MILLIMAN REPORT

Washington State Medicare Supplemental Insurance Study

Data Summaries and Assessment of Coverage Options

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I. INTRODUCTION AND BACKGROUND

PURPOSE AND LEGISLATION

Section 138 (13) of the 2021-23 Washington state operating budget (Engrossed Substitute Senate Bill (ESSB) 5693 / Chapter 297, Laws of 2022) directed the State of Washington Office of Insurance Commissioner (OIC) to prepare an assessment of Medicare Supplemental coverage. Specifically, the budget proviso states:

a) State appropriation is provided solely for a contract for an actuarial study to assess options for enhancing consumer protections, expanding access to coverage, and accompanying regulations regarding Medicare Supplemental insurance as defined in RCW 48.66.020. The study shall evaluate, but is not limited to, the following:

   i. For at least the most recent three years for which data is available, the total number of Washington state residents enrolled in Medicare, broken down by those who are enrolled in:
      A. Traditional Medicare fee-for-service only;
      B. Medicare Supplemental insurance plans;
      C. Medicare Advantage plans; and
      D. Medicaid and will turn age 65 during the public health emergency with respect to the coronavirus disease 2019 (COVID-19);

   ii. A demographic breakdown of the age, gender, racial, ethnic, and geographic characteristics of the individuals listed in (a)(i) of this subsection. For those younger than age 65, the breakdown should separate those eligible as a result of disability and end-stage renal disease status. The commissioner may include additional demographic factors;

   iii. The estimated impact on premiums, enrollment, and increased access for individuals listed in (a)(i)(A) and (B) of this subsection if the state were to have an annual open enrollment period during which Medicare Supplemental insurance was guaranteed issue, including separate estimates for expanding coverage to include those eligible for Medicare and younger than age 65;

   iv. The estimated impact on premiums, enrollment, and increased access for individuals in (a)(i)(A) and (B) of this subsection if Medicare Supplemental insurance was guaranteed issue throughout the year, including separate estimates for expanding coverage to include those eligible for Medicare and younger than age 65;

   v. The net cost impact to consumers and any other affected parties of the options outlined in (a)(iii) and (iv) of this subsection;

   vi. An analysis of other factors that impact access and premiums for Medicare-eligible individuals; and

   vii. A review of Medicare Supplemental insurance policy protections in other states and their impact on premiums and enrollment in these policies.

To implement the proviso, the OIC initiated a Request for Proposals (RFP) (RFP S202306 Medicare Supplemental Insurance ("MedSupp") Study) in April 2022 to provide an assessment of options related to access to and consumer protections regarding MedSupp insurance coverage. The OIC retained Milliman through this process. This report provides the information and analysis requested in the proviso.

MEDICARE AND MEDSUPP BACKGROUND

Traditional Medicare fee-for-service (i.e., "Traditional Medicare" or "original Medicare") is generally available for people aged 65 or older or those younger than age 65 who are eligible due to disability or end stage renal disease (ESRD) status with permanent kidney failure requiring dialysis or transplant. Traditional Medicare has two parts, Part A (hospital services) and Part B (outpatient and physician services), with separate deductibles for Part A and Part B and 20% coinsurance on most services.

MedSupp (or sometimes referred to as "Medigap") policies help fill in the "gaps" in Traditional Medicare and are sold by private companies to help pay for some of the costs (i.e., the "gaps") Traditional Medicare does not cover, including deductibles, coinsurance, and copays. If an enrollee has Traditional Medicare with a Medigap policy, Medicare pays its share of the Medicare-approved amounts for covered services, the MedSupp policy then pays its share, and the enrollee then pays their share (if any).

Except for the Pre-Standardized policies mentioned below, MedSupp policies are standardized and named by letters, plans A to N (though all letters may not be available to new Medicare-eligibles, per Table 1).

Each standardized MedSupp policy under the same plan letter must offer the same benefits, no matter which insurance company issuing coverage (i.e., "insurer") sells it, with premium cost typically the only difference between MedSupp policies with the same plan letter. MedSupp plan G (which covers all out of pocket costs except the Part B deductible ($233 in 2022)) is most popular among 2010 Standardized enrollees.

