

2011 DRAFTING REQUEST

Bill

Received: **04/08/2011**

Received By: **pkahler**

Wanted: **As time permits**

Companion to LRB:

For: **Julie Lassa (608) 266-3123**

By/Representing: **Danielle Wilson**

May Contact:

Drafter: **pkahler**

Subject: **Insurance - health**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Lassa@legis.wisconsin.gov**

Carbon copy (CC:) to: **Tamara.Dodge@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Open enrollments for Medicare supplement policies

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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/P1			rschluet 04/27/2011	_____	sbasford 04/27/2011		
/P2	pkahler 10/10/2011	jdyer 10/11/2011	rschluet 10/11/2011	_____	mbarman 10/11/2011		
/1	pkahler 01/26/2012	jdyer 01/30/2012	jfrantze 01/30/2012	_____	sbasford 01/30/2012	ggodwin 02/22/2012	

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None

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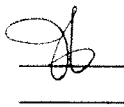
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Carbon copy (CC:) to: **Tamara.Dodge@legis.wisconsin.gov**

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Companion to LRB:

For: **Julie Lassa (608) 266-3123**

By/Representing: **Julie Learned**

May Contact:

Drafter: **pkahler**

Subject: **Insurance - health**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Lassa@legis.wisconsin.gov**

Carbon copy (CC:) to: **Tamara.Dodge@legis.wisconsin.gov**

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By/Representing: Julie Learned

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Drafter: pkahler

Subject: Insurance - health

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Submit via email: YES

Requester's email: Sen.Lassa@legis.wisconsin.gov

Carbon copy (CC:) to: Tami Dodge

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/?	pkahler	PI SBB 4/13					
FE Sent For:	PI 4/26	JLD					<END>

Kahler, Pam

From: Sen.Lassa
Sent: Tuesday, April 05, 2011 8:59 PM
To: Kahler, Pam
Subject: Draft request
Attachments: 02lassa_lg

Hi Pam,

(I'm not sure if you are the appropriate person to draft this, so please feel free to pass along.) Senator Lassa would like to have legislation drafted as a p-draft that would make Wisconsin's requirements over Medigap insurance plans comparable to Massachusetts' statute (<http://www.malegislature.gov/Laws/GeneralLaws/PartI/TitleXXII/Chapter176K/Section3>), which requires Medigap insurance providers to offer a six-month open enrollment period for Medicare Part B participants under age 65 beginning when they enroll, and then also an annual 30-day open enrollment period for all Medigap participants where they can change providers without providers discriminating against them for a pre-existing condition.

Additional information is provided in the attached Leg Council memo; however, please feel free to contact me with any questions. We have a very interested constituent, so I would really appreciate it if I can get a sense of how long it will take to receive a draft back so I can let him know.

Thank you so much for your help!

Danielle

From: Learned, Julie
Sent: Wed 3/2/2011 11:36 AM
To: Wilson, Danielle
Subject: Memorandum from Lael Grigg, Legislative Council

<<02lassa_lg>>

Julie Learned
Legislative Council Staff
One East Main St., Suite 401
(608) 266-2985

Print

PART I ADMINISTRATION OF THE GOVERNMENT
(Chapters 1 through 182)

PREV NEXT

TITLE XXII CORPORATIONS

PREV NEXT

CHAPTER 176K MEDICARE SUPPLEMENT INSURANCE PLANS

PREV NEXT

Section 3 Discrimination; open enrollment period; health maintenance organizations; waiver

PREV NEXT

Section 3. (a) No carrier participating in the market shall, at any time, deny or condition the issuance of any policy for medicare supplement insurance or medicare select insurance or a policy issued pursuant to a risk or cost contract available for sale in the commonwealth, nor discriminate in the pricing of such a plan, to any eligible person because of the age, health status, claims experience, receipt of health care, medical condition of the eligible person, or any other factor which the commissioner may specify by regulation.

(b) No policy for medicare supplement insurance or medicare select insurance or a policy issued pursuant to a risk or cost contract may contain any waiting period or pre-existing condition limitation or exclusion.

(c) No carrier participating in the market shall deny or condition the issuance of any policy for medicare supplement insurance or medicare select insurance or a policy issued pursuant to a risk or cost contract available for sale in the commonwealth, nor discriminate in the pricing of such a policy, to an eligible person when an application for such a policy for medicare supplement insurance or medicare select insurance or a policy issued pursuant to a risk or cost contract is submitted during the six month period beginning at the time the eligible person became initially eligible for coverage.

