

# FINAL BILL REPORT

## SB 5198

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Synopsis as Enacted

**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.

**Senate Committee on Health & Long-Term Care**

**House Committee on Health Care**

**Background:** Medicare is the federally funded and administered program providing health insurance primarily to those 65 and older. Enrollees who wish to do so may 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, 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:** Washington laws governing Medicare supplemental plans are amended to be consistent with the NAIC Model Regulation, reflecting changes required by the Balanced Budget Act and the Medicare Modernization Act.

**Votes on Final Passage:**

Senate	46	0
House	94	0

**Effective:** July 24, 2005