

SB 1181 -1 STAFF MEASURE SUMMARY

Senate Committee On Health Care

Prepared By: Katie Hart, LPRO Analyst

Meeting Dates: 3/27, 4/8

WHAT THE MEASURE DOES:

The measure creates an annual open enrollment process for Medicare supplement policies (Medigap) and prohibits Medigap policies from denying coverage or increase the cost of coverage due to preexisting conditions.

Detailed Summary:

Establishes an open enrollment period for Medicare supplement (Medigap) policies.

- Creates an annual 90-day open enrollment period for Medigap policies beginning on January 1 of each year.
- Defines “eligible applications” as applications submitted during the open enrollment period or within six months of an individual’s initial enrollment in Medicare Part B.

Modifies requirements for Medigap policies operating in Oregon.

- Prohibits Medigap insurers from denying coverage, adjusting premiums, or modifying coverage terms based on the actual or expected health status, geographic location, claims history, age, or preexisting medical condition of an applicant or enrollee.

Applies to policies issued, renewed, or extended on or after January 1, 2026.

Fiscal impact: Has minimal fiscal impact

Revenue impact: No revenue impact

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Removes geographic location and age as factors that Medigap insurers may not consider. Modifies the open enrollment period from 90 days to 60 days.

BACKGROUND:

Medicare is a federal health insurance program for people 65 and older and certain younger people with disabilities. It also covers people with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant, sometimes called ESRD). Medicare Parts A and B are also called Original Medicare. Medicare Part A helps pay for inpatient care at hospitals, skilled nursing facilities, and hospice. It also covers some outpatient home health care. Medicare Part B helps cover services from doctors and other health care providers, outpatient care, home health care, durable medical equipment, and some preventive services. Medicare supplement policies, sometimes called Medigap, is extra insurance consumers can buy from a private health insurance company to help pay their share of out-of-pocket costs in Original Medicare. Generally, a person must be enrolled in Medicare Parts A and B to buy a Medigap policy ([LPRO Health Policy Glossary of Terms](#), 2024).

The Omnibus Budget Reconciliation Act of 1990 ([OBRA-90](#)) established the “Medigap Open Enrollment” period, which starts the first month someone aged 65 or older has Medicare Part B. During this time, someone can enroll in any Medigap policy, and the insurance company cannot deny coverage due to pre-existing health conditions. After this period, a person may not be able to buy a Medigap policy, or the policy may cost more. Unlike the annual Medicare Open Enrollment Period, Medigap Open Enrollment Period is a one-time enrollment.

[Connecticut](#), [Massachusetts](#), [Maine](#), and [New York](#) have continuous or annual open enrollment for Medigap plans

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without consideration of preexisting medical conditions ([KFE](#), 2024).

Senate Bill 1181 creates an annual open enrollment for Medigap policies and prohibits Medigap policies from denying coverage or increase the cost of coverage due to preexisting conditions.

PRELIMINARY