
HOUSE BILL 1603

State of Washington

69th Legislature

2025 Regular Session

By Representatives Berg, Parshley, Reed, Bernbaum, Thai, Kloba, and Hill

Read first time 01/27/25. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to requiring guaranteed issue of medicare
2 supplemental coverage to an individual who voluntarily disenrolls
3 from a medicare advantage plan and enrolls in medicare parts A and B;
4 and amending RCW 48.66.055.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 48.66.055 and 2019 c 38 s 2 are each amended to read
7 as follows:

8 (1) Under this section, persons eligible for a medicare
9 supplement policy or certificate are those individuals described in
10 subsection (3) of this section who, subject to subsection (3)(b)(ii)
11 of this section, apply to enroll under the policy not later than
12 sixty-three days after the date of the termination of enrollment
13 described in subsection (3) of this section, and who submit evidence
14 of the date of termination or disenrollment, or medicare part D
15 enrollment, with the application for a medicare supplement policy.

16 (2) With respect to eligible persons, an issuer may not deny or
17 condition the issuance or effectiveness of a medicare supplement
18 policy described in subsection (4) of this section that is offered
19 and is available for issuance to new enrollees by the issuer, shall
20 not discriminate in the pricing of such a medicare supplement policy
21 because of health status, claims experience, receipt of health care,

1 or medical condition, and shall not impose an exclusion of benefits
2 based on a preexisting condition under such a medicare supplement
3 policy.

4 (3) "Eligible persons" means an individual that meets the
5 requirements of (a), (b), (c), (d), (e), or (f) of this subsection,
6 as follows:

7 (a) The individual is enrolled under an employee welfare benefit
8 plan that provides health benefits that supplement the benefits under
9 medicare; and the plan terminates, or the plan ceases to provide all
10 such supplemental health benefits to the individual;

11 (b)(i) The individual is enrolled with a medicare advantage
12 organization under a medicare advantage plan under part C of
13 medicare, and any of the following circumstances apply, or the
14 individual is sixty-five years of age or older and is enrolled with a
15 program of all inclusive care for the elderly (PACE) provider under
16 section 1894 of the social security act, and there are circumstances
17 similar to those described in this subsection (3)(b) that would
18 permit discontinuance of the individual's enrollment with the
19 provider if the individual were enrolled in a medicare advantage
20 plan:

21 (A) The certification of the organization or plan has been
22 terminated;

23 (B) The organization has terminated or otherwise discontinued
24 providing the plan in the area in which the individual resides;

25 (C) The individual is no longer eligible to elect the plan
26 because of a change in the individual's place of residence or other
27 change in circumstances specified by the secretary of the United
28 States department of health and human services, but not including
29 termination of the individual's enrollment on the basis described in
30 section 1851(g)(3)(B) of the federal social security act (where the
31 individual has not paid premiums on a timely basis or has engaged in
32 disruptive behavior as specified in standards under section 1856 of
33 the federal social security act), or the plan is terminated for all
34 individuals within a residence area;

35 (D) The individual demonstrates, in accordance with guidelines
36 established by the secretary of the United States department of
37 health and human services, that:

38 (I) The organization offering the plan substantially violated a
39 material provision of the organization's contract under this part in
40 relation to the individual, including the failure to provide an

1 enrollee on a timely basis medically necessary care for which
2 benefits are available under the plan or the failure to provide such
3 covered care in accordance with applicable quality standards; or

4 (II) The organization, an insurance producer, or other entity
5 acting on the organization's behalf materially misrepresented the
6 plan's provisions in marketing the plan to the individual; ((~~or~~))

7 (E) The individual, during an established open enrollment or
8 special enrollment period during which a medicare beneficiary may
9 switch from medicare advantage to medicare parts A and B, voluntarily
10 terminates the individual's enrollment in the medicare advantage plan
11 and enrolls in medicare parts A and B; or

12 (F) The individual meets other exceptional conditions as the
13 secretary of the United States department of health and human
14 services may provide.

15 (ii)(A) An individual described in (b)(i) of this subsection may
16 elect to apply (a) of this subsection by substituting, for the date
17 of termination of enrollment, the date on which the individual was
18 notified by the medicare advantage organization of the impending
19 termination or discontinuance of the medicare advantage plan it
20 offers in the area in which the individual resides, but only if the
21 individual disenrolls from the plan as a result of such notification.

