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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1373

02/18/2019 Authored by Elkins, Davids and Halverson
The bill was read for the first time and referred to the Committee on Commerce

1.1 A bill for an act
1.2 relating to insurance; making federally conforming changes to supplemental
1.3 Medicare coverage; amending Minnesota Statutes 2018, sections 62A.3099, by
1.4 adding a subdivision; 62A.31, subdivision 1, by adding a subdivision; 62A.315;
1.5 62A.316; 62A.3161; 62A.3162; 62A.3163; 62A.3164; 62A.3165; 62A.318,
1.6 subdivision 17; 62E.07.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2018, section 62A.3099, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 18a. Newly eligible individual. "Newly eligible individual" means an individual
1.11 who is eligible for Medicare on or after January 1, 2020, because the individual:

1.12 (1) has attained age 65 on or after January 2020; or

1.13 (2) is entitled to benefits under Medicare Part A pursuant to section 226(b) or 226A of
1.14 the Social Security Act, United States Code, title 42, section 426 or 426-1; or

1.15 (3) is deemed eligible for benefits under Medicare Part A pursuant to section 226(a) of
1.16 the Social Security Act, United States Code, title 42, section 426.

1.17 Sec. 2. Minnesota Statutes 2018, section 62A.31, subdivision 1, is amended to read:

1.18 Subdivision 1. **Policy requirements.** No individual or group policy, certificate, subscriber
1.19 contract issued by a health service plan corporation regulated under chapter 62C, or other
1.20 evidence of accident and health insurance the effect or purpose of which is to supplement
1.21 Medicare coverage, including to supplement coverage under Medicare Advantage plans
1.22 established under Medicare Part C, issued or delivered in this state or offered to a resident

2.1 of this state shall be sold or issued to an individual covered by Medicare unless the
2.2 requirements in subdivisions 1a to ~~1u~~ 1v are met.

2.3 Sec. 3. Minnesota Statutes 2018, section 62A.31, is amended by adding a subdivision to
2.4 read:

2.5 Subd. 1v. **Medicare Part B deductible.** A Medicare supplemental policy or certificate
2.6 must not provide coverage for 100 percent or any portion of the Medicare Part B deductible
2.7 to a newly eligible individual.

2.8 Sec. 4. Minnesota Statutes 2018, section 62A.315, is amended to read:

2.9 **62A.315 EXTENDED BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.**

2.10 (a) The extended basic Medicare supplement plan must have a level of coverage so that
2.11 it will be certified as a qualified plan pursuant to section 62E.07, and will provide:

2.12 (1) coverage for all of the Medicare Part A inpatient hospital deductible and coinsurance
2.13 amounts, and 100 percent of all Medicare Part A eligible expenses for hospitalization not
2.14 covered by Medicare;

2.15 (2) coverage for the daily co-payment amount of Medicare Part A eligible expenses for
2.16 the calendar year incurred for skilled nursing facility care;

2.17 (3) coverage for the coinsurance amount or in the case of hospital outpatient department
2.18 services paid under a prospective payment system, the co-payment amount, of Medicare
2.19 eligible expenses under Medicare Part B regardless of hospital confinement, and the Medicare
2.20 Part B deductible amount;

2.21 (4) 80 percent of the usual and customary hospital and medical expenses and supplies
2.22 described in section 62E.06, subdivision 1, not to exceed any charge limitation established
2.23 by the Medicare program or state law, the usual and customary hospital and medical expenses
2.24 and supplies, described in section 62E.06, subdivision 1, while in a foreign country; and
2.25 prescription drug expenses, not covered by Medicare. An outpatient prescription drug benefit
2.26 must not be included for sale or issuance in a Medicare supplement policy or certificate
2.27 issued on or after January 1, 2006;

2.28 (5) coverage for the reasonable cost of the first three pints of blood, or equivalent
2.29 quantities of packed red blood cells as defined under federal regulations under Medicare
2.30 Parts A and B, unless replaced in accordance with federal regulations;

3.1 (6) 100 percent of the cost of immunizations not otherwise covered under Part D of the
 3.2 Medicare program and routine screening procedures for cancer, including mammograms
 3.3 and pap smears;

3.4 (7) preventive medical care benefit: coverage for the following preventive health services
 3.5 not covered by Medicare:

3.6 (i) an annual clinical preventive medical history and physical examination that may
 3.7 include tests and services from clause (ii) and patient education to address preventive health
 3.8 care measures;

3.9 (ii) preventive screening tests or preventive services, the selection and frequency of
 3.10 which is determined to be medically appropriate by the attending physician.

