No carrier shall deny or condition the issuance or renewal of a
5 Medicare supplement insurance policy or contract available for sale in
6 this State pursuant to subsection a. of this section nor discriminate in
7 the pricing of such policy or contract because of the health status,
8 claims experience, receipt of health care or medical condition of an
9 applicant if an application for **【the policy or contract】** Medicare Plan
10 C is submitted during the six-month period beginning with the first
11 month in which an individual is enrolled for benefits under Medicare
12 Part B or if the application for **【the policy or contract】** Medicare Plan
13 D is submitted within **【six】** 12 months **【after the effective date of this**
14 **act】** beginning with the first month in which an individual is enrolled
15 for benefits under Medicare Part B if the individual is a newly eligible
16 Medicare beneficiary on or after January 1, 2020.

17 c. Subsections a. and b. of this section shall not be construed as
18 preventing the exclusion of benefits under a policy or contract during
19 the first three months, based on a preexisting condition for which the
20 insured received treatment or was otherwise diagnosed during the six
21 months before the policy or contract became effective, except that the
22 limitation shall not apply to an individual who has, under a prior health
23 benefits policy or contract, with no intervening lapse in coverage, been
24 treated or diagnosed by a physician for a condition under that policy or
25 contract or satisfied a three-month preexisting condition limitation.

26 d. (1) Notwithstanding the provisions of subsection a. of this
27 section to the contrary, a carrier that does not currently issue or renew
28 individual Medicare supplement insurance policies or contracts and
29 does issue and renew Medicare supplement insurance policies or
30 contracts for groups whose membership in the group is not based on
31 health status, claims experience, receipt of health care or medical
32 condition, shall not be required to provide coverage to persons eligible
33 for Medicare supplement insurance coverage pursuant to subsection a.
34 of this section, other than to members of the group.

35 (2) No group to which the provisions of paragraph (1) of this
36 subsection apply shall institute an age requirement for participation in
37 the group after June 1, 1995.

38 e. (1) Rates for Medicare supplement insurance policies or
39 contracts issued pursuant to this section shall be no greater than the
40 lowest rate charged by a carrier for the same type of policies or
41 contracts issued to persons 65 years of age and over and shall be
42 formulated in accordance with the provisions of section 6 of P.L.1982,
43 c.95 (C.17:35C-6) or section 6 of P.L.1982, c.94 (C.17B:26A-6), as
44 appropriate, and any rules or regulations promulgated pursuant thereto.

45 (2) Following the close of each carrier's accounting year, if the
46 commissioner determines that a carrier's loss ratio for policies or
47 contracts issued pursuant to section 2 or 3 of **【this act】** P.L.1995, c.229

1 (C.17B:26A-13 or 17B:26A-14) was less than 75% for group policies
2 or contracts or less than 65% for individual policies or contracts for
3 that calendar year, the carrier shall be required to refund to the holders
4 of any policy or contract the difference between the amount of net
5 earned premium it received that year and the amount that would have
6 been necessary to achieve the 75% or 65% loss ratio, as appropriate.
7 (cf: P.L.1995, c.229, s.2)

8
9 3. Section 3 of P.L.1995, c.229 (C.17B:26A-14) is amended to
10 read as follows:

11 3. a. The commissioner shall adopt rules and regulations
12 establishing a plan to provide Medicare Supplement Plan C coverage
13 of the standardized Medicare supplement plans to persons under 50
14 years of age in this State who are entitled to Medicare benefits due to
15 disability **【no later than 120 days after the effective date of this act】**
16 prior to January 1, 2020, and further, establishing a plan to provide
17 Medicare Supplement Plan D coverage to persons in this State under
18 50 years of age who are entitled, on a newly eligible basis, to Medicare
19 benefits due to disability on or after January 1, 2020.

