

# HOUSE BILL REPORT

## HB 1539

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### As Amended by the Senate

**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].

**Floor Activity:**

Passed House: 3/8/99, 97-0.

Senate Amended.

Passed Senate: 4/15/99, 47-0.

Brief Summary of Bill
<ul style="list-style-type: none"><li>· Corrects an error in the statutory text.</li><li>· Permits persons to purchase a Medigap policy without evidence of insurability if the policy being replaced were more comprehensive.</li></ul>



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### 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 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 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."

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**Summary of Bill:**

Language is changed to reference "replacing policy."

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**EFFECT OF SENATE AMENDMENT(S):** Expands scope to original bill to permit any person eligible for Medicare who wishes to replace his or her existing health coverage with any of the standardized Medigap plans to do so. The replacing issuer must waive any pre-existing condition waiting periods for similar benefits if a similar waiting period was satisfied under the original coverage.

**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.