3.11 Reimbursement shall be for the actual charges up to 100 percent of the Medicare-approved
 3.12 amount for each service as if Medicare were to cover the service as identified in American
 3.13 Medical Association current procedural terminology (AMA CPT) codes to a maximum of
 3.14 \$120 annually under this benefit. This benefit shall not include payment for any procedure
 3.15 covered by Medicare;

3.16 (8) coverage of cost sharing for all Medicare Part A eligible hospice care and respite
 3.17 care expenses; and

3.18 (9) coverage for cost sharing for Medicare Part A or B home health care services and
 3.19 medical supplies.

3.20 (b) An extended basic Medicare supplement plan must provide the benefits contained
 3.21 in this section, but must not provide coverage for 100 percent or any portion of the Medicare
 3.22 Part B deductible to a newly eligible individual.

3.23 Sec. 5. Minnesota Statutes 2018, section 62A.316, is amended to read:

3.24 **62A.316 BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.**

3.25 (a) The basic Medicare supplement plan must have a level of coverage that will provide:

3.26 (1) coverage for all of the Medicare Part A inpatient hospital coinsurance amounts, and
 3.27 100 percent of all Medicare part A eligible expenses for hospitalization not covered by
 3.28 Medicare, after satisfying the Medicare Part A deductible;

3.29 (2) coverage for the daily co-payment amount of Medicare Part A eligible expenses for
 3.30 the calendar year incurred for skilled nursing facility care;

4.1 (3) coverage for the coinsurance amount, or in the case of outpatient department services
4.2 paid under a prospective payment system, the co-payment amount, of Medicare eligible
4.3 expenses under Medicare Part B regardless of hospital confinement, subject to the Medicare
4.4 Part B deductible amount;

4.5 (4) 80 percent of the hospital and medical expenses and supplies incurred during travel
4.6 outside the United States as a result of a medical emergency;

4.7 (5) coverage for the reasonable cost of the first three pints of blood, or equivalent
4.8 quantities of packed red blood cells as defined under federal regulations under Medicare
4.9 Parts A and B, unless replaced in accordance with federal regulations;

4.10 (6) 100 percent of the cost of immunizations not otherwise covered under Part D of the
4.11 Medicare program and routine screening procedures for cancer screening including
4.12 mammograms and pap smears;

4.13 (7) 80 percent of coverage for all physician prescribed medically appropriate and
4.14 necessary equipment and supplies used in the management and treatment of diabetes not
4.15 otherwise covered under Part D of the Medicare program. Coverage must include persons
4.16 with gestational, type I, or type II diabetes. Coverage under this clause is subject to section
4.17 62A.3093, subdivision 2;

4.18 (8) coverage of cost sharing for all Medicare Part A eligible hospice care and respite
4.19 care expenses; and

4.20 (9) coverage for cost sharing for Medicare Part A or B home health care services and
4.21 medical supplies subject to the Medicare Part B deductible amount.

4.22 (b) The following benefit riders must be offered with this plan:

4.23 (1) coverage for all of the Medicare Part A inpatient hospital deductible amount;

4.24 (2) 100 percent of the Medicare Part B excess charges coverage for all of the difference
4.25 between the actual Medicare Part B charges as billed, not to exceed any charge limitation
4.26 established by the Medicare program or state law, and the Medicare-approved Part B charge;

4.27 (3) coverage for all of the Medicare Part B annual deductible; and

4.28 (4) preventive medical care benefit coverage for the following preventative health services
4.29 not covered by Medicare:

4.30 (i) an annual clinical preventive medical history and physical examination that may
4.31 include tests and services from item (ii) and patient education to address preventive health
4.32 care measures;

5.1 (ii) preventive screening tests or preventive services, the selection and frequency of
5.2 which is determined to be medically appropriate by the attending physician.

