

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6974

BILL NUMBER: HB 1346

NOTE PREPARED: Jan 8, 2024

BILL AMENDED:

SUBJECT: Medicare Supplement Insurance.

FIRST AUTHOR: Rep. Abbott

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill provides, after December 31, 2024, the following protections to an individual who is less than 65 years of age and is eligible for and enrolled in Medicare by reason of a disability or having end stage renal disease:

- (1) It requires an issuer of Medicare supplement policies or certificates (issuer) to make available to the individual the equivalent Medicare supplement policy or certificate that the issuer makes available to a person at least 65 years of age.
- (2) It provides that an issuer required to make a Medicare supplement policy or certificate available to the individual is prohibited from denying, conditioning the issuance or effectiveness of, or discriminating in the pricing of a Medicare supplement policy or certificate for the individual because of the health status, claims experience, receipt of health care, or medical condition of the individual, subject to certain conditions.
- (3) It prohibits an issuer:
 - (A) from charging the individual a premium rate for a Medicare supplement policy or certificate that exceeds the premium rate the issuer charges an individual who is 65 years of age; or
 - (B) from issuing to the individual a Medicare supplement policy or certificate that contains a waiting period or a preexisting condition limitation or exclusion;subject to certain conditions.

Effective Date: July 1, 2024.

Explanation of State Expenditures: Medicaid Savings Programs pay Medicare supplemental Part A and/or

Part B premiums for qualifying individuals. More people qualifying for Medicare supplemental policies or certificates and qualifying for the Medicaid savings programs will have indeterminate fiscal impact on state Medicaid costs. Any overall change in state Medicaid expenditures would depend on whether the person is receiving Medicaid services reimbursement and the cost of services provided, the services covered by the supplemental plan, and the cost of the premium.

Explanation of State Revenues: *Insurance Premium Tax Revenue:* If additional individuals who are under 65 years old and are eligible to enroll in Medicare due to a disability or have end-stage renal disease are able to enroll in Medicare supplemental policies, premium collections in the state could increase and revenue to the state General Fund from the corporate Adjusted Gross Income Tax or the Insurance Premium Tax would increase. The increase in revenue may be tempered by the bill's provisions allowing people currently purchasing supplemental insurance to switch plans and limits on the premiums charged on new and transferring policies or certificates.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Agency.

Local Agencies Affected:

Information Sources: <https://www.medicare.gov/medicare-savings-programs>

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