(d) Every carrier that participates in the market shall make available during the required open enrollment to every eligible person all policies for medicare supplement insurance or medicare select insurance or a policy issued pursuant to a risk or cost contract which that carrier is authorized to issue pursuant to sections four and five of this chapter. The required open enrollment period for eligible persons shall commence on February first and end on March thirty-first of each year, for coverage to be effective June first of that year or no later than Medicare coverage is first effective, whichever is earlier.

(e) A carrier may offer, sell, issue, deliver, or otherwise make effective or renew a policy for medicare supplement insurance or medicare select insurance or a policy issued pursuant to a risk or cost contract to an eligible person at any other time of the year, provided said carrier complies with the requirements of this chapter.

(f) A health maintenance organization shall not be required to accept applications from or offer coverage to an eligible person if: (i) the eligible person does not reside in the health maintenance organization's approved service area; or (ii) within said area, the health maintenance organization demonstrates to the satisfaction of the commissioner that it will not, within said area, have the capacity in its network of providers to deliver services adequately to new eligible persons because of obligations to existing enrollees; provided that a health maintenance organization that makes such a demonstration to the satisfaction of the commissioner may not offer coverage in such applicable area to any other new enrollees or groups until the later of ninety days after each such refusal or the date on which the carrier notifies the commissioner that it has regained capacity to deliver services to eligible persons for policy for medicare supplement insurance or medicare select insurance or a policy issued pursuant to a risk or cost contract coverage.

(g) Any carrier shall make available all its policies for medicare supplement insurance or medicare select insurance or policies issued pursuant to a risk or cost contract to any eligible person of the commonwealth whose coverage under a policy issued pursuant to a risk or cost contract has been canceled because the health maintenance organization's contract with Medicare has been terminated. Such coverage shall comply with all provisions of this chapter, and shall become effective on the date that coverage under the risk or cost contract ends.

(h) The commissioner may by regulation waive provisions of this section for policies for medicare supplement insurance or medicare select insurance or policies issued pursuant to a risk or cost contract issued in the commonwealth prior to the effective date of OBRA 90, or such other date as the commissioner may specify by regulation in order to comply with the provisions of OBRA 90, or with the provisions of law governing contracts; provided that not less than forty-five days prior to the proposed promulgation of said waiver, the commissioner shall file with the clerk of the house of representatives and the clerk of the senate documentation explaining the reasons why said waiver is necessary, including, if applicable, the basis for any refusal by the health care finance administration to not renew or permit modifications to the federal waiver granted pursuant to the provisions of OBRA 90 or, the reasons why such waiver is necessary to comply with contract law.

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WISCONSIN LEGISLATIVE COUNCIL

Terry C. Anderson, Director
Laura D. Rose, Deputy Director

TO: SENATOR JULIE LASSA
FROM: Lael Grigg, Legislative Council Intern
RE: Information on Medigap Policies
DATE: March 2, 2011

A = inpatient
B = outpatient

This memorandum is in response to the request for information, submitted by Danielle Wilson, about Medigap policies.

Background

Medicare Supplemental Insurance Plans, also known as Medigap policies, are health insurance policies sold by private insurance companies. Medigap policies cover gaps in original Medicare Plan coverage, such as coinsurance, copayments, and deductibles. Medicare was not designed to cover 100% of all medical bills, but was created to offset significant medical expenses and to provide a basic foundation of benefits.¹ Medicare requires deductible payments, and pays many Part B expenses at 80% of the Medicare-approved amount.² Medigap policies pay the 20% of Medicare-approved charges that Medicare does not pay.³ To purchase a Medigap policy, an individual must have Medicare Parts A and B.

Medicare Part A provides insurance to help cover inpatient care in hospitals, skilled nursing facilities, hospice, and home health care environments. In most cases, once an individual turns 65, Part A is available without paying a premium, since Medicare taxes were paid during employment. Part A can also be purchased by anyone 65 or older, who is entitled to Part B, and meets the citizenship or residency requirements; or by anyone under 65 with a disability who returned to work.⁴ Medicare Part B helps cover outpatient care expenses, medically necessary services, as well as some preventive

¹ <http://www.medicare.gov/medigap/default.asp>.

