

FINAL BILL REPORT

SSB 5406

C 47 L 05

Synopsis as Enacted

Brief Description: Modifying medicare supplemental insurance policy provisions to conform to federal law.

Sponsors: Senate Committee on Health & Long-Term Care (originally sponsored by Senators Franklin, Parlette and Keiser).

Senate Committee on Health & Long-Term Care
House Committee on Health Care

Background: Medicare is the federally funded and administered program providing health insurance primarily to those 65 and older. Enrollees who wish to do so may purchase a policy in the commercial market to supplement the benefits provided under Medicare. Such policies are regulated by the state, consistent with requirements of federal law.

Under current law, the state Health Care Authority (HCA), through the Public Employee Benefits Board (PEBB), must offer retired or disabled employees at least two Medicare supplemental insurance policies, one of which is required to include a pharmacy benefit. This requirement is inconsistent with provisions of the federal Medicare Modernization Act of 2003.

Current law also allows any state resident who is not a PEBB enrollee to purchase, at full cost, the Medicare supplemental policies otherwise available to PEBB enrollees.

In 1993, the Legislature directed the HCA to design a self-insured Medicare supplemental insurance plan, and submit the plan for consideration by the Legislature. HCA completed a design and feasibility study that resulted in a recommendation that the state not offer the self-insured plan. Based on this report, HCA did not implement the plan.

Summary: The requirement that the HCA offer a Medicare supplemental policy which includes a pharmacy benefit is removed.

The statute directing the HCA to design a self-insured Medicare supplemental insurance plan is repealed.

Additional changes are made to clarify the current law and make it consistent with other statutory provisions.

Votes on Final Passage:

Senate	46	0
House	94	0

Effective: July 24, 2005