HOUSE BILL REPORT
HB 1539

As Reported By House Committee On:
Health Care

Title: An act relating to medicare supplement policies.

Brief Description: Clarifying medicare supplement policies.

Sponsors: Representative Parlette.

Brief History:
 Committee Activity:
  Health Care: 2/9/99 [DP].

Brief Summary of Bill

· Corrects an error in the statutory text.

· Permits persons to purchase a Medigap policy without evidence of insurability
 if the policy being replaced were more comprehensive.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: Do pass. Signed by 12 members: Representatives Cody,
Democratic Co-Chair; Parlette, Republican Co-Chair; Pflug, Republican Vice Chair;
Schual-Berke, Democratic Vice Chair; Alexander; Boldt; Campbell; Conway;
Edmonds; Edwards; Mulliken and Ruderman.

Staff: Bill Hagens (786-7131).

Background:

This bill corrects an error in the statutory text.

Medicare Supplements (commonly called Medigap polices) 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 with J being the most comprehensive.

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 on 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: None.

Testimony Against: None.

Testified: None.