

FINAL BILL REPORT

SHB 2479

Synopsis as Enacted
C 138 L 92

Brief Description: Making medicare supplemental insurance conform to federal law.

By House Committee on Financial Institutions & Insurance
(originally sponsored by Representatives R. Johnson,
Broback, Dellwo, Paris, Ferguson, Winsley and Franklin;
by request of Insurance Commissioner).

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions & Insurance

Background: The federal Omnibus Budget Reconciliation Act of 1990 (OBRA) contained provisions regulating Medicare supplemental health insurance. OBRA required states to adopt regulations conforming to federal requirements or risk federal regulation of Medicare supplement policies in the non-conforming state. The Health Care Financing Administration has issued guidelines for implementation of these federal Medicare supplement standards and state law must be amended accordingly.

Summary: The state Medicare Supplemental Health Insurance Act is amended to conform to federal guidelines and amended to bring all issuers of such coverage under the same rules. Among the changes are the following: definitions are amended; the use of "usual, customary, and reasonable" as standards for judging the appropriateness of treatment for benefit payments is prohibited; loss ratio limits are increased; required insurer disclosures to consumers are changed; and health care service contracts, health maintenance agreements and rates for coverage must be filed with the Insurance Commission for approval prior to their use.

Votes on Final Passage:

House	98	0
Senate	49	0

Effective: June 11, 1992