20 b. The plan shall not deny or condition the issuance or renewal of
21 a Medicare supplement insurance policy or contract available for sale
22 in this State pursuant to subsection a. of this section nor discriminate
23 in the pricing of such policy or contract because of the health status,
24 claims experience, receipt of health care or medical condition of an
25 applicant if an application for **【the】 a Medicare Plan C** policy or
26 contract is submitted during the six-month period beginning with the
27 first month in which an individual is enrolled for benefits under
28 Medicare Part B or if the application for **【the】 a Medicare Plan D**
29 policy or contract is submitted **【within six months after the effective**
30 **date of this act】** during the 12-month period beginning with the first
31 month in which an individual is enrolled for benefits under Medicare
32 Part B, and a newly eligible Medicare beneficiary on or after January
33 1, 2020. The plan shall provide that an individual who becomes
34 eligible for Medicare due to disability prior to January 1, 2020 has an
35 opportunity to apply for Medicare Plan D if the individual applies on
36 or after January 1, 2020, but during the six-month period beginning
37 with the first of the month in which the individual is enrolled for
38 benefits under Medicare Part B, and the individual is not covered by
39 any other Medicare Supplement Plan.

40 c. Subsections a. and b. of this section shall not be construed as
41 preventing the exclusion of benefits under a policy or contract during
42 the first three months, based on a preexisting condition for which the
43 insured received treatment or was otherwise diagnosed during the six
44 months before the policy or contract became effective.

45 d. The plan shall provide for the appointment of a contracting
46 carrier to provide the coverage specified in subsection a. of this
47 section. The carrier shall have experience in providing and servicing

1 standardized Medicare supplement insurance policies or contracts to
2 persons in this State.

3 e. The rates for the plan established pursuant to subsection a. of
4 this section shall be no greater than the lowest rate charged by the
5 contracting carrier for Medicare Supplement Plan C or Medicare
6 Supplement Plan D policies or contracts, as applicable, issued by the
7 contracting carrier to persons pursuant to subsection a. of section 2 of
8 **[this act]** P.L.1995, c.229 (C.17B:26A-13).

9 f. The plan shall provide for the appointment of a governing
10 board which shall be responsible for implementing the provisions of
11 **[this act]** P.L.1995, c.229 (C.17B:26A-12 et seq.) consistent with the
12 rules and regulations adopted pursuant to subsection a. of this section.
13 The governing board shall include representatives from, among others,
14 the carriers and health maintenance organizations subject to the
15 provisions of section 4 of **[this act]** P.L.1995, c.229 (C.17B:26A-
16 15).

17 (cf: P.L.1995, c.229, s.3)

18
19 4. Section 6 of P.L.1995, c.229 (C.17B:26A-17) is amended to
20 read as follows:

21 6. As used in this act:

22 "Carrier" means an insurance company or service corporation
23 authorized to issue health benefits plans in this State.

24 "Financially impaired" means a carrier or health maintenance
25 organization which, after the effective date of **[this act]** P.L.1995,
26 c.229 (C.17B:26A-12 et seq.), is not insolvent, but is deemed by the
27 commissioner to be potentially unable to fulfill its contractual
28 obligations, or a carrier or health maintenance organization which is
29 under an order of rehabilitation or conservation by a court of
30 competent jurisdiction.

31 "Health benefits plan" means a hospital and medical expense
32 insurance policy; hospital service corporation contract, medical service
33 corporation contract or health service corporation contract delivered or
34 issued for delivery in this State.

35 "Newly eligible" means first eligible for Medicare benefits by
36 reason of age or disability on or after January 1, 2020, in accordance
37 with 42 U.S.C. s.426 or 426-1.

38 (cf: P.L.1995, c.229, s.6)

39

40 5. This act shall take effect immediately.

41

42

43

STATEMENT

44

45 This bill requires all health insurance carriers that currently sell
46 Medicare supplement insurance to the over age 65 population to also
47 offer, at a minimum, Medicare Supplement Plan D coverage to the
48 under age 65 population who become eligible due to disability on or

1 after January 1, 2020. The revisions proposed by this bill to New
2 Jersey law governing Medicare supplement insurance result from
3 recent changes made to the federal Medicare law with respect to this
4 population.