Enrollees may fall into three different categories of plans, depending on the timing of their Traditional Medicare eligibility and MedSupp plan enrollment, as summarized in Table 1:

Table 1

MedSupp Benefit Plan	Overview / Background and Benefits	Timing and Enrollment Dates
Pre-Standardized [defined in Washington Administrative Code (WAC) 284-66-030 (11)]	Individual states regulated MedSupp plans and their benefits and plan designs. A report [1] from the Office of Inspector General for the US Department of Health and Human Services (HHS) noted a lack of federal oversight in the MedSupp industry resulted in insufficient protection for consumers, leading to the reform legislation described next.	Plans issued prior to 1990
1990 Standardized [defined in WAC 284-66-030 (14)]	Implementation of the Omnibus Budget Reconciliation Act (OBRA) of 1990 standardized MedSupp plans (A through J), prohibited the new sale of pre-standardized MedSupp plans going forward, and instituted consumer protections.	Plans issued on and after January 1, 1990, and before June 1, 2010
2010 Standardized [defined in WAC 284-66-030 (15)]	The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 required insurers to close new sale of Medicare Supplement plans H, I, and J containing drug benefits (with drug benefits instead available through Traditional Medicare Part D plans), eliminated certain other duplicative plans, and created a few new standardized plans (K, L, M, and N). The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) subsequently prohibited the sale of first-dollar coverage plans (i.e., plans C and F which cover the Part B deductible) to those newly eligible for Medicare after December 31, 2019.	Plans effective on and after June 1, 2010

[1] https://oig.hhs.gov/oei/reports/oei-09-93-00230.pdf

Additional data for review and available from the OIC describe and educate enrollees about plan and funding options and include (but are not limited to) the following materials and links:

- MedSupp resources for Washington residents: https://www.insurance.wa.gov/medigap-medicare-supplement-plans
- Information for those with disabilities, including information related to MedSupp options: https://www.insurance.wa.gov/options-people-disabilities.

COMPARISON OF MEDSUPP TO MEDICARE ADVANTAGE

Traditional Medicare includes three parts: Parts A (hospital services), B (outpatient and physician services) and D (prescription drugs). Medicare Advantage (MA) plans (also known as Medicare Part C plans) are different from MedSupp plans. MA plans are another option for Medicare-eligible enrollees to receive their Part A and Part B benefits, while a MedSupp policy typically only helps

pay for the costs Traditional Medicare (Parts A and B only, excluding Part D drug plans) does not cover. Insurers cannot sell someone a MedSupp policy if they have coverage through an MA plan.

Table 2 compares MedSupp and MA coverage:

Table 2

Category	MedSupp Plans	MA Plans ("Medicare Part C")
Primary Regulation	Each state regulates with limited federal oversight of plan standardization and consumer protections	Federal – Centers for Medicare and Medicaid Services (CMS)
Covered Services	Services included in Medicare Parts A and B; plans help cover the costs not covered by Traditional Medicare (e.g., deductibles, coinsurance/copays)	Alternative to Traditional Medicare that bundles coverage of Medicare Part A and B services and (maybe) Part D
Enrollment and Issuance	Guaranteed renewable if enrollee pays premiums; may be underwritten if enrolling outside periods where underwriting is not permitted (aging in at 65 or loss of other coverage) unless the state has regulations prohibiting underwriting in certain situations or more broadly	Annual open enrollment period without underwriting; Medicare-eligible individuals with ESRD were allowed to enroll in MA plans starting on January 1, 2021
Networks / Providers	If providers participate in Medicare (98% participate in 2022 [2]), they participate in MedSupp	Unlike MedSupp, MA plans may create networks, restrict providers, and offer coverage at the county level without having to offer coverage statewide; networks and coverage may be less available in rural areas
Benefits	Standardized and defined; a few 1990 Standardized plans cover drugs for those enrolled; 2010 Standardized plans do not include drugs; minimal (if any) benefits provided outside of those covered by Medicare	Differ by plan (with no standardization) and typically include Part D drugs and other additional benefits not covered by Medicare Parts A and B
Enrollee Out of Pocket Costs	Generally more predictable because the primary enrollee out of pocket cost is the monthly premium, along with any Traditional Medicare cost-sharing not covered by the MedSupp plan (e.g., the Part B deductible in a plan G)	Monthly MA premiums are generally lower than MedSupp (and may be as low as $0); the trade-off is enrollees will typically have out of pocket costs at the time of service which may vary according to the enrollee's medical needs, and subject to annual maximum limits
Typical enrollees [3]	Tend to be more concentrated in rural areas and with generally higher incomes and education; no subsidies available for enrollees	Usually more diverse geographically and across income and education categories; lower income enrollees may receive subsidies

