
Health Care & Wellness Committee

HB 2442

Brief Description: Clarifying when evidence of insurability may be required for medicare supplement insurance policies.

Sponsors: Representatives Bailey and Cody.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Changes when an issuer may require evidence of insurability prior to replacing a Medicare supplement insurance policy.
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Hearing Date: 1/23/12

Staff: Jim Morishima (786-7191).

Background:

Medicare supplement insurance, commonly known as Medigap, is a type of insurance that fills coverage gaps in the federal Medicare program. There are several types of Medicare supplement policies, which are subject to both federal and state standards and enforced by the Office of the Insurance Commissioner.

In 2008, the federal Medicare Improvement for Patients and Providers Act (MIPPA) changed the types of Medicare supplement insurance plans that may be offered. Beginning June 1, 2010, state law required an issuer of a Medicare supplement policy to:

- issue coverage under its 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. When replacing such a plan, the issuer may not require evidence of insurability; i.e., medical underwriting; and
- issue coverage under its standardized plan A to a Medicare-eligible state resident if the policy replaces another standardized plan A Medicare supplement policy. When replacing such a plan, the issuer may not require evidence of insurability; i.e., medical underwriting.

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.

Summary of Bill:

When replacing a Medicare supplement plan that was originally issued prior to June 1, 2010, the issuer has the option of requiring evidence of insurability. However, if the Medicare supplement insurance plan being replaced was issued on or after June 1, 2010, the issuer may not require evidence of insurability.

Appropriation: None.

Fiscal Note: Requested on January 18, 2012.

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