

Senate File 71 - Introduced

SENATE FILE 71
BY ROZENBOOM

A BILL FOR

- 1 An Act relating to Medicare supplement policies and an annual
- 2 open enrollment period.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **514M.1 Medicare supplement**
2 **insurance — annual open enrollment.**

3 1. For purposes of this section, unless the context otherwise
4 requires:

5 a. "Applicant" means an individual who is at least sixty-five
6 years old who seeks to contract for benefits under an individual
7 Medicare supplement policy, or a proposed covered individual
8 under a group Medicare supplement policy. "Applicant" includes
9 an individual under the age of sixty-five who qualifies for
10 Medicare due to disability, end-stage renal disease, or exposure
11 to an environmental hazard.

12 b. "Certificate" means any certificate of coverage delivered
13 or issued for delivery in this state to a covered individual
14 under a group Medicare supplement policy.

15 c. "Issuer" means an insurance company, a fraternal benefit
16 society, a health care service plan, a health maintenance
17 organization, or any other entity delivering or issuing for
18 delivery in this state a Medicare supplement policy or
19 certificate.

20 d. "Medicare supplement policy" means an individual or group
21 policy of accident and sickness insurance or a subscriber
22 contract of hospital and medical service associations or health
23 maintenance organizations, other than a policy issued pursuant
24 to a contract under section 1876 of the federal Social Security
25 Act, as codified in 42 U.S.C. §1395 et seq., or an issued policy
26 under an approved demonstration project described in section
27 603(c) of the Social Security Amendments of 1983, section 2355
28 of the federal Deficit Reduction Act of 1984, or section 9412(b)
29 of the federal Omnibus Budget Reconciliation Act of 1986, that
30 is advertised, marketed, or designed primarily as a supplement
31 to reimbursements under Medicare for hospital, medical, or
32 surgical expenses of individuals covered by Medicare. "Medicare
33 supplement policy" does not include Medicare advantage plans,
34 outpatient prescription drug plans established under Medicare
35 part D, or any health care prepayment plan that provides benefits

1 pursuant to an agreement under section 1833(a)(1)(A) of the
2 federal Social Security Act.

3 2. Beginning January 1, 2026, applicants shall have an annual
4 thirty-day open enrollment period that begins on the date of the
5 applicant's birthday.

6 3. During the open enrollment period under subsection 2, an
7 issuer shall be prohibited from doing any of the following:

8 a. Denying or conditioning the issuance or effectiveness of
9 any Medicare supplement policy or certificate that the issuer
10 offers and that is available for issuance in the state.

11 b. Subjecting an applicant to medical underwriting, or
12 discriminating in the pricing of a Medicare supplement policy
13 or certificate because of the applicant's health status, claims
14 experience, receipt of health care, or medical condition.

15 c. Imposing an exclusion of benefits based on an applicant's
16 preexisting condition.

17 4. During the open enrollment period, an applicant may choose
18 a Medicare supplement policy or certificate that has the same or
19 lesser benefits than the policy or certificate that the applicant
20 is covered under on the date on which the applicant's annual
21 thirty-day open enrollment period begins.

22 5. An issuer shall provide notice, in a form prescribed by
23 the commissioner of insurance, of the annual open enrollment
24 period at the time an applicant applies for a Medicare supplement
25 policy or certificate.

26 EXPLANATION

27 The inclusion of this explanation does not constitute agreement with
28 the explanation's substance by the members of the general assembly.

29 This bill relates to Medicare supplement policies and an
30 annual open enrollment period.

31 Beginning January 1, 2026, applicants shall have an annual
32 30-day open enrollment period that begins on the date of an
33 applicant's birthday. "Applicant" is defined in the bill as an
34 individual who is at least 65 years old who seeks to contract
35 for benefits under an individual Medicare supplement policy, or

1 a proposed covered individual under a group Medicare supplement
2 policy. "Applicant" includes an individual under the age of 65
3 who qualifies for Medicare due to disability, end-stage renal
4 disease, or exposure to an environmental hazard. "Medicare
5 supplement policy" is also defined in the bill.

6 During the open enrollment period, an issuer is prohibited
7 from denying or conditioning the issuance or effectiveness of any
8 Medicare supplement policy that the issuer offers and that is
9 available for issuance in the state; from subjecting an applicant
10 to medical underwriting or discriminating in the pricing of a
11 Medicare supplement policy because of the health status, claims
12 experience, receipt of health care, or medical condition of an
13 applicant; and from imposing an exclusion of benefits based on
14 an applicant's preexisting condition. During the open enrollment
15 period, an applicant may choose a Medicare supplement policy
16 or certificate that has the same or lesser benefits than the
17 policy or certificate that the applicant is covered under on
18 the date that the applicant's open enrollment begins. An issuer
19 shall provide notice, in a form prescribed by the commissioner
20 of insurance, of the annual open enrollment period at the
21 time an applicant applies for a Medicare supplement policy or
22 certificate. "Issuer" is defined in the bill.