5 Specifically, the bill provides that every carrier issuing or
6 renewing Medicare supplement insurance policies or contracts shall, as
7 a condition of issuing or renewing health benefits plans in this State:

8 (1) offer and renew, at a minimum, Medicare Supplement Plan C
9 policies or contracts to persons in this State 50 years of age or older
10 who are entitled to Medicare benefits due to disability prior to January
11 1, 2020;

12 (2) offer and renew, at a minimum, Medicare Supplement Plan D
13 policies or contracts to persons in this State 50 years of age or older
14 who are newly eligible Medicare beneficiaries on or after January 1,
15 2020; and

16 (3) offer and renew Medicare Supplement Plan D policies or
17 contracts to persons in this State 50 years of age or older who are
18 entitled to Medicare benefits due to disability prior to January 1, 2020
19 if such a person applies for Medicare Supplement Plan D on or after
20 January 1, 2020 but during the six-month period beginning with the
21 first of the month in which the individual is enrolled in Medicare Part
22 B, and the individual is not covered by any other Medicare
23 Supplement Plan.

24 The bill requires the Commissioner of Banking and Insurance to
25 adopt rules and regulations establishing a plan to provide Medicare
26 supplement coverage to persons in this State under 50 years of age
27 who are entitled, on a newly eligible basis, to Medicare benefits due to
28 disability on or after January 1, 2020. Under the bill, the plan may not
29 deny or condition the issuance or renewal of a Medicare supplement
30 insurance policy or contract available for sale in this State nor
31 discriminate in the pricing of such policy or contract because of the
32 health status, claims experience, receipt of health care or medical
33 condition of an applicant, under certain circumstances.

34 Under the bill, "newly eligible" means first eligible for Medicare
35 benefits by reason of age or disability on or after January 1, 2020, in
36 accordance with 42 U.S.C. s.426 or 426-1.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 3651

STATE OF NEW JERSEY

DATED: JUNE 3, 2019

The Senate Commerce Committee reports favorably Senate Bill No. 3651.

This bill requires all health insurance carriers that currently sell Medicare supplement insurance to the over age 65 population to also offer, at a minimum, Medicare Supplement Plan D coverage to the under age 65 population who become eligible due to disability on or after January 1, 2020. The revisions proposed by this bill to New Jersey law governing Medicare supplement insurance result from recent changes made to the federal Medicare law with respect to this population.

Specifically, the bill provides that every carrier issuing or renewing Medicare supplement insurance policies or contracts shall, as a condition of issuing or renewing health benefits plans in this State:

(1) offer and renew, at a minimum, Medicare Supplement Plan C policies or contracts to persons in this State 50 years of age or older who are entitled to Medicare benefits due to disability prior to January 1, 2020;

(2) offer and renew, at a minimum, Medicare Supplement Plan D policies or contracts to persons in this State 50 years of age or older who are newly eligible Medicare beneficiaries on or after January 1, 2020; and

(3) offer and renew Medicare Supplement Plan D policies or contracts to persons in this State 50 years of age or older who are entitled to Medicare benefits due to disability prior to January 1, 2020 if such a person applies for Medicare Supplement Plan D on or after January 1, 2020 but during the six-month period beginning with the first of the month in which the individual is enrolled in Medicare Part B, and the individual is not covered by any other Medicare Supplement Plan.

The bill requires the Commissioner of Banking and Insurance to adopt rules and regulations establishing a plan to provide Medicare supplement coverage to persons in this State under 50 years of age who are entitled, on a newly eligible basis, to Medicare benefits due to disability on or after January 1, 2020. Under the bill, the plan may not deny or condition the issuance or renewal of a Medicare supplement insurance policy or contract available for sale in this State nor discriminate in the pricing of such policy or contract because of the

health status, claims experience, receipt of health care or medical condition of an applicant, under certain circumstances.

Under the bill, “newly eligible” means first eligible for Medicare benefits by reason of age or disability on or after January 1, 2020, in accordance with 42 U.S.C. s.426 or 426-1.

STATEMENT TO

SENATE, No. 3651

with Assembly Floor Amendments
(Proposed by Assemblyman CONAWAY)

ADOPTED: JUNE 20, 2019

The amendments make technical corrections to the bill, to clarify certain references to Medicare supplemental policies, and to the age 65 and over population.

