

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 14-105—SB 176

Aging Committee

Insurance and Real Estate Committee

**AN ACT CONCERNING THE PURCHASE OF MEDICARE
SUPPLEMENT POLICIES BY QUALIFIED MEDICARE
BENEFICIARIES**

SUMMARY: This act allows insurers and other entities to deliver or issue certain Medicare supplement policies to Qualified Medicare Beneficiaries (QMBs) to the extent federal law allows. But, federal law appears to prohibit them from doing so because:

1. federal law prohibits issuing these policies when a state provides benefits other than helping to pay Medicare Part B premiums to Medicaid-eligible people and
2. Connecticut's Medicare Savings Program (MSP), which covers QMBs, does provide benefits in addition to helping to pay Medicare Part B premiums.

The act applies to each insurer, fraternal benefit society, hospital or medical service corporation, and HMO that issues policies or certificates for Medicare supplement plans "A," "B," or "C," or any combination of them.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

QMBs

The state's Medicaid program pays certain Medicare costs under an umbrella MSP. MSP consists of the QMB, Specified Low-Income Medicare Beneficiary, and Qualifying Individual programs.

Under the QMB program, the state's Medicaid program pays the Medicare beneficiaries' costs of Part A and B deductibles and premiums and Part A coinsurance to reduce the likelihood that these individuals will require full Medicaid coverage. The federal government reimburses the state for half of its cost sharing expenditures. The state pays only when the beneficiary's medical provider accepts both Medicare and Medicaid.

Medicare Supplement Policies

Federal law standardized Medicare supplement policies into 10 benefit policies designated "A," "B," "C," "D," "F," "G," "K," "L," "M," and "N." (Policies "E," "H," "I," and "J" are no longer sold.) Policy A contains only the core benefits, while the other nine policies also provide at least one additional benefit. For example, policy B also includes Part A deductibles, and policy C

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includes Part A and B deductibles, skilled nursing facility care coinsurance, and foreign travel emergency benefits.

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