5.3 Reimbursement shall be for the actual charges up to 100 percent of the Medicare-approved
5.4 amount for each service, as if Medicare were to cover the service as identified in American
5.5 Medical Association current procedural terminology (AMA CPT) codes, to a maximum of
5.6 \$120 annually under this benefit. This benefit shall not include payment for a procedure
5.7 covered by Medicare.

5.8 (c) A basic Medicare supplement plan must provide the benefits contained in this section,
5.9 but must not provide coverage for 100 percent or any portion of the Medicare Part B
5.10 deductible to a newly eligible individual.

5.11 Sec. 6. Minnesota Statutes 2018, section 62A.3161, is amended to read:

5.12 **62A.3161 MEDICARE SUPPLEMENT PLAN WITH 50 PERCENT COVERAGE.**

5.13 (a) The Medicare supplement plan with 50 percent coverage must have a level of coverage
5.14 that will provide:

5.15 (1) 100 percent of Medicare Part A hospitalization coinsurance plus coverage for 365
5.16 days after Medicare benefits end;

5.17 (2) coverage for 50 percent of the Medicare Part A inpatient hospital deductible amount
5.18 per benefit period until the out-of-pocket limitation is met as described in clause (8);

5.19 (3) coverage for 50 percent of the coinsurance amount for each day used from the 21st
5.20 through the 100th day in a Medicare benefit period for posthospital skilled nursing care
5.21 eligible under Medicare Part A until the out-of-pocket limitation is met as described in
5.22 clause (8);

5.23 (4) coverage for 50 percent of cost sharing for all Medicare Part A eligible expenses and
5.24 respite care until the out-of-pocket limitation is met as described in clause (8);

5.25 (5) coverage for 50 percent, under Medicare Part A or B, of the reasonable cost of the
5.26 first three pints of blood, or equivalent quantities of packed red blood cells, as defined under
5.27 federal regulations, unless replaced according to federal regulations, until the out-of-pocket
5.28 limitation is met as described in clause (8);

5.29 (6) except for coverage provided in this clause, coverage for 50 percent of the cost
5.30 sharing otherwise applicable under Medicare Part B, after the policyholder pays the Medicare
5.31 Part B deductible, until the out-of-pocket limitation is met as described in clause (8);

6.1 (7) coverage of 100 percent of the cost sharing for Medicare Part B preventive services
6.2 and diagnostic procedures for cancer screening described in section 62A.30 after the
6.3 policyholder pays the Medicare Part B deductible; and

6.4 (8) coverage of 100 percent of all cost sharing under Medicare Parts A and B for the
6.5 balance of the calendar year after the individual has reached the out-of-pocket limitation
6.6 on annual expenditures under Medicare Parts A and B of \$4,000 in 2006, indexed each year
6.7 by the appropriate inflation adjustment by the secretary of the United States Department of
6.8 Health and Human Services.

6.9 (b) A Medicare supplement plan with 50 percent coverage must provide the benefits
6.10 contained in this section, but must not provide coverage for 100 percent or any portion of
6.11 the Medicare Part B deductible to a newly eligible individual.

