
Health Care & Wellness Committee

SB 5032

Brief Description: Concerning medicare supplemental insurance policies.

Sponsors: Senators Cleveland, Keiser and O'Ban; by request of Insurance Commissioner.

Brief Summary of Bill

- Adds the standardized Medicare supplement policy G with high deductible to the list of policies that every issuer of Medicare supplement policies in Washington must offer.
- Removes standardized Medicare supplement policies C, F, and F with high deductible, from the list of policies that must be offered in Washington on or after January 1, 2020.

Hearing Date: 3/7/19

Staff: Jenny Aronson (786-7290) and Jim Morishima (786-7191).

Background:

Medicare Supplemental Insurance.

Medicare Supplemental Insurance, also called Medigap, is private health insurance coverage designed to cover excess costs not covered by the federal Medicare program. While Medigap coverage is offered by private insurance companies, state and federal standards require companies to offer standardized policies designated as Plans A, B, C, D, F, G, K, L, M, and N. Medicare Supplement Plans C and F provide Medicare Part B deductible coverage, commonly referred to as "first dollar coverage," which covers all claims with the beneficiary paying out of pocket cost.

Medicare Access and Chip Reauthorization Act of 2015.

The federal Medicare Access and Chip Reauthorization Act prohibits the sale of Medigap plans C and F, which cover Part B deductibles, to "newly eligible" Medicare beneficiaries on or after January 1, 2020. "Newly eligible" is defined as anyone who: (a) turns 65 on or before January

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1, 2020; or (b) who first becomes eligible for Medicare benefits due to age, disability, or end-stage renal disease on or after January 1, 2020.

Current beneficiaries may keep their plans, and insurers may sell Plans C or F to current beneficiaries.

Summary of Bill:

Prior to January 1, 2020, every issuer of a Medicare supplement policy providing coverage to a resident of Washington must issue coverage under its standardized plans B, C, D, F, F with high deductible, G, G with high deductible, K, L, M, or N.

On or after January 1, 2020, every issuer of a Medicare supplement policy providing coverage to a resident of Washington must issue coverage under its standardized plans B, D, G, G with high deductible, K, L, M, or N.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.