ASSEMBLY, No. 5265

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 13, 2019

Sponsored by:

Assemblyman **HERB CONAWAY, JR.**

District 7 (Burlington)

Assemblyman **RAJ MUKHERJI**

District 33 (Hudson)

SYNOPSIS

Revises law concerning Medicare supplement insurance coverage.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/18/2019)

1 AN ACT concerning Medicare supplement coverage and amending
2 P.L.1995, c.229.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 1 of P.L.1995, c.229 (C.17B:26A-12) is amended to
8 read as follows:

9 1. The Legislature finds and declares that:

10 a. As of April 1, 1995, individuals in the State of New Jersey
11 under age 65 who became eligible for Medicare benefits due to a
12 disability or because they suffer from the end stage of renal disease do
13 not have access to Medicare supplement insurance, otherwise known
14 as "Medigap" insurance.

15 b. Prior to that date only one health insurance carrier in New
16 Jersey offered Medicare supplement insurance contracts to the under
17 65 population. Unsustainable losses, caused in part by the fact that
18 this carrier was the only carrier providing such coverage, led to the
19 carrier's withdrawal from the Medicare supplement insurance market
20 for the under 65 population on March 31, 1995.

21 c. Because Medicare supplement insurance pays for many of the
22 health care expenses not covered by Medicare, the absence of
23 Medicare supplement insurance will eventually leave thousands of
24 blind, AIDS, disabled and dialysis patients in New Jersey without any
25 means of secondary insurance to supplement their Medicare coverage.
26 For many of these people with serious illnesses, the 20 percent co-
27 payments and deductibles charged by Medicare will cause financial
28 hardship and emotional distress. If no action is taken, Medicare
29 recipients under 65 years old will be forced to deplete their personal
30 assets and may eventually be forced to resort to Medicaid to
31 supplement their health care needs.

32 d. Subsequent to the enactment of P.L.1995, c. 229 (C.17B:26A-
33 12 et seq.), section 401 of the Medicare Access and CHIP
34 Reauthorization Act of 2015, Pub. L. 114-10, amended section 1882 of
35 the Social Security Act (42 U.S.C. s.1395ss), prohibiting the issue of
36 Medicare supplement policies that provide coverage of the Medicare
37 Part B deductible to an individual who, on or after January 1, 2020, is
38 a newly eligible Medicare beneficiary, and further specifying that
39 reference to a Medicare supplement policy which has a benefit
40 package classified as Medicare Part C shall be deemed, as of January
41 1, 2020, to be a reference to a Medicare supplement policy which has a
42 benefit package classified as Medicare Part D, unless the Secretary of
43 the United States Department of Health and Human Services provides
44 otherwise.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 e. Therefore, the Legislature declares that it is in the public
2 interest:

3 (1) to ensure that Medicare supplement insurance is available to
4 the individuals under 65 years of age who become eligible for
5 Medicare benefits;

6 (2) to require all health insurance carriers who currently sell
7 Medicare supplement insurance to the over age 65 population to also
8 offer, at a minimum, Medicare Supplement Plan C coverage to the
9 under age 65 population who become eligible for Medicare prior to
10 January 1, 2020;

11 (3) to require all health insurance carriers that currently sell
12 Medicare supplement insurance to the over age 65 population to also
13 offer, at a minimum, Medicare Supplement Plan D coverage to the
14 under age 65 population who become newly eligible on or after
15 January 1, 2020;

16 (4) to establish a mechanism that will: allow the premiums on
17 those Medicare supplement insurance policies and contracts to remain
18 affordable; encourage insurance carriers to continue to serve or enter
19 this market; and provide for the equitable sharing of any losses;

20 (4) (5) to ensure that premiums for the more than 200,000 New
21 Jersey residents who have purchased Medicare supplement insurance
22 remain affordable and do not become subject to excessive rate
23 increases; and

24 (5) (6) that regulations necessary to effectuate the purposes of
25 this act be promulgated by the Commissioner of Banking and
26 Insurance expeditiously due to the urgency of the situation.

