

**Amendment No. 182**

Assembly Amendment to Assembly Bill No. 127	(BDR 57-467)
<b>Proposed by:</b> Assembly Committee on Commerce and Labor	
<b>Amends:</b> Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION	Initial and Date		SENATE ACTION	Initial and Date
Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>		Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>
Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>		Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>
Receded <input type="checkbox"/>	Not <input type="checkbox"/>		Receded <input type="checkbox"/>	Not <input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of **green bold underlining** is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.





ASSEMBLY BILL NO. 127—ASSEMBLYWOMAN JAUREGUI

FEBRUARY 9, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing Medicare supplemental policies. (BDR 57-467)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to insurance; prohibiting an insurer from treating Medicare supplemental policies differently for certain purposes relating to the payment of commissions; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing federal law establishes the Medicare program, which is a public health insurance  
 2 program for persons 65 years of age and older and specified persons with disabilities who are  
 3 under 65 years of age. (42 U.S.C. §§ 1395 et seq.) Existing federal regulations define the term  
 4 “Medicare supplemental policy” to mean a policy offered by a private insurer that is primarily  
 5 designed to pay expenses not reimbursed under Medicare because of certain limitations under  
 6 Medicare. (42 C.F.R. § 403.205) Existing law requires an insurer offering a Medicare  
 7 supplemental policy or the Public Employees’ Benefits Program or any local government that  
 8 provides a similar policy for public employees to offer an open enrollment period for persons  
 9 covered by such policies, during which the insurer or governmental entity is prohibited from  
 10 placing certain restrictions on the issuance of such a policy. (NRS 287.010, 287.04335,  
 11 687B.352, 695B.320) Existing federal law requires the issuance of a Medicare supplemental  
 12 policy under certain circumstances, under which such a policy is considered to be guaranteed  
 13 issue. (42 U.S.C. § 1395ss) This bill prohibits an insurer or other person or entity from  
 14 varying the commission ~~paid for~~ **associated with the ~~sale~~ purchase** of Medicare  
 15 supplemental policies ~~for~~ **during the open enrollment period**, paying differential  
 16 commissions ~~for~~ **associated with the ~~sale~~ purchase** of Medicare supplemental policies  
 17 **during the open enrollment period** or otherwise treating Medicare supplemental policies  
 18 **purchased during the open enrollment period** differently for the purposes of commission  
 19 for any reason, including: (1) because the Medicare supplemental policy is issued during the  
 20 open enrollment period or classified as guaranteed issue; or (2) because of the age, health  
 21 status, claims experience, receipt of health care or medical condition of the insured. **This bill**  
 22 **additionally requires an insurer or other person or entity to treat the purchase of a**  
 23 **Medicare supplemental policy during the open enrollment period in the same manner as**  
 24 **the renewal of a Medicare supplemental policy for purposes relating to the payment of a**  
 25 **commission.**

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1       **Section 1.** NRS 687B.352 is hereby amended to read as follows:

2       687B.352 1. An insurer that issues a Medicare supplemental policy shall  
3 offer to a person currently insured under any such policy an annual open enrollment  
4 period commencing with the first day of the birthday month of the person and  
5 remaining open for at least 60 days thereafter, during which the person may  
6 purchase any Medicare supplemental policy made available by the insurer in this  
7 State that includes the same or lesser benefits. Innovative benefits, as described in  
8 42 U.S.C. § 1395ss(p)(4)(B), must not be considered when determining whether a  
9 Medicare supplemental policy includes the same benefits as or lesser benefits than  
10 another such policy.

11       2. During the open enrollment period offered pursuant to subsection 1, an  
12 insurer shall not deny or condition the issuance or effectiveness, or discriminate in  
13 the price of coverage, of a Medicare supplemental policy based on the health status,  
14 claims experience, receipt of health care or medical condition of a person described  
15 in subsection 1.

16       3. At least 30 days before the beginning of the open enrollment period offered  
17 pursuant to subsection 1 but not more than 60 days before the beginning of that  
18 period, an insurer that issues a Medicare supplemental policy shall notify each  
19 person to whom the open enrollment period applies of:

20       (a) The dates on which the open enrollment period begins and ends and the  
21 rights of the person established by the provisions of this section; and

22       (b) Any modification to the benefits provided by the policy under which the  
23 person is currently insured or adjustment to the premiums charged for that policy.

24       4. *An insurer or other person or entity shall not vary the commission ~~paid~~  
25 ~~for~~ associated with the ~~sale~~ purchase of Medicare supplemental policies ~~for~~  
26 during the open enrollment period offered pursuant to subsection 1, pay  
27 differential commissions ~~for~~ associated with the ~~sale~~ purchase of Medicare  
28 supplemental policies during that open enrollment period or otherwise treat  
29 Medicare supplemental policies purchased during that open enrollment period  
30 differently for the purposes of commission for any reason, including, without  
31 limitation:*

32       (i) *Because ~~for~~ the Medicare supplemental policy was purchased during the*  
33 *open enrollment period offered pursuant to subsection 1;*

34       (ii) *Because ~~for~~ the Medicare supplemental policy is classified as guaranteed*  
35 *issue under 42 U.S.C. § 1395ss or any other applicable federal or state law or*  
36 *regulations; or*

37       (iii) *Because of the age, health status, claims experience, receipt of health*  
38 *care or medical condition of the insured.*

39       5. An insurer or other person or entity must treat the purchase of a  
40 Medicare supplemental policy during the open enrollment period offered  
41 pursuant to subsection 1 in the same manner as the renewal of a Medicare  
42 supplemental policy for all purposes relating to the payment of a commission.

43       6. As used in this section, "Medicare supplemental policy" has the meaning  
44 ascribed to it in 42 C.F.R. § 403.205 and additionally includes policies offered by  
45 public entities that otherwise meet the requirements of that section.

46       **Sec. 2.** This act becomes effective on July 1, 2023.