
Health Care & Wellness Committee

HB 1603

Brief Description: Requiring guaranteed issue of medicare supplemental coverage to an individual who voluntarily disenrolls from a medicare advantage plan and enrolls in medicare parts A and B.

Sponsors: Representatives Berg, Parshley, Reed, Bernbaum, Thai, Kloba and Hill.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Requires a Medicare supplemental policy to be issued on a guaranteed issue basis to a person switching from Medicare Advantage to traditional Medicare.

Hearing Date: 2/7/25

Staff: Jim Morishima (786-7191).

Background:

Medicare is a federal health insurance program covering individuals 65 years of age or older and younger individuals with certain disabilities. Individuals enrolling in Medicare may enroll in traditional Medicare, which is administered by the federal government, or Medicare Advantage, which is administered by private insurers. Individuals may switch between types of coverage during specific times of the year. For example, a person may switch types of coverage during the Medicare annual election period, which runs from October 15 to December 7. Additionally, a person who is enrolled in Medicare Advantage may switch to traditional Medicare between January 1 and March 31.

Medicare supplemental insurance, informally known as Medigap, is insurance coverage issued to cover expenses that traditional Medicare coverage does not. An individual who seeks to enroll in

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Medicare supplemental coverage may be subject to medical underwriting based on factors such as health status, claims experience, receipt of health care or medical condition. However, medical underwriting is prohibited during the first six months after an individual 65 years of age or older first enrolls in Medicare. Medical underwriting is also prohibited under certain circumstances such as when an individual's Medicare Advantage plan is terminated. Issuing a policy without medical underwriting is otherwise known as "guaranteed issue."

Summary of Bill:

A Medicare supplement policy must be issued on a guaranteed issue basis to an individual who voluntarily switches from Medicare Advantage to traditional Medicare during an open enrollment period.

Appropriation: None.

Fiscal Note: Requested on January 31, 2025.

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