² <http://oci.wi.gov/srissues/medigap.htm>.

³ <http://oci.wi.gov/srissues/mgmedsup.htm>.

⁴ <http://www.medicare.gov/navigation/medicare-basics/medicare-benefits/part-a.aspx>.

services and illness early detection tests. Most individuals pay a monthly premium for Medicare Part B.⁵

Federal Guidelines for Medigap Policies

Medigap policies must be clearly identified as “Medicare Supplemental Insurance.” Medigap policies are standardized and identified by the letters A through N. The coverage provided by a policy with the same letter must be the same across insurance companies; however, the costs of that policy vary by insurance company. The insurance company decides which policies to sell.⁶

During the Medigap open enrollment period, insurance companies are required to allow individuals to purchase a Medigap policy. Medigap open enrollment is a six-month window that starts on the first day of the month in which the individual is both 65 or older and enrolled in Medicare Part B. During open enrollment, the insurance company cannot use medical underwriting to determine a policy offer, so it cannot refuse to sell any Medigap policy it offers, delay the start of coverage, or charge more for a policy due to existing health problems. Under certain circumstances, the company can deny coverage for out-of-pocket expenses for pre-existing conditions during a six-month pre-existing condition waiting period. However, after the waiting period, the Medigap policy must cover the excluded condition.⁷ Any additional open enrollment periods or opportunities for people under 65 to purchase Medigap policies vary by state. Under federal law, outside of the open enrollment period, Medigap insurance companies are allowed to use medical underwriting to decide whether to accept an application or not and how much to charge for a Medigap policy.

Federal law allows insurance companies to set the price, or premium, for Medigap policies. There are three pricing strategies: (1) community-rated (also called “no-age-rated”) where the price for the policy does not change regardless of the enrollee’s age; (2) issue-age-rated (also called “entry-age-rated”) where the price varies depending on the age of the enrollee at the time of enrollment; and (3) attained-age-rated where the price is set by the individual’s current age and increases as the individual gets older.⁸

Federal law does not require insurance companies to sell Medigap policies to people under age 65, although some states require companies to sell plans to individuals with a disability or End Stage Renal Disease (ESRD) who are under 65.⁹ In a state without this mandate, companies may voluntarily sell Medigap policies to these individuals, but typically at a much higher cost.

⁵ <http://www.medicare.gov/navigation/medicare-basics/medicare-benefits/part-b.aspx>.

⁶ 2010 Guide to Health Insurance, a 60 page booklet containing information on choosing a Medigap policy to supplement Original Medicare. Available at: <http://www.medicare.gov/Library/PDFNavigation/PDFInterim.asp?Language=English&Type=Pub&PubID=02110>.

⁷ 2010 Guide to Health Insurance.

⁸ 2010 Guide to Health Insurance.

⁹ California*, Colorado, Connecticut, Delaware**, Florida, Hawaii, Illinois, Kansas, Louisiana, Maine, Maryland, Massachusetts*, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, South Dakota, Texas, Vermont* and Wisconsin require companies to offer a Medigap policy to people with Medicare under age 65. (*A Medigap policy is not available to people with ESRD under 65. **A

Although not required by federal law, most states mandate that Medigap policies purchased after 1992 are guaranteed renewable. So an insurance company can only drop coverage if the insured stops paying the premium, was untruthful in the policy application, or the insurance company becomes bankrupt or insolvent.

Wisconsin Medigap Laws

In Wisconsin, Medigap policies are standardized differently from the A through N policies. Instead, all Medigap policies provide certain basic benefits, with optional riders that can be added to the Medigap policy.¹⁰ Prices for Medigap policies offering the same benefits vary significantly (by many hundreds of dollars) since different insurance companies set their rates using attained-age, issue-age, or no-age-rating guidelines.¹¹ As individuals grow older, they frequently pay significantly more for their coverage.

Outside of the federal open enrollment period, insurance companies in Wisconsin consider pre-existing conditions and use medical underwriting to determine the price for a Medigap policy. Guaranteed issue¹² in Wisconsin outlines additional scenarios in which insurance companies are required to sell Medigap policies to an individual outside of open enrollment.¹³ Wisconsin Medigap policies must offer a 30-day “free look”¹⁴ and are guaranteed renewable; however, that does not mean that insurance companies cannot raise the premiums.¹⁵ The Office of the Commissioner of Insurance (OCI) provides information on the actual premiums that companies charge and advice for individuals considering purchasing a Medigap policy.¹⁶ The state government offers brochures, on-line information, and a Wisconsin Medigap Helpline to assist residents seeking an appropriate Medigap policy.¹⁷

Medigap policy is only available to people with ESRD.) Information available at: <http://www.medicare.gov/Library/PDFNavigation/PDFInterim.asp?Language=English&Type=Pub&PubID=02110>.