27 (cf: P.L.1995, c. 229, s.1)

28

29 2. Section 2 of P.L.1995, c.229 (C.17B:26A-13) is amended to
30 read as follows:

31 2. a. **【No later than 60 days after the effective date of this act】**
32 Except as otherwise provided in subsection d. of this section, every
33 carrier issuing or renewing Medicare supplement insurance policies or
34 contracts shall, as a condition of issuing or renewing health benefits
35 plans in this State **【,】** :

36 (1) offer and renew, at a minimum, Medicare Supplement Plan C
37 policies or contracts to persons in this State 50 years of age or older
38 who are entitled to Medicare benefits due to disability **【,** except as
39 otherwise provided in subsection d. of this section**】** prior to January 1,
40 2020;

41 (2) offer and renew, at a minimum, Medicare Supplement Plan D
42 policies or contracts to persons in this State 50 years of age or older
43 who are newly eligible Medicare beneficiaries on or after January 1,
44 2020; and

45 (3) offer and renew Medicare Supplement Plan D policies or
46 contracts to persons in this State 50 years of age or older who are
47 entitled to Medicare benefits due to disability prior to January 1, 2020

1 if such a person applies for Medicare Supplement Plan D on or after
2 January 1, 2020 but during the six-month period beginning with the
3 first of the month in which the individual is enrolled in Medicare Part
4 B, and the individual is not covered by any other Medicare
5 Supplement Plan.

6 b. No carrier shall deny or condition the issuance or renewal of a
7 Medicare supplement insurance policy or contract available for sale in
8 this State pursuant to subsection a. of this section nor discriminate in
9 the pricing of such policy or contract because of the health status,
10 claims experience, receipt of health care or medical condition of an
11 applicant if an application for **the policy or contract** Medicare Plan
12 C is submitted during the six-month period beginning with the first
13 month in which an individual is enrolled for benefits under Medicare
14 Part B or if the application for **the policy or contract** Medicare Plan
15 D is submitted within **six** 12 months **after the effective date of this**
16 **act** beginning with the first month in which an individual is enrolled
17 for benefits under Medicare Part B if the individual is a newly eligible
18 Medicare beneficiary on or after January 1, 2020.

19 c. Subsections a. and b. of this section shall not be construed as
20 preventing the exclusion of benefits under a policy or contract during
21 the first three months, based on a preexisting condition for which the
22 insured received treatment or was otherwise diagnosed during the six
23 months before the policy or contract became effective, except that the
24 limitation shall not apply to an individual who has, under a prior health
25 benefits policy or contract, with no intervening lapse in coverage, been
26 treated or diagnosed by a physician for a condition under that policy or
27 contract or satisfied a three-month preexisting condition limitation.

28 d. (1) Notwithstanding the provisions of subsection a. of this
29 section to the contrary, a carrier that does not currently issue or renew
30 individual Medicare supplement insurance policies or contracts and
31 does issue and renew Medicare supplement insurance policies or
32 contracts for groups whose membership in the group is not based on
33 health status, claims experience, receipt of health care or medical
34 condition, shall not be required to provide coverage to persons eligible
35 for Medicare supplement insurance coverage pursuant to subsection a.
36 of this section, other than to members of the group.

37 (2) No group to which the provisions of paragraph (1) of this
38 subsection apply shall institute an age requirement for participation in
39 the group after June 1, 1995.

40 e. (1) Rates for Medicare supplement insurance policies or
41 contracts issued pursuant to this section shall be no greater than the
42 lowest rate charged by a carrier for the same type of policies or
43 contracts issued to persons 65 years of age and over and shall be
44 formulated in accordance with the provisions of section 6 of P.L.1982,
45 c.95 (C.17:35C-6) or section 6 of P.L.1982, c.94 (C.17B:26A-6), as
46 appropriate, and any rules or regulations promulgated pursuant thereto.

47 (2) Following the close of each carrier's accounting year, if the
48 commissioner determines that a carrier's loss ratio for policies or

1 contracts issued pursuant to section 2 or 3 of ~~【this act】~~ P.L.1995, c.229
2 (C.17B:26A-13 or 17B:26A-14) was less than 75% for group policies
3 or contracts or less than 65% for individual policies or contracts for
4 that calendar year, the carrier shall be required to refund to the holders
5 of any policy or contract the difference between the amount of net
6 earned premium it received that year and the amount that would have
7 been necessary to achieve the 75% or 65% loss ratio, as appropriate.
8 (cf: P.L.1995, c. 229, s.2)

9
10 3. Section 3 of P.L.1995, c.229 (C.17B:26A-14) is amended to
11 read as follows:

12 3. a. The commissioner shall adopt rules and regulations
13 establishing a plan to provide Medicare Supplement Plan C coverage
14 of the standardized Medicare supplement plans to persons under 50
15 years of age in this State who are entitled to Medicare benefits due to
16 disability ~~【no later than 120 days after the effective date of this act】~~
17 prior to January 1, 2020, and further, establishing a plan to provide
18 Medicare Supplement Plan D coverage to persons in this State under
19 50 years of age who are entitled, on a newly eligible basis, to Medicare
20 benefits due to disability on or after January 1, 2020.