[2] https://www.cms.gov/medicare-participation (March 25, 2022)

[3] https://www.milliman.com/en/insight/should-you-consider-offering-medicare-supplement-plans-alongside-your-medicare-advantage-p

CMS has developed publications which may also be valuable resources to review, including:

- "Medicare and You" (https://www.medicare.gov/Pubs/pdf/10050-Medicare-and-You.pdf)
- "Choosing a Medigap Policy" (https://www.medicare.gov/sites/default/files/2022-03/02110-medigap-guide-health-insurance.pdf)

WASHINGTON STATE MEDSUPP

Key Washington state MedSupp characteristics include the following:

- Washington currently allows *existing* Medigap enrollees the option to switch to a different Medigap plan at any time, guaranteed issue, as detailed in RCW 48.66.045.
- Washington currently allows MedSupp insurers to deny or condition the issuance or effectiveness of a MedSupp policy (i.e., underwrite) unless an eligible person meets criteria described in detail in RCW 48.66.055 and included in Appendix A.
- Washington requires "community rating." All enrollees ages 65 and older are charged the same rate, and all enrollees under the age of 65 due to disability or ESRD are charged the same rate. Washington allows premiums to vary for those two groups – enrollees ages 65 and older versus those enrollees under the age of 65 – to reflect the different risk characteristics of the two groups.
- Washington does not require insurers who offer MedSupp coverage to Medicare-eligibles ages 65 and older to also offer coverage those younger than age 65 and eligible for Medicare due to disability or ESRD, nor was there consideration or guidance related to regulatory change options that would compel insurers to begin offering coverage to Medicare-eligibles younger than age 65.
    - Based on information provided by the OIC, only a few insurers offer MedSupp coverage to Medicare-eligible Washington residents younger than age 65.
    - For the primary insurer (Premera) offering 2010 Standardized coverage to those younger than age 65 (via its group Health Care Authority plans), plan G rates for those younger than age 65 premium are priced about 70% higher than plan G rates for those ages 65 and older.

REVIEW OF MEDSUPP POLICY PROTECTIONS IN OTHER STATES

Tables 3a and 3b identify states with guaranteed issue options throughout the year or annual open enrollment periods, respectively. Tables 3a and 3b also highlight regulation details and information specific to enrollees younger than age 65 for states where options available may provide more protection than what is currently available to consumers in Washington state.

Table 3a (States with Guaranteed Issue Option Throughout the Year)

State	Regulation Details	Applicable to Those Younger than Age 65?	Other Notes Related to Those Younger than Age 65
CT	Year-round guaranteed issue rights in which Insurers must offer policies	Yes	CT: One rate for all ages and insurers not required to offer all of their available plans to those younger than age 65
NY			NY and ME: One rate for all ages and insurers required to offer all of their available plans to those younger than age 65
ME	Allows switching at any time to a plan with the same or lesser benefits		

Table 3b (States with Annual Open Enrollment Periods (ID, IL, and NV new in 2022))

State	Regulation Details	Applicable to Those Younger than Age 65?	Other Notes Related to Those Younger than Age 65
CA	For those enrolled in MedSupp, allows changing plans to an equal or lesser plan within a specified period around the enrollee's birthday each year without being subject to underwriting	Yes	CA: Rates vary from age 65+ and insurers not required to offer all of their available plans to those younger than age 65
ID			ID and IL: Rates vary from those age 65+ and insurers required to offer all of their available plans to those younger than age 65
IL			
MA	Insurers are required to issue coverage without underwriting from February 1 to March 31 annually		MA: One rate for all ages and insurers required to offer all of their available plans to those younger than age 65
MO	MedSupp enrollees have a specified period around the plan anniversary date to switch to the same plan from a different insurer		MO: Rates vary from those age 65+ and insurers required to offer all of their available plans to those younger than age 65
NV	For those enrolled in MedSupp, allows changing plans to an equal or lesser plan within a specified period around the enrollee's birthday each year without being subject to underwriting	Not applicable	NV: Not applicable
OR		Yes	OR: Rates equal rates charged to those age 65 and insurers required to offer all of their available plans to those younger than age 65

ADDITIONAL MEDSUPP INFORMATION CONSIDERED

Our analyses assessing the estimated impact on premiums and enrollment in Washington (Section III of this report) included consideration of summaries of state-level comprehensive data from Medicare Supplement Insurance Experience Exhibits that companies file annually with the National Association of Insurance Commissioners (NAIC).