¹⁰ Wisconsin insurance law outlines several additional mandated benefits that Medigap policies must contain. Available at: <http://oci.wi.gov/srissues/mgmedsup.htm>.

¹¹ <http://oci.wi.gov/srissues/mgcompar.htm>.

¹² Guaranteed issue rights (also called Medigap protections) are rights individuals have in specific situations when insurance companies are required by law to offer certain Medigap policies even if the individual has health problems and must cover any pre-existing conditions.

¹³ http://oci.wi.gov/pub_list/pi-002.pdf, pp. 32-33.

¹⁴ For individuals who already have a Medigap policy and wish to change to a different Medigap policy, there is a 30-day period where the individual has the option to decide whether or not to keep the new policy. This is the 30-day free look period, and for this month both plan premiums need to be paid.

<http://www.medicare.gov/Library/PDFNavigation/PDFInterim.asp?Language=English&Type=Pub&PubID=02110>

¹⁵ WI Guide to Health Insurance for People with Medicare: http://oci.wi.gov/pub_list/pi-002.pdf.

¹⁶ http://oci.wi.gov/pub_list/pi-010.htm.

¹⁷ Wisconsin Medigap Helpline at 1-800-242-1060: <http://www.dhs.wisconsin.gov/guide/pay/medicare.htm>.

Neighboring State Laws

Illinois¹⁸, Iowa¹⁹, Michigan²⁰, and Minnesota²¹ are very similar to Wisconsin. Insurance companies set rates using attained-age, issue-age or no-age-rating guidelines. These states require certain guaranteed issue rights, 30-day free look trials, guaranteed renewable plans, and allow pre-existing condition waiting periods to apply. Minnesota, like Wisconsin, has different standardization for Medigap policies. Minnesota does not offer Medigap policies A through N, but instead offers two types of Medigap policies (basic and extended basic) that meet or exceed the benefits offered by the plans available in other states.

Illinois, Michigan, Minnesota, and Wisconsin all require that insurance companies offer a Medigap plan to Medicare enrollees under age 65. However, in Wisconsin, Iowa, Michigan and Minnesota, there is no open enrollment period for individuals under 65, even if they are on Medicare Part B for disability or ESRD. As of June 1, 2008, Illinois mandated an open enrollment period for people under 65 years of age who are eligible for Medicare Part B, for six months from the date of enrolling in Medicare Part B.

California and Massachusetts Laws Regulating Medigap Policies

In California, Medicare beneficiaries under age 65 with a disability, but not with ESRD, have a mandated six-month open enrollment period to buy a Medigap policy that starts on the effective date of Medicare Part B benefits. Companies are allowed to charge a higher premium for these individuals under age 65.²²

Massachusetts prohibits insurance companies from denying or conditioning Medigap policies for any eligible individual based on age, health status, claims experience, medical condition, or other factor that the commissioner may specify. Massachusetts does not allow Medigap policies to contain a waiting period or pre-existing condition limitation or exclusion or to discriminate in the pricing of Medigap policies. Massachusetts also established an annual open enrollment period from February 1 through March 31 each year where individuals can purchase coverage to be effective by June 1 of that year.²³

Please contact me at the Legislative Council staff offices if you need additional information.

LG:jal

¹⁸ <http://www.insurance.illinois.gov/healthinsurance/MedSupplement.asp>.

¹⁹ <http://www.shiip.state.ia.us/SupplementalInsurance.aspx> and
<http://www.shiip.state.ia.us/Resources/Med%20Supp%20Guide%202011.pdf>.

²⁰ http://www.michigan.gov/documents/NAIC_Medigap_Policy_142085_7.pdf.

²¹ http://www.state.mn.us/mn/externalDocs/Commerce/What_You_Need_to_Know_Med_Supp_Insurance_011303033355_MedSupp-WYNK.pdf.