6.12 Sec. 7. Minnesota Statutes 2018, section 62A.3162, is amended to read:

6.13 **62A.3162 MEDICARE SUPPLEMENT PLAN WITH 75 PERCENT COVERAGE.**

6.14 (a) The basic Medicare supplement plan with 75 percent coverage must have a level of
6.15 coverage that will provide:

6.16 (1) 100 percent of Medicare Part A hospitalization coinsurance plus coverage for 365
6.17 days after Medicare benefits end;

6.18 (2) coverage for 75 percent of the Medicare Part A inpatient hospital deductible amount
6.19 per benefit period until the out-of-pocket limitation is met as described in clause (8);

6.20 (3) coverage for 75 percent of the coinsurance amount for each day used from the 21st
6.21 through the 100th day in a Medicare benefit period for posthospital skilled nursing care
6.22 eligible under Medicare Part A until the out-of-pocket limitation is met as described in
6.23 clause (8);

6.24 (4) coverage for 75 percent of cost sharing for all Medicare Part A eligible expenses and
6.25 respite care until the out-of-pocket limitation is met as described in clause (8);

6.26 (5) coverage for 75 percent, under Medicare Part A or B, of the reasonable cost of the
6.27 first three pints of blood, or equivalent quantities of packed red blood cells, as defined under
6.28 federal regulations, unless replaced according to federal regulations until the out-of-pocket
6.29 limitation is met as described in clause (8);

6.30 (6) except for coverage provided in this clause, coverage for 75 percent of the cost
6.31 sharing otherwise applicable under Medicare Part B after the policyholder pays the Medicare
6.32 Part B deductible until the out-of-pocket limitation is met as described in clause (8);

7.1 (7) coverage of 100 percent of the cost sharing for Medicare Part B preventive services
 7.2 and diagnostic procedures for cancer screening described in section 62A.30 after the
 7.3 policyholder pays the Medicare Part B deductible; and

7.4 (8) coverage of 100 percent of all cost sharing under Medicare Parts A and B for the
 7.5 balance of the calendar year after the individual has reached the out-of-pocket limitation
 7.6 on annual expenditures under Medicare Parts A and B of \$2,000 in 2006, indexed each year
 7.7 by the appropriate inflation adjustment by the Secretary of the United States Department
 7.8 of Health and Human Services.

7.9 (b) A Medicare supplement plan with 75 percent coverage must provide the benefits
 7.10 contained in this section, but must not provide coverage for 100 percent or any portion of
 7.11 the Medicare Part B deductible to a newly eligible individual.

7.12 Sec. 8. Minnesota Statutes 2018, section 62A.3163, is amended to read:

7.13 **62A.3163 MEDICARE SUPPLEMENT PLAN WITH 50 PERCENT PART A**
 7.14 **DEDUCTIBLE COVERAGE.**

7.15 (a) The Medicare supplement plan with 50 percent Medicare Part A deductible coverage
 7.16 must have a level of coverage that will provide:

7.17 (1) 100 percent of Medicare Part A hospitalization coinsurance plus coverage for 365
 7.18 days after Medicare benefits end;

7.19 (2) coverage for 50 percent of the Medicare Part A inpatient hospital deductible amount
 7.20 per benefit period;

7.21 (3) coverage for the coinsurance amount for each day used from the 21st through the
 7.22 100th day in a Medicare benefit period for posthospital skilled nursing care eligible under
 7.23 Medicare Part A;

7.24 (4) coverage for cost sharing for all Medicare Part A eligible hospice and respite care
 7.25 expenses;

7.26 (5) coverage under Medicare Part A or B for the reasonable cost of the first three pints
 7.27 of blood, or equivalent quantities of packed red blood cells, as defined under federal
 7.28 regulations;

7.29 (6) coverage for 100 percent of the cost sharing otherwise applicable under Medicare
 7.30 Part B, after the policyholder pays the Medicare Part B deductible;

8.1 (7) coverage of 100 percent of the cost sharing for Medicare Part B preventive services
 8.2 and diagnostic procedures for cancer screening described in section 62A.30 after the
 8.3 policyholder pays the Medicare Part B deductible;

8.4 (8) coverage of 80 percent of the hospital and medical expenses and supplies incurred
 8.5 during travel outside of the United States as a result of a medical emergency; and

8.6 (9) coverage for 100 percent of the Medicare Part A or B home health care services and
 8.7 medical supplies after the policyholder pays the Medicare Part B deductible.

8.8 (b) A Medicare supplement plan with 50 percent Part A deductible coverage must provide
 8.9 the benefits contained in this section, but must not provide coverage for 100 percent or any
 8.10 portion of the Medicare Part B deductible to a newly eligible individual.