21 b. The plan shall not deny or condition the issuance or renewal of
22 a Medicare supplement insurance policy or contract available for sale
23 in this State pursuant to subsection a. of this section nor discriminate
24 in the pricing of such policy or contract because of the health status,
25 claims experience, receipt of health care or medical condition of an
26 applicant if an application for ~~【the】~~ a Medicare Plan C policy or
27 contract is submitted during the six-month period beginning with the
28 first month in which an individual is enrolled for benefits under
29 Medicare Part B or if the application for ~~【the】~~ a Medicare Plan D
30 policy or contract is submitted ~~【within six months after the effective~~
31 date of this act】 during the 12-month period beginning with the first
32 month in which an individual is enrolled for benefits under Medicare
33 Part B, and a newly eligible Medicare beneficiary on or after January
34 1, 2020. The plan shall provide that an individual who becomes
35 eligible for Medicare due to disability prior to January 1, 2020 has an
36 opportunity to apply for Medicare Plan D if the individual applies on
37 or after January 1, 2020, but during the six-month period beginning
38 with the first of the month in which the individual is enrolled for
39 benefits under Medicare Part B, and the individual is not covered by
40 any other Medicare Supplement Plan.

41 c. Subsections a. and b. of this section shall not be construed as
42 preventing the exclusion of benefits under a policy or contract during
43 the first three months, based on a preexisting condition for which the
44 insured received treatment or was otherwise diagnosed during the six
45 months before the policy or contract became effective.

46 d. The plan shall provide for the appointment of a contracting
47 carrier to provide the coverage specified in subsection a. of this

1 section. The carrier shall have experience in providing and servicing
2 standardized Medicare supplement insurance policies or contracts to
3 persons in this State.

4 e. The rates for the plan established pursuant to subsection a. of
5 this section shall be no greater than the lowest rate charged by the
6 contracting carrier for Medicare Supplement Plan C or Medicare
7 Supplement Plan D policies or contracts, as applicable, issued by the
8 contracting carrier to persons pursuant to subsection a. of section 2 of
9 **【this act】** P.L.1995, c.229 (C.17B:26A-13).

10 f. The plan shall provide for the appointment of a governing
11 board which shall be responsible for implementing the provisions of
12 **【this act】** P.L.1995, c.229 (C.17B:26A-12 et seq.) consistent with the
13 rules and regulations adopted pursuant to subsection a. of this section.
14 The governing board shall include representatives from, among others,
15 the carriers and health maintenance organizations subject to the
16 provisions of section 4 of **【this act】** P.L.1995, c.229 (C.17B:26A-
17 15).

18 (cf: P.L.1995, c. 229, s.3)

19

20 4. Section 6 of P.L.1995, c.229 (C.17B:26A-17) is amended to
21 read as follows:

22 6. As used in this act:

23 "Carrier" means an insurance company or service corporation
24 authorized to issue health benefits plans in this State.

25 "Financially impaired" means a carrier or health maintenance
26 organization which, after the effective date of **【this act】** P.L.1995,
27 c.229 (C.17B:26A-12 et seq.), is not insolvent, but is deemed by the
28 commissioner to be potentially unable to fulfill its contractual
29 obligations, or a carrier or health maintenance organization which is
30 under an order of rehabilitation or conservation by a court of
31 competent jurisdiction.

32 "Health benefits plan" means a hospital and medical expense
33 insurance policy; hospital service corporation contract, medical service
34 corporation contract or health service corporation contract delivered or
35 issued for delivery in this State.

36 "Newly eligible" means first eligible for Medicare benefits by
37 reason of age or disability on or after January 1, 2020, in accordance
38 with 42 U.S.C. s.426 or 426-1.

