

STAND. COM. REP. NO.

1288

Honolulu, Hawaii

MAR 17

, 2023

RE: S.B. No. 64
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Health & Homelessness, to which was referred S.B. No. 64, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MEDICARE SUPPLEMENT INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require issuers of Medicare Supplement Insurance to accept an eligible individual's application for coverage at any time throughout the year; and
- (2) Prohibit issuers of Medicare Supplement Insurance from denying or conditioning the issuance or effectiveness of a policy or certificate or making any premium rate distinctions due to health status, claims experience, receipt of health care, or medical condition.

Your Committee received testimony in support of this measure from the Leukemia & Lymphoma Society, Hawaii Medical Association, Kūpuna Caucus of the Democratic Party of Hawai'i, and two individuals. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs and Hawaii Association of Health Plans. Your Committee received

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comments on this measure from the Hawaii Medical Service Association.

Your Committee finds that eligible individuals are able to purchase Medicare Supplement Insurance, also known as Medigap, on a guaranteed-issue basis only during the six-month open enrollment period that begins when an individual is enrolled for benefits under Medicare Part B. Your Committee further finds that it is extremely difficult for individuals whose health conditions or financial situations may have changed after their open enrollment period to switch to a more suitable Medigap plan. Your Committee recognizes that permitting individuals to change insurance plans multiple times during a twelve-month period may encourage forum shopping and lead to increased prices for consumers.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Insurance Commissioner to adopt rules to establish an annual open enrollment period for beneficiaries who have been enrolled in a Medigap policy for a minimum of twelve months;
- (2) Requiring issuers of Medicare Supplement Insurance to accept an eligible individual's application for coverage during the annual open enrollment period;
- (3) Deleting language requiring issuers of Medicare Supplement Insurance to accept an eligible individual's application for coverage at any time throughout the year;
- (4) Deleting the severability clause;
- (5) Changing the effective date to December 31, 3000, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 64, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 64,



S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Health &
Homelessness,

Della A. Belatti

DELLA AU BELATTI, Chair



Record of Votes of the Committee on Health & Homelessness

Bill/Resolution No.: SB 64, SD1	Committee Referral: HLT, CPC, FIN	Date: 3/15/23		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. BELATTI, Della Au (C)	/			
2. TAKENOUCHI, Jenna (VC)	/			
3. AMATO, Terez	/			
4. ILAGAN, Greggor	/			
5. KOBAYASHI, Bertrand				/
6. MIZUNO, John M.	/			
7. NISHIMOTO, Scott Y.	/			
8. GARCIA, Diamond	/			
TOTAL (8)	7			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				