

HOUSE BILL No. 1357

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-2-28.

Synopsis: Transition from Marketplace plan to Medicare. Requires an insurer or health maintenance organization that provides coverage under an Affordable Care Act Marketplace (Marketplace) plan to provide to each individual covered under the Marketplace plan, not more than two months before the birthday on which the individual will become 65 years of age, a written message that includes: (1) a statement that the individual will be eligible to enroll in Medicare during the individual's initial enrollment period, which begins three months before the individual becomes 65 years of age; (2) a statement advising the individual that, in most cases, someone covered by a Marketplace plan will want to end their Marketplace coverage upon becoming eligible for Medicare; and (3) detailed instructions that the individual may follow to cancel the individual's Marketplace plan. Prohibits an insurer or health maintenance organization from collecting a premium for an individual's Marketplace plan coverage after the earlier of: (1) the birthday on which the individual becomes 65 years of age; or (2) the date on which the individual's Medicare coverage begins. Requires an insurer or health maintenance organization to return the part of any premium that was collected for an individual's Marketplace plan coverage but was not earned as of the birthday on which the individual becomes 65 years of age. Empowers the insurance commissioner to impose a civil penalty on or suspend or revoke the certificate of authority of an insurer or health maintenance organization that commits a violation.

Effective: July 1, 2023.

Carbaugh

January 17, 2023, read first time and referred to Committee on Insurance.



First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

HOUSE BILL No. 1357

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-2-28 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2023]:
4 **Chapter 28. Transition from Affordable Care Act to Medicare**
5 **Sec. 1. As used in this chapter, "Affordable Care Act" refers to**
6 **the federal Patient Protection and Affordable Care Act (P.L.**
7 **111-148), as amended by the federal Health Care and Education**
8 **Reconciliation Act of 2010 (P.L. 111-152).**
9 **Sec. 2. As used in this chapter, "health maintenance**
10 **organization" has the meaning set forth in IC 27-13-1-19.**
11 **Sec. 3. As used in this chapter, "insurer" has the meaning set**
12 **forth in IC 27-1-2-3(x).**
13 **Sec. 4. As used in this chapter, "Marketplace plan" means:**
14 **(1) a policy of accident and sickness insurance;**
15 **(2) a health maintenance organization contract; or**
16 **(3) an exclusive provider organization plan, point of service**
17 **plan, preferred provider organization plan, or any other plan**



1 or program;
2 that is a qualified health plan available from a marketplace under
3 the Affordable Care Act.

4 **Sec. 5.** As used in this chapter, "policy of accident and sickness
5 insurance" means a policy or contract providing one (1) or more
6 of the kinds of insurance described in Class 1(b) or 2(a) of
7 IC 27-1-5-1.

8 **Sec. 6.** As used in this chapter, "qualified health plan" has the
9 meaning set forth in Section 1301 of the Affordable Care Act, 42
10 U.S.C. 18021.

11 **Sec. 7. (a)** An insurer or health maintenance organization that
12 provides coverage under a Marketplace plan shall provide to each
13 individual covered under the Marketplace plan, not more than two
14 (2) months before the birthday on which the individual will become
15 sixty-five (65) years of age, a written message that includes the
16 following:

17 (1) A statement that the individual will be eligible to enroll in
18 Medicare during the individual's initial enrollment period,
19 which begins three (3) months before the individual becomes
20 sixty-five (65) years of age.

21 (2) This statement: "According to the health insurance
22 exchange website operated by the federal government under
23 the Affordable Care Act, in most cases, if you have a
24 Marketplace plan when you become eligible for Medicare, you
25 will want to end your Marketplace coverage."

26 (3) Detailed instructions that the individual may follow to
27 cancel the individual's Marketplace plan before the individual
28 becomes covered under Medicare, so that there is no overlap
29 between the individual's Marketplace plan coverage and the
30 individual's Medicare coverage.

31 **(b)** A written message required by subsection (a):

32 (1) shall be sent by first class mail in the form of a letter
33 addressed to the individual at the address of the individual's
34 residence; and

35 (2) shall also be sent to the individual as an electronic mail
36 message if the insurer or health maintenance organization
37 knows the individual's electronic mail address.

38 **Sec. 8.** An insurer or health maintenance organization that
39 provides coverage to an individual under a Marketplace plan shall
40 not collect a premium for the coverage after the earlier of the
41 following:

42 (1) The birthday on which the individual becomes sixty-five



1 (65) years of age.

2 (2) The date on which the individual's Medicare coverage
3 begins.

4 **Sec. 9. (a) An insurer or health maintenance organization that**
5 **provides coverage to an individual under a Marketplace plan shall**
6 **return the part of any premium that was collected for the**
7 **individual's coverage under the Marketplace plan but was not**
8 **earned as of the birthday on which the individual becomes**
9 **sixty-five (65) years of age.**

10 **(b) The amount of premium refund required by this section**
11 **shall be prorated from the birthday on which the individual**
12 **becomes sixty-five (65) years of age to the end of the contract**
13 **period for which the premium has been paid.**

14 **(c) The refund required by this section shall be paid as follows:**

15 **(1) If the covered individual paid the premium, to the covered**
16 **individual.**

17 **(2) If a person other than the covered individual paid the**
18 **premium, to that other person.**

19 **(d) The premium refund required by this section shall be paid**
20 **as provided in subsection (c) not more than fifteen (15) days after**
21 **the birthday on which the covered individual becomes sixty-five**
22 **(65) years of age.**

23 **Sec. 10. (a) If, after a hearing under IC 4-21.5-3, the insurance**
24 **commissioner determines that an insurer or health maintenance**
25 **organization has violated this chapter, the insurance commissioner**
26 **may order one (1) or both of the following:**

27 **(1) Payment of a civil penalty of not more than twenty-five**
28 **thousand dollars (\$25,000) for each violation.**

29 **(2) Suspension or revocation of the certificate of authority of**
30 **the insurer or health maintenance organization.**

31 **(b) A civil penalty collected under this section shall be deposited**
32 **in the department of insurance fund established by IC 27-1-3-28.**