39 (cf: P.L.1995, c. 229, s.6)

40

41 5. This act shall take effect immediately.

42

43

44

STATEMENT

45

46 This bill requires all health insurance carriers that currently sell
47 Medicare supplement insurance to the over age 65 population to also
48 offer, at a minimum, Medicare Supplement Plan D coverage to the

1 under age 65 population who become eligible due to disability on or
2 after January 1, 2020. The revisions proposed by this bill to New
3 Jersey law governing Medicare supplement insurance result from
4 recent changes made to the federal Medicare law with respect to this
5 population.

6 Specifically, the bill provides that every carrier issuing or
7 renewing Medicare supplement insurance policies or contracts shall, as
8 a condition of issuing or renewing health benefits plans in this State:

9 (1) offer and renew, at a minimum, Medicare Supplement Plan C
10 policies or contracts to persons in this State 50 years of age or older
11 who are entitled to Medicare benefits due to disability prior to January
12 1, 2020;

13 (2) offer and renew, at a minimum, Medicare Supplement Plan D
14 policies or contracts to persons in this State 50 years of age or older
15 who are newly eligible Medicare beneficiaries on or after January 1,
16 2020; and

17 (3) offer and renew Medicare Supplement Plan D policies or
18 contracts to persons in this State 50 years of age or older who are
19 entitled to Medicare benefits due to disability prior to January 1, 2020
20 if such a person applies for Medicare Supplement Plan D on or after
21 January 1, 2020 but during the six-month period beginning with the
22 first of the month in which the individual is enrolled in Medicare Part
23 B, and the individual is not covered by any other Medicare
24 Supplement Plan.

25 The bill requires the Commissioner of Banking and Insurance to
26 adopt rules and regulations establishing a plan to provide Medicare
27 supplement coverage to persons in this State under 50 years of age
28 who are entitled, on a newly eligible basis, to Medicare benefits due to
29 disability on or after January 1, 2020. Under the bill, the plan may not
30 deny or condition the issuance or renewal of a Medicare supplement
31 insurance policy or contract available for sale in this State nor
32 discriminate in the pricing of such policy or contract because of the
33 health status, claims experience, receipt of health care or medical
34 condition of an applicant, under certain circumstances.

35 Under the bill, “newly eligible” means first eligible for Medicare
36 benefits by reason of age or disability on or after January 1, 2020, in
37 accordance with 42 U.S.C. s.426 or 426-1.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5265

STATE OF NEW JERSEY

DATED: JUNE 13, 2019

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No. 5265.

This bill requires all health insurance carriers that currently sell Medicare supplement insurance to the over age 65 population to also offer, at a minimum, Medicare Supplement Plan D coverage to the under age 65 population who become eligible for Medicare due to disability on or after January 1, 2020. The revisions proposed by this bill to New Jersey law governing Medicare supplement insurance result from recent changes made to the federal Medicare law with respect to this population.

Specifically, the bill provides that every carrier issuing or renewing Medicare supplement insurance policies or contracts shall, as a condition of issuing or renewing health benefits plans in this State:

(1) offer and renew, at a minimum, Medicare Supplement Plan C policies or contracts to persons in this State 50 years of age or older who are entitled to Medicare benefits due to disability prior to January 1, 2020;

(2) offer and renew, at a minimum, Medicare Supplement Plan D policies or contracts to persons in this State 50 years of age or older who are newly eligible Medicare beneficiaries on or after January 1, 2020; and

(3) offer and renew Medicare Supplement Plan D policies or contracts to persons in this State 50 years of age or older who are entitled to Medicare benefits due to disability prior to January 1, 2020 if such a person applies for Medicare Supplement Plan D on or after January 1, 2020 but during the six-month period beginning with the first of the month in which the individual is enrolled in Medicare Part B, and the individual is not covered by any other Medicare Supplement Plan.

The bill requires the Commissioner of Banking and Insurance to adopt rules and regulations establishing a plan to provide Medicare supplement coverage to persons in this State under 50 years of age who are entitled, on a newly eligible basis, to Medicare benefits due to disability on or after January 1, 2020. Under the bill, the plan may not deny or condition the issuance or renewal of a Medicare supplement insurance policy or contract available for sale in this State nor

discriminate in the pricing of such policy or contract because of the health status, claims experience, receipt of health care or medical condition of an applicant, under certain circumstances.

