



PLEASE SUPPORT HB 1603

Freedom of choice in health insurance for all Washingtonians on Medicare

We are in strong support of HB 1603 - a bill that provides critical freedom of choice in health insurance coverage for Washingtonians on Medicare, particularly those with chronic disease or other serious health conditions. Specifically, this bill would require a Medicare supplemental policy (Medigap) to be issued on a guaranteed issue basis to a person switching from Medicare Advantage to traditional Medicare.

Background:

- Individuals eligible to enroll in Medicare can choose a traditional Medicare plan that is administered by the federal government and covers only 80% of the cost of care, or they can select a Medicare Advantage (MA) plan that is administered by private insurers and covers 100% of the cost of care, as well as additional benefits such as dental, vision and hearing.
- MA plans have limitations in network size, and they also have restrictive prior authorization requirements.
- For those that choose traditional Medicare, there are Medigap policies available to cover the remaining 20% of the cost of care. However, there is currently limited ability to enroll in a Medigap plan without medical underwriting and as a result those with chronic disease or other serious health conditions are often denied coverage or are quoted exorbitant prices

Problem:

- Enrolling in Medicare and selecting the right type of insurance coverage can be confusing and the long-term implications are not always clear.
- Unfortunately, Washingtonians with chronic disease or other serious health conditions who enroll in MA plans can find themselves trapped and unable to purchase Medigap policies that are essential if they want to switch to traditional Medicare.
- Narrow provider networks and restrictive prior authorization requirements are common among MA plans and can pose critical challenges for patients that need access to more complex care.
- When medically necessary care is blocked or delayed there are costs not only for the individual but also for the entire health care delivery system.

Solution:

- HB 1603 requires that Medigap policies be issued on a guaranteed issue basis to any person switching from Medicare Advantage to original Medicare during a Medicare open enrollment period. "Guaranteed issue" means that no medical underwriting is allowed.
- This legislation is consistent with general insurance principles because the person making the switch is currently insured.
- HB 1603 allows Washingtonians on Medicare with a chronic disease or other serious health condition to choose a health insurance plan that is right for them.