

ANALYSIS OF HOUSE BILL 1049

Mandating coverage for replacement Medicare insurance policies.

SPONSORS: Representative Sedy and Parlette

BACKGROUND: This bill corrects an error in the statutory text.

Medicare Supplements (commonly called Medigap policies) are health insurance policies that provide ways to fill the coverage gaps left by Medicare. In 1992, federal regulations set uniform standards for this coverage with 10 standard supplements -- through J. [See attached chart.]

Medicare Supplements were not included in the definition of health plan adopted in 1993 and therefore are not covered by the "insurance reforms" -- preexisting condition limitations, portability, and guaranteed issue/renewability.

In 1995, portability protections were extended to this coverage so a person could purchase a Medigap policy without evidence of insurability if the policy being replaced were more comprehensive. However, there was an error in the wording referencing . . . more comprehensive coverage than the replaced policy. It should reference the replacing policy.

SUMMARY: Language is changed to reference replacing policy.