22 (B) In the case of an individual making the election under
23 (b)(ii)(A) of this subsection, the issuer involved shall accept the
24 application of the individual submitted before the date of
25 termination of enrollment, but the coverage under subsection (1) of
26 this section is only effective upon termination of coverage under the
27 medicare advantage plan involved;

28 (c)(i) The individual is enrolled with:

29 (A) An eligible organization under a contract under section 1876
30 (medicare risk or cost);

31 (B) A similar organization operating under demonstration project
32 authority, effective for periods before April 1, 1999;

33 (C) An organization under an agreement under section
34 1833(a)(1)(A) (health care prepayment plan); or

35 (D) An organization under a medicare select policy; and

36 (ii) The enrollment ceases under the same circumstances that
37 would permit discontinuance of an individual's election of coverage
38 under (b)(i) of this subsection;

39 (d) The individual is enrolled under a medicare supplement policy
40 and the enrollment ceases because:

1 (i)(A) Of the insolvency of the issuer or bankruptcy of the
2 nonissuer organization; or

3 (B) Of other involuntary termination of coverage or enrollment
4 under the policy;

5 (ii) The issuer of the policy substantially violated a material
6 provision of the policy; or

7 (iii) The issuer, an insurance producer, or other entity acting
8 on the issuer's behalf materially misrepresented the policy's
9 provisions in marketing the policy to the individual;

10 (e)(i) The individual was enrolled under a medicare supplement
11 policy and terminates enrollment and subsequently enrolls, for the
12 first time, with any medicare advantage organization under a medicare
13 advantage plan under part C of medicare, any eligible organization
14 under a contract under section 1876 (medicare risk or cost), any
15 similar organization operating under demonstration project authority,
16 any PACE program under section 1894 of the social security act or a
17 medicare select policy; and

18 (ii) The subsequent enrollment under (e)(i) of this subsection is
19 terminated by the enrollee during any period within the first twelve
20 months of such subsequent enrollment (during which the enrollee is
21 permitted to terminate such subsequent enrollment under section
22 1851(e) of the federal social security act);

23 (f) The individual, upon first becoming eligible for benefits
24 under part A of medicare at age sixty-five, enrolls in a medicare
25 advantage plan under part C of medicare, or in a PACE program under
26 section 1894, and disenrolls from the plan or program by not later
27 than twelve months after the effective date of enrollment; or

28 (g) The individual enrolls in a medicare part D plan during the
29 initial enrollment period and, at the time of enrollment in part D,
30 was enrolled under a medicare supplement policy that covers
31 outpatient prescription drugs, and the individual terminates
32 enrollment in the medicare supplement policy and submits evidence of
33 enrollment in medicare part D along with the application for a policy
34 described in subsection (4)(a)(iv) of this section.

35 (4)(a) An eligible person under subsection (3) of this section is
36 entitled to a medicare supplement policy as follows:

37 (i) A person eligible under subsection (3)(a), (b), (c), and (d)
38 of this section is entitled to a medicare supplement policy that has
39 a benefit package classified as plan A through F (including F with a
40 high deductible), K, or L, offered by any issuer;

1 (ii)(A) Subject to (a)(ii)(B) of this subsection, a person
2 eligible under subsection (3)(e) of this section is entitled to the
3 same medicare supplement policy in which the individual was most
4 recently previously enrolled, if available from the same issuer, or,
5 if not so available, a policy described in (a)(i) of this subsection;

6 (B) After December 31, 2005, if the individual was most recently
7 enrolled in a medicare supplement policy with an outpatient
8 prescription drug benefit, a medicare supplement policy described in
9 this subsection (4)(a)(ii)(B) is:

10 (I) The policy available from the same issuer but modified to
11 remove outpatient prescription drug coverage; or

12 (II) At the election of the policyholder, an A, B, C, F
13 (including F with a high deductible), K, or L policy that is offered
14 by any issuer;

15 (iii) A person eligible under subsection (3)(f) of this section
16 is entitled to any medicare supplement policy offered by any issuer;
17 and

18 (iv) A person eligible under subsection (3)(g) of this section is
19 entitled to a medicare supplement policy that has a benefit package
20 classified as plan A, B, C, F (including F with a high deductible),
21 K, or L and that is offered and is available for issuance to new
22 enrollees by the same issuer that issued the individual's medicare
23 supplement policy with outpatient prescription drug coverage.

24 (b) For purposes of this subsection (4), in the case of any
25 individual newly eligible for medicare on or after January 1, 2020,
26 any reference to a medicare supplement policy C or F, including F
27 with high deductible, is deemed to be a reference to a medicare
28 supplement policy D or G, including G with high deductible,
29 respectively, that meets the requirements of this subsection.

