



April 10, 2025

The Honorable Susan R. Donovan
Chairperson, House Committee on Health and Human Services
Rhode Island State House
82 Smith Street
Providence, RI 02903

RE: Letter of Support H-5494 – AN ACT RELATING TO INSURANCE – MEDICARE SUPPLEMENT INSURANCE POLICIES

Dear Chairperson Donovan:

I write on behalf of the State of Rhode Island Office of the Health Insurance Commissioner (OHIC) in support of [House Bill 5494](#). This legislation seeks to enhance critical consumer protections to the existing Medicare Supplement statute, § 27-18.2, to expand consumer choice and create a more balanced, fair, and equitable Medicare Supplement (Medigap) market in Rhode Island. Almost all New England states have more robust Medigap open enrollment laws than Rhode Island, making our state an outlier in the region. This legislation would better align Rhode Island's Medicare Supplement market with our New England counterparts.

Currently, Rhode Island consumers enrolled in Medicare Supplement coverage (or Medicare Advantage) are unable to switch to another Medicare Supplement plan, barring very few circumstances, without facing medical underwriting. This can result in higher premiums or denial of coverage for individuals with pre-existing conditions. Compounding on this concern, rates for "closed blocks" (i.e., Medicare Supplement plans which are no longer open to new policyholders but continue to provide coverage to existing members) have become increasingly unsustainable over time because as the block of policyholders increase in age, the claims experience of the group begins to worsen without the addition of younger, healthier populations. Allowing members the opportunity to change plans during an annual open enrollment period, without medical underwriting, would provide greater flexibility and choice, enabling consumers to shop for the coverage that meets their needs and budget and address the burden of both of the above issues.

OHIC recommends the following changes to the existing Medicare Supplement statute, § 27-18.2:

- Subsection § 27-18.2-3(g)(1) would clarify that, upon reaching the age of 65, any individual already enrolled in Medicare Supplement plan A pursuant to §27-18.2-3(g), receives the

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traditional age-in Medicare Supplement open enrollment period (i.e., six months, beginning on the first day of the month when a person turns 65 and enrolls in Medicare Part B).

- Subsection § 27-18.2-3(h) seeks to replace and expand upon the protections of the existing section and would allow Medicare Supplement and Medicare Advantage policyholders 65 and older to switch to any available Medicare Supplement plan without medical underwriting or waiting periods, annually, during the month of their birthday. Because the under 65 population is only eligible for plan A, pursuant to state law, this section allows these individuals to enroll in any available Plan A, without individual medical underwriting or waiting periods annually during the month of their birthday. OHIC recognizes that an amendment to this section will be necessary to align with federal Medicare Advantage enrollment and disenrollment rules.
- Subsection § 27-18.2-3.1(b)(1) would allow OHIC to bill Medicare Supplement carriers directly for the expense of actuarial review for their annual rate requests.
- Subsection § 27-18.2-3.1(e) would prohibit the use of attained-age and issue-age rating formulas and require the use of community rating for any new Medicare Supplement policy issued on or after the effective date of the legislation, which OHIC proposes to be January 1, 2026, to allow for adequate implementation time for carriers. Community rating would mean that rates are the same for all members regardless of age, gender, or health status. Both Connecticut and Massachusetts require community rating for their Medicare Supplemental Plans.

OHIC believes that the above proposed changes would enhance consumer protections and expand consumer choice while creating a more balanced, fair, and equitable Medicare Supplement (Medigap) market in Rhode Island.

I look forward to continuing to work with you to improve the performance and sustainability of Rhode Island's Medicare Supplement market. Thank you for your continued leadership and hard work on all matters related to the health of Rhode Islanders.

Sincerely,



Cory B. King
Health Insurance Commissioner

CC: Honorable Members of the House Committee on Health and Human Services
Honorable Kathleen A. Fogarty
Nicole McCarty, Esquire, Chief Legal Counsel to the Speaker of the House

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