²² <http://www.aging.ca.gov/programs/medigaphelp/index-Medigap.htm> & www.cahealthadvocates.org/pdf/facts/B-002-CHAFactSheet.pdf.

²³ <http://www.malegislature.gov/Laws/GeneralLaws/PartI/TitleXXII/Chapter176K/Section3>.

Kahler, Pam

From: Kahler, Pam
Sent: Thursday, April 07, 2011 11:49 AM
To: Wilson, Danielle
Subject: Draft on Medigap policies

Hi, Danielle:

I've looked over the administrative rules that relate to the two parts of your drafting request and need some clarifications.

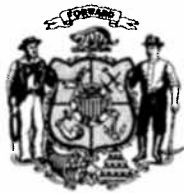
1. It looks like there already is a requirement in the rules for a six-month open enrollment period beginning in either: 1) the month in which a person first enrolls in Medicare Part B, or 2) the month in which a person who had coverage under Medicare Part B under the age of 65 turns 65. (See Ins 3.39 (4m), Wis. adm. code.) Coverage under a Medicare supplement policy during that open enrollment period may not be denied or priced on the basis of health status, claims experience, receipt of health care, or medical condition. An insurer may, however, impose a preexisting condition waiting period for up to six months, except that no preexisting condition period may be imposed if a person previously had creditable coverage for a continuous period of at least six months. Since the rules already require a six-month open enrollment period, do you still want to provide for one in the statutes, too? If so, do you simply want to provide for an open enrollment period for those under age 65, as in your drafting request, or do you want to codify the requirement that is in the rules (Massachusetts additionally prohibits coverage denial or pricing on the basis of age)?

2. The administrative rules do not require an annual open enrollment period, but there is a requirement that, if a person changes Medicare supplement policies, any preexisting condition waiting period satisfied under the former policy applies to the new policy. (See Ins 3.39 (27), Wis. adm. code.) In light of the rule, do you still want to provide for a 30-day open enrollment period in the statutes? If so, do you want to specify the 30 days that every policy must use for the open enrollment period (Massachusetts appears to have a 60-day open enrollment period from February 1 to March 31), do you want each insurer to determine its own 30-day period, or do you want the commissioner of insurance to specify the 30-day period? Do you want the open enrollment period to apply only to persons who are switching from one Medicare supplement policy to another, to any person who is enrolled in Medicare Part B, something different? Do you want to require an insurer, during an open enrollment period, to have to issue a new policy to anyone who applies who is eligible? Alternatively, do you want to specify the prohibited bases for denial of coverage that are mentioned in the paragraph above? Do you just want to prohibit denial on the basis of a preexisting condition? (In your drafting request, by "without providers discriminating against them for a pre-existing condition," did you mean that insurers could not deny coverage on that basis, or did you mean that insurers could not impose a preexisting condition waiting period?)

These are difficult issues. Thank you in advance for clarifying them.

Pam

Pamela J. Kahler
Legislative Attorney
Legislative Reference Bureau
608-266-2682



LRB-1881/P1
PJK:.....
SBB
+
JLD

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-note
(in 4-13)

✓
1

Gen cat
Special
periods

AN ACT relating to: open enrollments for Medicare supplement policies. ✓

Analysis by the Legislative Reference Bureau

Generally, Medicare Part A provides coverage for inpatient care and Medicare Part B provides coverage for outpatient care. Generally, a person is eligible for Medicare when he or she reaches age 65 or if he or she is under age 65 and disabled. Medicare supplement policies are private insurance policies that may be purchased by persons who are enrolled in Medicare and that provide supplemental coverage to that provided under Medicare, such as coverage for additional services, for the portion of the cost of services not paid by Medicare, or for deductibles required under Medicare.

This bill creates two special enrollment periods under Medicare supplement policies. Under the bill, an insurer offering a Medicare supplement policy may not deny coverage under the policy on the basis of health status, claims experience, receipt of health care, or medical condition to a person under age 65 who applies for coverage during the six-month period beginning on the date that the person enrolls in Medicare Part B. The bill also requires every insurer offering a Medicare supplement policy to provide a 30-day enrollment period during which no person who is covered under another Medicare supplement policy may be denied coverage under the insurer's Medicare supplement policy on the basis of a preexisting condition. In addition, the insurer may not impose on any person who obtains coverage during the 30-day enrollment period any preexisting condition exclusion.

coverage
first day of the month in which

is eligible for Medicare Part B

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 632.843 of the statutes is created to read:

632.843 Special enrollment periods for Medicare supplement policies.

(1) DEFINITION. In this section, "Medicare Part B" means Part B of Medicare under 42 USC 1395j to 1395L.