8.11 Sec. 9. Minnesota Statutes 2018, section 62A.3164, is amended to read:

8.12 **62A.3164 MEDICARE SUPPLEMENT PLAN WITH \$20 AND \$50 CO-PAYMENT**
 8.13 **MEDICARE PART B COVERAGE.**

8.14 (a) The Medicare supplement plan with \$20 and \$50 co-payment Medicare Part B
 8.15 coverage must have a level of coverage that will provide:

8.16 (1) 100 percent of Medicare Part A hospitalization coinsurance plus coverage for 365
 8.17 days after Medicare benefits end;

8.18 (2) coverage for the Medicare Part A inpatient hospital deductible amount per benefit
 8.19 period;

8.20 (3) coverage for the coinsurance amount for each day used from the 21st through the
 8.21 100th day in a Medicare benefit period for posthospital skilled nursing care eligible under
 8.22 Medicare Part A;

8.23 (4) coverage for the cost sharing for all Medicare Part A eligible hospice and respite
 8.24 care expenses;

8.25 (5) coverage for Medicare Part A or B of the reasonable cost of the first three pints of
 8.26 blood, or equivalent quantities of packed red blood cells, as defined under federal regulations,
 8.27 unless replaced according to federal regulations;

8.28 (6) coverage for 100 percent of the cost sharing otherwise applicable under Medicare
 8.29 Part B except for the lesser of \$20 or the Medicare Part B coinsurance or co-payment for
 8.30 each covered health care provider office visit and the lesser of \$50 or the Medicare Part B
 8.31 coinsurance or co-payment for each covered emergency room visit; however, this co-payment

9.1 shall be waived if the insured is admitted to any hospital and the emergency visit is
9.2 subsequently covered as a Medicare Part A expense;

9.3 (7) coverage of 100 percent of the cost sharing for Medicare Part B preventive services
9.4 and diagnostic procedures for cancer screening described in section 62A.30 after the
9.5 policyholder pays the Medicare Part B deductible;

9.6 (8) coverage of 80 percent of the hospital and medical expenses and supplies incurred
9.7 during travel outside of the United States as a result of a medical emergency; and

9.8 (9) coverage for Medicare Part A or B home health care services and medical supplies
9.9 after the policyholder pays the Medicare Part B deductible.

9.10 (b) A Medicare supplement plan with \$20 and \$50 co-payment Medicare Part B coverage
9.11 must provide the benefits contained in this section, but must not provide coverage for 100
9.12 percent or any portion of the Medicare Part B deductible to a newly eligible individual.

9.13 Sec. 10. Minnesota Statutes 2018, section 62A.3165, is amended to read:

9.14 **62A.3165 MEDICARE SUPPLEMENT PLAN WITH HIGH DEDUCTIBLE**
9.15 **COVERAGE.**

9.16 (a) The Medicare supplement plan will pay 100 percent coverage upon payment of the
9.17 annual high deductible. The annual deductible shall consist of out-of-pocket expenses, other
9.18 than premiums, for services covered. This plan must have a level of coverage that will
9.19 provide:

9.20 (1) 100 percent of Medicare Part A hospitalization coinsurance plus coverage for 365
9.21 days after Medicare benefits end;

9.22 (2) coverage for 100 percent of the Medicare Part A inpatient hospital deductible amount
9.23 per benefit period;

9.24 (3) coverage for 100 percent of the coinsurance amount for each day used from the 21st
9.25 through the 100th day in a Medicare benefit period for posthospital skilled nursing care
9.26 eligible under Medicare Part A;

9.27 (4) coverage for 100 percent of cost sharing for all Medicare Part A eligible expenses
9.28 and respite care;

9.29 (5) coverage for 100 percent, under Medicare Part A or B, of the reasonable cost of the
9.30 first three pints of blood, or equivalent quantities of packed red blood cells, as defined under
9.31 federal regulations, unless replaced according to federal regulations;

