

SENATE BILL REPORT

SHB 2479

AS REPORTED BY COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE,
FEBRUARY 28, 1992

Brief Description: Making medicare supplemental insurance conform to federal law.

SPONSORS: House Committee on Financial Institutions & Insurance (originally sponsored by Representatives R. Johnson, Broback, Dellwo, Paris, Ferguson, Winsley and Franklin; by request of Insurance Commissioner)

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass.

Signed by Senators von Reichbauer, Chairman; Erwin, Vice Chairman; Moore, Pelz, Rasmussen, Sellar, and Vognild.

Staff: Tom Fender (786-7414)

Hearing Dates: February 25, 1992; February 28, 1992

BACKGROUND:

The federal Omnibus Budget Reconciliation Act of 1990 (OBRA) contained provisions regulating Medicare supplemental health insurance. OBRA required states to adopt regulations conforming to federal requirements or risk federal regulation of Medicare supplement policies in the non-conforming state. The Health Care Financing Administration has issued guidelines for implementation of these federal Medicare supplement standards and state law must be amended accordingly.

SUMMARY:

The state Medicare Supplemental Health Insurance Act is amended to conform to federal standards. Changed are definitions, fee standards, loss ratios, disclosures to consumers, health care service contracts, maintenance agreements and rates. Filed rates are subject to Insurance Commission approval.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

This legislation is required to be in place prior to June 30, 1992 or federal regulations will replace that of the state regarding Medicare supplemental policies.

TESTIMONY AGAINST: None

TESTIFIED: June Mulcahy, Insurance Commissioner's office (pro)