(2) INITIAL SIX-MONTH ENROLLMENT PERIOD. (a) During the initial enrollment period specified in par. (b), an insurer offering a Medicare supplement policy may not deny coverage under the policy to an individual under the age of 65 on the basis of any of the following:

- 1. Health status.
- 2. Claims experience.
- 3. Receipt of health care.
- 4. Medical condition.

A 5. Age.

(b) The initial enrollment period referred to in par. (a) for an individual described in par. (a) shall begin on the date on which the individual first enrolls in Medicare Part B and shall last for 6 months from that date.

(3) ANNUAL 30-DAY ENROLLMENT PERIODS. Beginning in 2012, every insurer offering a Medicare supplement policy shall provide an annual 30-day enrollment period during which any individual who has coverage under another Medicare supplement policy may obtain coverage under the insurer's Medicare supplement policy without regard to any preexisting condition. Notwithstanding s. 632.76 (2), an insurer may not impose any preexisting condition exclusion on an individual who obtains coverage under the insurer's Medicare supplement policy during the insurer's 30-day enrollment period under this subsection. Each insurer offering a Medicare supplement policy shall post on its Web site the beginning and ending dates for the insurer's annual 30-day enrollment period under this subsection.

who is eligible for Medicare Part B

first day of the month in

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2
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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1881/4dn

PJK:π:...

Sbb

↓
jld

Date

In this draft, I have created proposed s. 632.843, which provides for two different special enrollment periods under Medicare supplement policies. The six-month period is limited to persons under age 65. The 30-day annual period allows persons who are already covered under a Medicare supplement policy to enroll in a different one without being penalized for any preexisting conditions. I required the insurer to post its annual 30-day enrollment period on its Web site, but you could specify a uniform one for every insurer to use.

Let me know if you would like any changes.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1881/P1dn
PJK:sbb&jld:rs

April 26, 2011

In this draft, I have created proposed s. 632.843, which provides for two different special enrollment periods under Medicare supplement policies. The six-month period is limited to persons under age 65. The 30-day annual period allows persons who are already covered under a Medicare supplement policy to enroll in a different one without being penalized for any preexisting conditions. I required the insurer to post its annual 30-day enrollment period on its Web site, but you could specify a uniform one for every insurer to use.

Let me know if you would like any changes.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

Kahler, Pam

From: Wilson, Danielle
Sent: Monday, October 03, 2011 3:43 PM
To: Kahler, Pam
Subject: FW: Questions/Redraft of LRB-1881/P1

One more clarification: The bill should prevent denials on the basis of a pre-existing condition and should also prevent the Medigap company from using medical underwriting to determine a policy offer during the enrollment periods.

that's what draft does

Danielle Wilson

Office of Senator Julie Lassa
 P.O. Box 7882
 Madison, WI 53707-7882
 (608) 266-3123
 danielle.wilson@legis.wisconsin.gov

From: Wilson, Danielle
Sent: Monday, October 03, 2011 1:48 PM
To: Kahler, Pam
Subject: Questions/Redraft of LRB-1881/P1

Hi Pam,

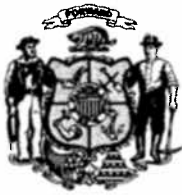
I have a couple changes/questions regarding this proposal:

- I am unclear whether the language under 632.843(3) would provide those who do not currently have a Medicare supplement policy to apply within the 30-day window without regard to their preexisting condition. We would want those who miss the original 6-month enrollment period to be eligible. *per Danielle, under 65 and enrolled in Med Part B*
- My understanding is that all Medigap plans must offer a 30-day "free look" period where current customers may look and switch to another plan. Is this a set period for all periods? *no*
 - If so, Senator Lassa would like the annual 30-day enrollment period to be at that time. *not relevant*
 - If not, is it possible to require them all to be at the same time, similar to our state health insurance plans where we have an open enrollment every October? *have commissioners set*
 - If it is possible to do so, please include that in the change.
- Do we need to clarify "pre-existing condition" and "medical condition" include disabilities? *include dis in sub. (2) and define in sub (3)*

Thank you so much for your help!