10.1 (6) except for coverage provided in this clause, coverage for 100 percent of the cost
10.2 sharing otherwise applicable under Medicare Part B;

10.3 (7) coverage of 100 percent of the cost sharing for Medicare Part B preventive services
10.4 and diagnostic procedures for cancer screening described in section 62A.30 after the
10.5 policyholder pays the Medicare Part B deductible;

10.6 (8) coverage of 100 percent of the hospital and medical expenses and supplies incurred
10.7 during travel outside of the United States as a result of a medical emergency;

10.8 (9) coverage for 100 percent of Medicare Part A and B home health care services and
10.9 medical supplies; and

10.10 (10) the basis for the deductible shall be \$1,860 and shall be adjusted annually from
10.11 2010 by the secretary of the United States Department of Health and Human Services to
10.12 reflect the change in the Consumer Price Index for all urban consumers for the 12-month
10.13 period ending with August of the preceding year, and rounded to the nearest multiple of
10.14 \$10.

10.15 (b) A Medicare supplement plan with high deductible coverage must provide the benefits
10.16 contained in this section, but must not provide coverage for 100 percent or any portion of
10.17 the Medicare Part B deductible to a newly eligible individual.

10.18 Sec. 11. Minnesota Statutes 2018, section 62A.318, subdivision 17, is amended to read:

10.19 Subd. 17. **Types of plans.** (a) Medicare select policies and certificates offered by the
10.20 issuer must provide the coverages specified in sections 62A.315 to 62A.3165. Before a
10.21 Medicare select policy or certificate is sold or issued in this state, the applicant must be
10.22 provided with an explanation of coverage for each of the coverages specified in sections
10.23 62A.315 to 62A.3165 and must be provided with the opportunity of purchasing such coverage
10.24 if offered by the issuer. The basic plan may also include any of the optional benefit riders
10.25 authorized by section 62A.316. Preventive care provided by Medicare select policies or
10.26 certificates must be provided as set forth in section 62A.315 or 62A.316, except that the
10.27 benefits are as defined in chapter 62D.

10.28 (b) Medicare select policies and certificates must provide the benefits contained in this
10.29 section, but must not provide coverage for 100 percent or any portion of the Medicare Part
10.30 B deductible to a newly eligible individual.

11.1 Sec. 12. Minnesota Statutes 2018, section 62E.07, is amended to read:

11.2 **62E.07 QUALIFIED MEDICARE SUPPLEMENT PLAN.**

11.3 (a) Any plan which provides benefits may be certified as a qualified Medicare supplement
11.4 plan if the plan is designed to supplement Medicare and provides coverage of 100 percent
11.5 of the deductibles required under Medicare, with exclusion under paragraph (b) for any part
11.6 of the Medicare Part B deductible, and 80 percent of the charges for covered services
11.7 described in section 62E.06, subdivision 1, which charges are not paid by Medicare. The
11.8 coverage shall include a limitation of \$1,000 per person on total annual out-of-pocket
11.9 expenses for the covered services.

11.10 (b) Any plan sold or issued to a newly eligible individual, as defined in section 62A.3099,
11.11 subdivision 18a, that provides benefits may be certified as a qualified Medicare supplemental
11.12 plan if the plan is designed to supplement Medicare and provides coverage of 100 percent
11.13 of the deductibles, with the exception of coverage of:

11.14 (1) 100 percent or any portion of the Medicare Part B deductible; and

11.15 (2) 80 percent of the charges for covered services, as provided under section 62E.06,
11.16 subdivision 6, that are charges not paid by Medicare.

11.17 The coverage must include a \$1,000 per person limitation on total annual out-of-pocket
11.18 expenses for the covered services.

11.19 Sec. 13. **EFFECTIVE DATE.**

11.20 Sections 1 to 12 are effective the day following final enactment. The coverage
11.21 requirements provided by this act in sections 1 to 12 apply to Medicare supplemental policies
11.22 or certificates sold or issued on or after January 1, 2020, to a newly eligible individual.