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**Health Care Committee**

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**SB 5198**

**Brief Description:** Implementing changes to medicare supplement insurance requirements as mandated by the medicare modernization act of 2003 and other federal requirements.

**Sponsors:** Senators Keiser, Brandland and Berkey; by request of Insurance Commissioner.

**Brief Summary of Bill**

- Brings Medicare supplement policies sold in Washington into compliance with the Medicare Modernization Act and the recommendations of the National Association of Insurance Commissioners.

**Hearing Date:** 3/17/05

**Staff:** Dave Knutson (786-7146).

**Background:**

Medicare is the federally funded and administered program providing health insurance primarily to those 65 and older. Enrollees may also purchase a policy in the commercial market to supplement the benefits provided under Medicare. Although such policies are regulated by the Office of the Insurance Commissioner under state statute, those statutes must be consistent with the requirements of federal law.

Both the Balanced Budget Act of 1997 and the Medicare Modernization Act of 2003 made changes to the federal law governing Medicare supplemental policies. Issues addressed included pre-existing condition waiting periods, termination and disenrollment, and the addition of the new Medicare prescription drug benefit. These changes were incorporated into the National Association of Insurance Commissioner's (NAIC) Medicare Supplemental Insurance Model Regulation (Model), which serves as a template for the relevant laws in all 50 states. Washington statutes have not yet been amended to reflect the updated Model.

**Summary of Bill:**

Washington laws governing Medicare supplemental plans are amended to be consistent with the NAIC Model, reflecting changes required by the Balanced Budget Act and the Medicare Modernization Act.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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