30 (5)(a) At the time of an event described in subsection (3) of
31 this section, and because of which an individual loses coverage or
32 benefits due to the termination of a contract, agreement, policy, or
33 plan, the organization that terminates the contract or agreement, the
34 issuer terminating the policy, or the administrator of the plan being
35 terminated, respectively, must notify the individual of his or her
36 rights under this section, and of the obligations of issuers of
37 medicare supplement policies under subsection (1) of this section.
38 The notice must be communicated contemporaneously with the
39 notification of termination.

1 (b) At the time of an event described in subsection (3) of this
2 section, and because of which an individual ceases enrollment under a
3 contract, agreement, policy, or plan, the organization that offers
4 the contract or agreement, regardless of the basis for the cessation
5 of enrollment, the issuer offering the policy, or the administrator
6 of the plan, respectively, must notify the individual of his or her
7 rights under this section, and of the obligations of issuers of
8 medicare supplement policies under subsection (1) of this section.
9 The notice must be communicated within ten working days of the issuer
10 receiving notification of disenrollment.

11 (6) Guaranteed issue time periods:

12 (a) In the case of an individual described in subsection (3)(a)
13 of this section, the guaranteed issue period begins on the later of:

14 (i) The date the individual receives a notice of termination or
15 cessation of all supplemental health benefits (or, if a notice is not
16 received, notice that a claim has been denied because of a
17 termination or cessation), or (ii) the date that the applicable
18 coverage terminates or ceases, and ends sixty-three days thereafter;

19 (b) In the case of an individual described in subsection (3)(b),
20 (c), (e), or (f) of this section whose enrollment is terminated
21 involuntarily, the guaranteed issue period begins on the date that
22 the individual receives a notice of termination and ends sixty-three
23 days after the date the applicable coverage is terminated;

24 (c) In the case of an individual described in subsection
25 (3)(d)(i) of this section, the guaranteed issue period begins on the
26 earlier of: (i) The date that the individual receives a notice of
27 termination, a notice of the issuer's bankruptcy or insolvency, or
28 other such similar notice if any, and (ii) the date that the
29 applicable coverage is terminated, and ends on the date that is
30 sixty-three days after the date the coverage is terminated;

31 (d) In the case of an individual described in subsection (3)(b),
32 (d)(ii) and (iii), (e), or (f) of this section, who disenrolls
33 voluntarily, the guaranteed issue period begins on the date that is
34 sixty days before the effective date of the disenrollment and ends on
35 the date that is sixty-three days after the effective date;

36 (e) In the case of an individual described in subsection (3)(g)
37 of this section, the guaranteed issue period begins on the date the
38 individual receives notice pursuant to section 1882(v)(2)(B) of the
39 federal social security act from the medicare supplement issuer
40 during the sixty-day period immediately preceding the initial part D

1 enrollment period and ends on the date that is sixty-three days after
2 the effective date of the individual's coverage under medicare part
3 D; and

4 (f) In the case of an individual described in subsection (3) of
5 this section but not described in the preceding provisions of this
6 subsection, the guaranteed issue period begins on the effective date
7 of disenrollment and ends on the date that is sixty-three days after
8 the effective date.

9 (7) In the case of an individual described in subsection (3)(e)
10 of this section whose enrollment with an organization or provider
11 described in subsection (3)(e)(i) of this section is involuntarily
12 terminated within the first twelve months of enrollment, and who,
13 without an intervening enrollment, enrolls with another organization
14 or provider, the subsequent enrollment is an initial enrollment as
15 described in subsection (3)(e) of this section.

16 (8) In the case of an individual described in subsection (3)(f)
17 of this section whose enrollment with a plan or in a program
18 described in subsection (3)(f) of this section is involuntarily
19 terminated within the first twelve months of enrollment, and who,
20 without an intervening enrollment, enrolls in another plan or
21 program, the subsequent enrollment is an initial enrollment as
22 described in subsection (3)(f) of this section.

23 (9) For purposes of subsection (3)(e) and (f) of this section, an
24 enrollment of an individual with an organization or provider
25 described in subsection (3)(e)(i) of this section, or with a plan or
26 in a program described in subsection (3)(f) of this section is not an
27 initial enrollment under this subsection after the two-year period
28 beginning on the date on which the individual first enrolled with
29 such an organization, provider, plan, or program.

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