

## **SB 1181 -1 STAFF MEASURE SUMMARY**

### **House Committee On Behavioral Health and Health Care**

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**Meeting Dates:** 5/13, 5/20

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#### **WHAT THE MEASURE DOES:**

The measure prohibits insurers offering Medicare supplement (Medigap) from imposing preexisting condition exclusions or different terms and conditions on eligible applications. It defines "eligible application" as Medigap applications submitted prior to or during the six-month period coinciding with Medicare Part B enrollment or during the annual 90-day open enrollment period beginning on January 1. The measure requires the Department of Consumer and Business Services (DCBS) to adopt rules specifying standards for Medigap open enrollment periods.

*SENATE VOTE: Ayes, 17; Nays 12*

*Fiscal impact: Has minimal fiscal impact*

*Revenue impact: No revenue impact*

#### **ISSUES DISCUSSED:**

- Potential impact on premium rates
- Laws passed in other states and estimated impacts
- Options for Medicare Advantage consumers when plan experiences termination or network adequacy issues
- Other guarantee issue protections in Medigap
- Guarantee issue protections and enrollment penalties in Medicare

#### **EFFECT OF AMENDMENT:**

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- Permits insurers to impose different coverage terms based on geographic location or age
- Shortens annual open enrollment period from 90 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 without consideration of preexisting medical conditions ([KFF](#), 2024).

*This summary has not been adopted or officially endorsed by action of the committee.*

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