Senate Bill 1181

Sponsored by Senator CAMPOS; Senator GELSER BLOUIN, Representatives CHOTZEN, MUNOZ, NELSON

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.** The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act makes rules about how Medicare supplement policies work and when they can be offered. (Flesch Readability Score: 63.6).

Prohibits the increased cost or denial of a Medicare supplement insurance policy due to a pre-existing condition and establishes open enrollment standards for Medicare supplement policies.

A BILL FOR AN ACT

Relating to Medicare supplement insurance; creating new provisions; and amending ORS 743.683.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 743.683 is amended to read:

743.683. (1) A Medicare supplement insurance policy, contract or certificate in force in the state may not contain benefits which duplicate benefits provided by Medicare.

(2) The Director of the Department of Consumer and Business Services shall adopt by rule specific standards for policy provisions of Medicare supplement policies and certificates. The standards shall be in addition to and in accordance with applicable laws of this state. A requirement of the Insurance Code relating to minimum required policy benefits, other than the minimum standards contained in ORS 743.680 to 743.689, may not apply to Medicare supplement policies. The standards may cover, but not be limited to:

(a) Terms of renewability;

(b) Initial and subsequent conditions of eligibility;

(c) Nonduplication of coverage;

(d) Probationary periods;

(e) Benefit limitations, exceptions and reductions;

(f) Elimination periods;

(g) Requirements for replacement;

(h) Recurrent conditions; [*and*]

(i) Definitions of terms[.]**; and**

(j) Annual open enrollment periods as described in subsection (7) of this section.

(3) Provisions established by the director governing eligibility for Medicare supplement insurance shall not be limited to persons qualifying for Medicare by reason of age.

(4) The director may adopt by rule standards that specify prohibited policy provisions not otherwise specifically authorized by statute which, in the opinion of the director, are unjust, unfair or unfairly discriminatory to any person insured or proposed for coverage under a Medicare supplement policy.

(5) Notwithstanding any other provision of law of this state, [*a*] **for an eligible application a carrier offering a policy, contract or certificate of** Medicare supplement [*policy*] **insurance** may

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

not**:** [*deny a claim for losses incurred more than six months from the effective date of coverage for a preexisting condition. The policy may not define a preexisting condition more restrictively than a condition for which medical advice was given or treatment was recommended by or received from a physician or naturopathic physician within six months before the effective date of coverage.*]

(a) Apply a preexisting condition exclusion, as defined in ORS 743B.005; or

(b) Impose different terms or conditions on the coverage provided or the premium charged or deny coverage based on the actual or expected health status, geographic location, claims experience, age, receipt of health care or medical condition of an enrollee or prospective enrollee.

(6) The director shall adopt by rule standards for benefits and claims payment under Medicare supplement policies.

(7) As used in this section, "eligible application" means an application for Medicare supplement insurance that is submitted:

(a) Prior to or during the six-month period beginning with the first day of the month in which an individual first enrolled in Medicare Part B; or

(b) During an annual 90-day open enrollment period that begins on January 1 of each year.

SECTION 2. The amendments to ORS 743.683 by section 1 of this 2025 Act apply to insurance policies, contracts or certificates issued, renewed or extended on or after January 1, 2026.