Under the bill, “newly eligible” means first eligible for Medicare benefits by reason of age or disability on or after January 1, 2020, in accordance with 42 U.S.C. s.426 or 426-1.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5265

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 17, 2019

The Assembly Budget Committee reports favorably Assembly Bill No. 5265, with committee amendments.

As amended, this bill requires all health insurance carriers that currently sell Medicare supplement insurance to the age 65 and over population to also offer, at a minimum, Medicare Supplement Plan D coverage to the under age 65 population who become eligible due to disability on or after January 1, 2020. Under current law, carriers that currently sell Medicare supplement insurance to the age 65 and over population also must offer, at a minimum, Medicare Supplement Plan C coverage to the under age 65 population, which under this bill can continue under limited circumstances where a beneficiary's open enrollment begins before January 1, 2020. The revisions proposed by this bill to New Jersey law governing Medicare supplement insurance result from recent changes made to the federal Medicare law with respect to this population.

Specifically, the bill provides that every carrier issuing or renewing Medicare supplement insurance policies or contracts shall, as a condition of issuing or renewing health benefits plans in this State:

(1) offer and renew, at a minimum, Medicare Supplement Plan C policies or contracts to persons in this State 50 years of age or older who are entitled to Medicare benefits due to disability prior to January 1, 2020;

(2) offer and renew, at a minimum, Medicare Supplement Plan D policies or contracts to persons in this State 50 years of age or older who are newly eligible Medicare beneficiaries on or after January 1, 2020; and

(3) offer and renew Medicare Supplement Plan D policies or contracts to persons in this State 50 years of age or older who are entitled to Medicare benefits due to disability prior to January 1, 2020 if such a person applies for Medicare Supplement Plan D on or after January 1, 2020 but during the six-month period beginning with the first of the month in which the individual is enrolled in Medicare Part B, and the individual is not covered by any other Medicare Supplement Plan.

The bill requires the Commissioner of Banking and Insurance to adopt rules and regulations establishing a plan to provide Medicare

supplement coverage to persons in this State under 50 years of age who are entitled, on a newly eligible basis, to Medicare benefits due to disability on or after January 1, 2020. Under the bill, the plan may not deny or condition the issuance or renewal of a Medicare supplement insurance policy or contract available for sale in this State nor discriminate in the pricing of such policy or contract because of the health status, claims experience, receipt of health care or medical condition of an applicant, under certain circumstances.

Under the bill, "newly eligible" means first eligible for Medicare benefits by reason of age or disability on or after January 1, 2020, in accordance with 42 U.S.C. s.426 or 426-1.

COMMITTEE AMENDMENTS:

The committee amendments make technical corrections to the bill, to clarify certain references to Medicare supplemental policies. and to the age 65 and over population.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.



Governor Phil Murphy

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Newark, N.J.

Governor Murphy Takes Action on Legislation

06/26/2019

TRENTON – Today, Governor Phil Murphy signed the following bills into law:

A5381 (Reynolds-Jackson, Verrelli/Turner) – Authorizes State Treasurer to sell surplus real property located in City of Trenton, Mercer County.

S2863 (Sarlo, Sweeney/Benson, Jones, Calabrese) – Revises requirements for grant recipients of Transportation Trust Fund Authority local aid program.

S2920 (Smith, Bateman, Greenstein/McKeon, Pinkin, Zwicker) – Establishes funding allocations for constitutionally dedicated CBT revenues for Fiscal Year 2020 and thereafter and revises law for State's open space, farmland, and historic preservation programs; appropriates \$500,000.

S3164 (Greenstein, Diegnan/Benson, Lopez, Murphy) – "New Jersey Transit Corporation Employee Protection Act"; prohibits NJT from asserting sovereign immunity in certain situations and subjects NJT to certain federal statutes and regulations.

S3587 (Turner/Reynolds-Jackson, Verrelli) – Establishes Trenton Capital City Aid Program; appropriates \$10 million.

S3651 (Pou, Singleton/Conaway, Mukherji) – Revises law concerning Medicare supplement insurance coverage.

Governor Phil Murphy

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[Departments/Agencies](#)

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