

SENATE BILL REPORT

SB 5355

As Passed Senate, February 26, 1999

Title: An act relating to mandated coverage for medicare replacement policies.

Brief Description: Mandating coverage for replacement medicare insurance policies.

Sponsors: Senators Thibaudeau, Costa, Kohl-Welles and Prentice; by request of Insurance Commissioner.

Brief History:

Committee Activity: Health & Long-Term Care: 2/1/99 [DP].
Passed Senate, 2/26/99, 47-1.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Thibaudeau, Chair; Wojahn, Vice Chair; Costa, Deccio, Franklin, Johnson and Winsley.

Staff: Jonathan Seib (786-7427)

Background: This bill corrects an error in the statutory text.

Medicare supplements (commonly called Medigap policies) are health insurance policies that provide ways to fill the coverage gaps left by Medicare. In 1992, federal regulations set uniform standards for this coverage with ten standard supplements--A through J.

Medicare supplements were not included in the definition of health plan-- adopted in 1993, and therefore are not covered by the "insurance reforms"-- preexisting condition limitations, portability, and guaranteed issue/renewability.

In 1995, portability protections were extended to this coverage so a person could purchase a Medigap policy without evidence of insurability-- if the policy being replaced were more comprehensive. However, there was an error in the wording referencing . . . more comprehensive coverage than the *replaced* policy.-- It should reference the *replacing* policy.--

Summary of Bill: Language is changed to reference replacing policy.--

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: A combination of factors has prompted health insurers to no longer offer Medicare managed care policies in parts of Washington State. This bill corrects a drafting error in a law which is important to allow those for whom Medicare managed care policies are no longer available to transition back to standard Medicare and Medicare supplemental policies.

Testimony Against: None.

Testified: Deborah Senn, Insurance Commissioner (pro).