

SENATE BILL REPORT

SB 5032

As Reported by Senate Committee On:
Health & Long Term Care, January 21, 2019

Title: An act relating to medicare supplemental insurance policies.

Brief Description: Concerning medicare supplemental insurance policies.

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

Brief History:

Committee Activity: Health & Long Term Care: 1/18/19, 1/21/19 [DP].

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.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Majority Report: Do pass.

Signed by Senators Cleveland, Chair; Randall, Vice Chair; O'Ban, Ranking Member; Bailey, Becker, Conway, Dhingra, Frockt, Keiser and Van De Wege.

Staff: Evan Klein (786-7483)

Background: Medicare Supplement Insurance. Medicare supplement insurance, commonly known as Medigap, fills coverage gaps in the federal Medicare program. There are several types of Medicare supplement policies, which are subject to both state and federal standards and enforced by the Office of the Insurance Commissioner. Issuers of Medicare supplement policies must issue coverage under the standardized plans B, C, D, F, F with high deductible, G, K, L, M, or N to a Medicare-eligible state resident if the policy replaces another Medicare supplement policy or other more comprehensive coverage. Plans C, F, and F with high deductible cover, as one component of the plans, the Medicare Part B deductible.

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.

Medicare Access and CHIP Reauthorization Act. The federal Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) was enacted in April 2015, changing the federal statutes governing Medicare supplement policies. Under MACRA, beginning on January 1, 2020, a Medicare Supplement policy that provides coverage of the Part B deductible may not be sold or issued to a newly eligible Medicare beneficiary.

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.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill is needed to stay in compliance with changes made by the federal government to Medicare. This bill will align state statutes with these federal changes. For individuals who are newly eligible for Medicare, they will no longer be able to enroll in a plan C or F.

Persons Testifying: PRO: Lonnie Johns-Brown; Office of the Insurance Commissioner; Mike Bryant, Office of the Insurance Commissioner.

Persons Signed In To Testify But Not Testifying: No one.