Danielle Wilson

Office of Senator Julie Lassa
 P.O. Box 7882
 Madison, WI 53707-7882
 (608) 266-3123
 danielle.wilson@legis.wisconsin.gov



Y m is run

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

(in 10-10)

X regenerate ✓

- 1 **AN ACT to create** 632.843 of the statutes; **relating to:** special enrollment periods
- 2 for Medicare supplement policies. ✓

Analysis by the Legislative Reference Bureau

Generally, Medicare Part A provides coverage for inpatient care and Medicare Part B provides coverage for outpatient care. Generally, a person is eligible for Medicare when he or she reaches age 65 or if he or she is under age 65 and disabled. Medicare supplement policies are private insurance policies that may be purchased by persons who are enrolled in Medicare and that provide supplemental coverage to that provided under Medicare, such as coverage for additional services, for the portion of the cost of services not paid by Medicare, or for deductibles required under Medicare.

This bill creates two special enrollment periods under Medicare supplement policies. Under the bill, an insurer offering a Medicare supplement policy may not deny coverage under the policy on the basis of health status, claims experience, receipt of health care, medical condition, or age to a person under age 65 who is eligible for Medicare Part B during the six-month period beginning on the first day of the month in which the person first enrolls in Medicare Part B. The bill also requires every insurer offering a Medicare supplement policy to provide a 30-day enrollment period during which no person who is covered under another Medicare supplement policy may be denied coverage under the insurer's Medicare supplement policy on the basis of a preexisting condition. ✓ In addition, the insurer may not impose

disability)

→ and no person who is under age 65 and enrolled in Medicare Part B

on any person who obtains coverage during the 30-day enrollment period any preexisting condition exclusion. The commissioner of insurance must

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 632.843 of the statutes is created to read:

632.843 Special enrollment periods for Medicare supplement policies.

(1) DEFINITION. In this section, "Medicare Part B" means Part B of Medicare under 42 USC 1395j to 1395L.

(2) INITIAL 6-MONTH ENROLLMENT PERIOD. (a) During the initial enrollment period specified in par. (b), an insurer offering a Medicare supplement policy may not deny coverage under the policy on the basis of any of the following to an individual under the age of 65 who is eligible for Medicare Part B:

- 1. Health status.
- 2. Claims experience.
- 3. Receipt of health care.
- 4. Medical condition.

~~Age~~ Age.

(b) The initial enrollment period referred to in par. (a) for an individual described in par. (a) shall begin on the first day of the month in which the individual first enrolls in Medicare Part B and shall last for 6 months.

(3) ANNUAL 30-DAY ENROLLMENT PERIODS. Beginning in 2012, every insurer offering a Medicare supplement policy shall provide an annual 30-day enrollment period during which any individual who has coverage under another Medicare supplement policy may obtain coverage under the insurer's Medicare supplement policy without regard to any preexisting condition. Notwithstanding s. 632.76 (2),

Insert 2-1

Disability
5.

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specifies the 30 days for this enrollment period.

Insert 2-17

Insert 2-20

Insert 3-5

1 an insurer may not impose any preexisting condition exclusion on an individual who
2 obtains coverage under the insurer's Medicare supplement policy during the
3 insurer's 30-day enrollment period under this subsection. Each insurer offering a
4 Medicare supplement policy shall post on its Web site the beginning and ending dates
5 for the insurer's annual 30-day enrollment period under this subsection.

6 **SECTION 2. Initial applicability.**

7 (1) The treatment of section 632.843 (2) of the statutes first applies to
8 individuals who enroll in Medicare Part B on the effective date of this subsection.

9 (END)

2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1881/P2ins
PJK:.....

INSERT 2-1

1 SECTION 1. 227.01 (13) (mg) ^X of the statutes is created to read:
2 227.01 (13) (mg) Specifies the annual enrollment period under s. 632.843 (3)

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(c) ←

(END OF INSERT 2-1)

INSERT 2-17

4 (a) In this subsection, "preexisting condition" [✓] includes a preexisting disability.

