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ALS & Kidney Patients Coverage Act

HB 15 – SB 10

Bill Analysis

BACKGROUND & PURPOSE

Texans under age 65, diagnosed with disabilities such as end stage renal disease (ESRD) or amyotrophic lateral sclerosis (ALS), face prohibitively high Medicare Supplement (Medigap) insurance premiums.

Currently, premiums for Texans under 65 range from $332 to $1,731 per month, significantly exceeding rates for seniors aged 65 and over, which range from $102 to $681 per month. This substantial disparity creates severe financial strain for disabled individuals, many of whom have limited financial resources due to their medical conditions and are thus forced into significant hardship or compelled to spend down their assets to qualify for state Medicaid assistance.

Medicare coverage alone covers only 80 percent of medical expenses, leaving individuals responsible for the remaining 20 percent, which can quickly accumulate to costs exceeding $16,000 annually for those with ESRD and ALS. Such financial pressures often compel disabled Texans to make difficult choices between essential medical treatments, housing, food, and other basic necessities.

Furthermore, ESRD patients who require kidney transplants face an additional hurdle as most transplant centers mandate secondary insurance coverage to manage ongoing medical expenses and ensure successful organ transplantation. Without affordable secondary coverage such as Medigap, many ESRD patients remain ineligible for critical transplant procedures, potentially limiting their life expectancy and quality of life.

This bill requires insurers offering Medigap coverage to individuals 65 and older to provide the same coverage options and benefits to qualified individuals under age 65 who are enrolled in Medicare due to disability or ESRD.

This bill amends current law relating to the eligibility of certain individuals younger than 65 years of age to purchase Medicare supplement benefit plans.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 2 (Section 1652.060, Insurance Code) of this bill.

ANALYSIS

SECTION 1. Requires that this Act be known as the Chris Larkin ALS Act.

SECTION 2. Amends Subchapter B, Chapter 1652, Insurance Code, by

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adding Sections 1652.059 and 1652.060, as follows:

Sec. 1652.059. COVERAGE FOR CERTAIN INDIVIDUALS YOUNGER THAN 65. (a) Defines "entity."

(b) Requires an entity that offers coverage under a Medicare supplement benefit plan to individuals 65 years of age or older to offer the same coverage to individuals younger than 65 years of age who are eligible for and enrolled in Medicare by reason of disability, end stage renal disease, or amyotrophic lateral sclerosis.

(c) Requires that any benefit, protection, policy, or procedure applicable to coverage under a plan for an individual 65 years of age or older, except as otherwise provided by rules adopted under Section 1652.051 (Minimum Standards), apply to coverage offered under Subsection (b).

(d) Requires that a standardized Plan A, Plan B, or Plan D Medicare supplement benefit plan offered under Subsection (b) be offered at the same premium rate charged for the plan to an individual 65 years of age. Prohibits a premium rate for a Medicare supplement benefit plan offered under Subsection (b), other than Plan A, Plan B, or Plan D, from exceeding 200 percent of the premium rate charged for the same plan to an individual 65 years of age.

Sec. 1652.060. ENROLLMENT PERIOD FOR CERTAIN INDIVIDUALS YOUNGER THAN 65. (a) Defines "entity."

(b) Authorizes an individual eligible for coverage under a Medicare supplement benefit plan under Section 1652.059 to enroll any time during the six-month period beginning the first day of the first month the individual becomes enrolled for benefits under Medicare Part B.

(c) Prohibits an entity, during an enrollment period, from, with respect to an applicant who is an individual described by Subsection (b):

(1) denying or conditioning the issuance or effectiveness of a Medicare supplement benefit plan or certificate that the entity offers and is available for issuance in this state;

(2) subjecting the applicant to medical underwriting or discriminating in the price of a Medicare supplement benefit plan or certificate because of the applicant's health status, claims experience, receipt of health care, or medical condition;

(3) imposing a waiting period; or

(4) imposing a limitation or exclusion of benefits

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based on the applicant's preexisting condition.

(d) Requires the commissioner of insurance to adopt rules as necessary to administer this section, including rules designating enrollment periods.

SECTION 3. Provides that the changes in law made by this Act apply only to a Medicare supplement benefit plan delivered, issued for delivery, or renewed on or after September 1, 2027.

SECTION 4. Authorizes an individual younger than 65 years of age and enrolled in Medicare Part B by reason of disability, end stage renal disease, or amyotrophic lateral sclerosis, in addition to other enrollment periods provided by law, on the effective date of this Act to apply for coverage under a Medicare supplement benefit plan:

(1) after January 1, 2027, and before September 2, 2027; or

(2) if the individual is unable to submit an application for coverage under the plan during the period described by Subdivision (1) of this section because the application is not available and the individual requested the application during that period, during a six-month period beginning on the date the application initially becomes available.

EFFECTIVE DATE

Upon passage or January 1, 2027.