

# HOUSE BILL REPORT

## SSB 6051

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**As Passed House:**  
March 3, 2020

**Title:** An act relating to health coverage that is supplemental to the coverage provided under an employer or union-sponsored prescription drug coverage that supplements medicare part D provided through an employer group waiver plan authorized under federal law.

**Brief Description:** Concerning health coverage supplementing medicare part D provided through a federally authorized employer group waiver plan.

**Sponsors:** Senate Committee on Health & Long Term Care (originally sponsored by Senators Cleveland, O'Ban, Becker and Wilson, C.).

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 2/20/20, 2/21/20 [DP].

**Floor Activity:**

Passed House: 3/3/20, 96-0.

**Brief Summary of Substitute Bill**

- Exempts employer and union-sponsored prescription drug plans that exclusively supplement Medicare Part D coverage from regulations applicable to health insurance plans.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass. Signed by 14 members: Representatives Cody, Chair; Macri, Vice Chair; Schmick, Ranking Minority Member; Chambers, Chopp, Davis, DeBolt, Harris, Maycumber, Riccelli, Robinson, Stonier, Thai and Tharinger.

**Staff:** Kim Weidenaar (786-7120).

**Background:**

Health Plans.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Health plans are policies, contracts, or agreements offered by a health carrier to provide, arrange, reimburse, or pay for health care services. Health plans must comply with various insurance regulations including rate review, guaranteed issue requirements, prohibitions on rescission of coverage, minimum coverage and mandated benefits requirements, and other filing and reporting requirements. Health plans do not include:

- long-term care insurance;
- Medicare supplemental insurance;
- certain federal health insurance programs offered to members of the military and to veterans;
- limited health care services offered by limited health care service contractors;
- disability income;
- worker's compensation;
- accident-only coverage;
- certain fixed-payment insurance;
- employer-sponsored self-funded health plans;
- dental-only and vision-only coverage; and
- plans deemed to have a short-term limited purpose or duration.

#### Medicare Part D.

Citizens and permanent residents of the United States who are age 65 or older, or under 65 with disabilities or end-stage renal disease are generally eligible for Medicare. Medicare Part D is an optional part of the federal Medicare program allowing for the purchase of a prescription drug benefit. Individuals who are eligible for Medicare are eligible for Part D if they are enrolled in Part A, hospital coverage, or Part B, primary care and outpatient services.

#### Supplemental Prescription Drug Coverage.

Employers and unions are permitted under a federal group waiver program to offer prescription drug coverage under the employer's or union's sponsored health coverage to retirees who are eligible for Medicare Part D. Employers offering supplemental Part D coverage must follow all Medicare Part D prescription drug requirements, except those explicitly waived by the Centers for Medicare and Medicaid Services.

#### **Summary of Bill:**

Stand-alone prescription drug coverage that exclusively supplements Medicare Part D coverage provided through an employer or union-sponsored prescription drug plan is excluded from the definition of "health plan."

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

#### **Staff Summary of Public Testimony:**

(In support) These plans are an important product in the market that closed the donut hole gap for employee retirees who are subject to the out-of-pocket limits in Medicare Part

D. These plans have been available in Washington, but the Office of the Insurance Commissioner (OIC) determined that there needed to be a statutory change for these plans to continue to be offered. There is an emergency clause so that this can be offered to employer retirees immediately.

This version of the bill is different than what was introduced in the House. The difference reflects negotiated language between the stakeholders, which the OIC supports.

(Opposed) None.

**Persons Testifying:** Crystal Jack, Cigna; and Lonnie Johns-Brown, Office of the Insurance Commissioner.

**Persons Signed In To Testify But Not Testifying:** None.