5

FI
(b) NO
FI

(END OF INSERT 2-17)

INSERT 2-19

6 ^{NO FI}, specified by the commissioner under [✓] par. (c),

NO
FI

(END OF INSERT 2-19)

INSERT 2-20

7 ^{NO FI} or who is under age 65 [✓] and enrolled in Medicare Part B [✓]

(END OF INSERT 2-20)

INSERT 3-5

8 ^{FI} (c) The commissioner [✓] shall specify the beginning and ending dates of the
9 30-day enrollment period [✓] required under this subsection. [✓]

(END OF INSERT 3-5)

Kahler, Pam

From: Wilson, Danielle
Sent: Thursday, January 26, 2012 3:33 PM
To: Kahler, Pam
Subject: FW: Draft review: LRB 11-1881/P2 Topic: Open enrollments for Medicare supplement policies
Attachments: LRB-1881_P2

Hi Pam,

Would you please draft a /1 of this p-draft?

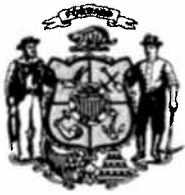
Thank you!

Danielle Wilson

Office of Senator Julie Lassa
P.O. Box 7882
Madison, WI 53707-7882
(608) 266-3123
danielle.wilson@legis.wisconsin.gov

From: LRB.Legal
Sent: Tuesday, October 11, 2011 9:48 AM
To: Sen.Lassa
Subject: Draft review: LRB 11-1881/P2 Topic: Open enrollments for Medicare supplement policies

Following is the PDF version of draft LRB 11-1881/P2.



2011 BILL *r m is n m*

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

(w/ 1-26)

4

Regen

1 AN ACT *to create* 227.01 (13) (mg) and 632.843 of the statutes; **relating to:**
2 special enrollment periods for Medicare supplement policies.

Analysis by the Legislative Reference Bureau

Generally, Medicare Part A provides coverage for inpatient care and Medicare Part B provides coverage for outpatient care. Generally, a person is eligible for Medicare when he or she reaches age 65 or if he or she is under age 65 and disabled. Medicare supplement policies are private insurance policies that may be purchased by persons who are enrolled in Medicare and that provide supplemental coverage to that provided under Medicare, such as coverage for additional services, for the portion of the cost of services not paid by Medicare, or for deductibles required under Medicare.

This bill creates two special enrollment periods under Medicare supplement policies. Under the bill, an insurer offering a Medicare supplement policy may not deny coverage under the policy on the basis of health status, claims experience, receipt of health care, medical condition, disability, or age to a person under age 65 who is eligible for Medicare Part B during the six-month period beginning on the first day of the month in which the person first enrolls in Medicare Part B. The bill also requires every insurer offering a Medicare supplement policy to provide a 30-day enrollment period during which no person who is covered under another Medicare supplement policy and no person who is under age 65 and enrolled in Medicare Part B may be denied coverage under the insurer's Medicare supplement policy on the basis of a preexisting condition. In addition, the insurer may not impose on any person who obtains coverage during the 30-day enrollment period any

preexisting condition exclusion. The commissioner of insurance must specify the 30 days for this enrollment period.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 227.01 (13) (mg) of the statutes is created to read:

2 227.01 (13) (mg) Specifies the annual enrollment period under s. 632.843 (3).

3 **SECTION 2.** 632.843 of the statutes is created to read:

4 **632.843 Special enrollment periods for Medicare supplement policies.**

5 **(1) DEFINITION.** In this section, "Medicare Part B" means Part B of Medicare under
6 42 USC 1395j to 1395L.

7 **(2) INITIAL 6-MONTH ENROLLMENT PERIOD.** (a) During the initial enrollment
8 period specified in par. (b), an insurer offering a Medicare supplement policy may not
9 deny coverage under the policy on the basis of any of the following to an individual
10 under the age of 65 who is eligible for Medicare Part B:

- 11 1. Health status.
- 12 2. Claims experience.
- 13 3. Receipt of health care.
- 14 4. Medical condition.
- 15 5. Disability.
- 16 6. Age.

17 (b) The initial enrollment period referred to in par. (a) for an individual
18 described in par. (a) shall begin on the first day of the month in which the individual
19 first enrolls in Medicare Part B and shall last for 6 months.

20 **(3) ANNUAL 30-DAY ENROLLMENT PERIOD.** (a) In this subsection, "preexisting
21 condition" includes a preexisting disability.

Godwin, Gigi

From: Wilson, Danielle

Sent: Wednesday, February 22, 2012 9:59 AM

To: LRB.Legal

Subject: Draft Review: LRB 11-1881/1 Topic: Open enrollments for Medicare supplement policies

Please Jacket LRB 11-1881/1 for the SENATE.