We also looked at premium rates in Kansas City, KS (standard rules) and Kansas City, MO (annual policy anniversary allows changing plans), as a reasonableness check of the premium rating impact of an annual open enrollment period (as applies in MO but not KS) for otherwise similar populations that share a similar geography. Note that Missouri implemented its "plan anniversary rule" in the mid-2000's and current differences between Kansas City, KS and Kansas City, MO rates have evolved over time. Washington rates may similarly evolve over time, and the estimated first-year impact of a change to an annual open enrollment period (or guarantee of issue year-round) may be different over a longer period as experience emerges and is monitored.

We did not find reports or analyses from individual states or other entities that examined the impact on premiums and enrollment resulting from regulatory changes to annual open enrollment or year-round guaranteed issue policies.

Section IV includes additional details regarding the methodology underlying the estimated premium and enrollment impact calculations and ranges summarized in Section III.

OTHER MEDICARE ENVIRONMENTAL INFORMATION

The proposals under consideration to assess options for potentially enhancing consumer protections and expanding access to coverage for those eligible for Medicare are generally consistent with the direction of the broader industry covering Medicare-eligible enrollees, as indicated by the following examples across various Medicare products:

- As noted earlier, in 2022, three states (IL, ID, and NV) added an annual open enrollment rule for current MedSupp enrollees only.
- The MA space continues to see new offerings of supplemental benefits: (https://us.milliman.com/en/insight/prevalence-of-supplemental-benefits-in-the-general-enrollment-medicare-advantage).
- The Inflation Reduction Act (signed into law in August 2022) includes drug pricing reform components affecting MA plans and Medicare Part D and focused on reducing consumer out of pocket costs (https://www.milliman.com/en/insight/weathering-the-reform-storm).

II. DATA AND DEMOGRAPHICS

SUMMARY OF EXHIBITS

The OIC requested data and demographics of various groups of Washington state residents. Summaries in Tables 4 and 5 include what data was available, and we note limitations to the data sources at the end of this section. Counts shown are unique beneficiaries enrolled in the category and year shown. The unique beneficiary counts include those enrolled for at least some portion of the year (up to the entire year). Details for the demographics described below are included in the referenced exhibits, which are attached to this report:

Table 4

Exhibit Category	Exhibit	Exhibit Content / Description	2019 Totals	2020 Totals	2021 Totals
Total State Residents Enrolled in Medicare	Totals Shown in this Table	Enrollees in Traditional Medicare fee-for-service only	619,221	614,289	591,736
		Enrollees in Pre-Standardized MedSupp plans	7,697	6,432	5,342
		Enrollees in 1990 Standardized MedSupp plans	206,356	186,370	169,152
		Enrollees in 2010 Standardized MedSupp plans	95,580	117,924	138,451
		Subtotal of Enrollees in MedSupp plans	*309,633*	*310,726*	*312,945*
		Enrollees in Medicare Advantage plans only	373,385	404,759	441,721
		Enrollees dually enrolled in Medicaid *	223,545	227,344	240,253
	Total Enrolled in Medicare		***1,525,784***	***1,557,118***	***1,586,655***
2019 to 2021 Demographics of State Residents Enrolled in Medicare	1a to 1c	Breakdowns by Age, separating those younger than age 65 and eligible for Medicare due to disability or ESRD	Detailed breakdowns available in the attached Exhibits 1a to 4c, aligned with the totals shown above; a: 2021 exhibits b: 2020 exhibits c: 2019 exhibits		
	2a to 2c	Breakdowns by Gender			
	3a to 3c	Breakdowns by Racial and Ethnic Characteristics			
	4a to 4c	Breakdowns by Geographic Characteristics (County)			

** Includes those enrolled in Medicaid and either Traditional Medicare or a Medicare Advantage plan*

Table 5

Exhibit Category	Exhibit	Exhibit Content / Description	2020 Totals	2021 Totals	2022 Totals
Total State Residents Who Turned Age 65 and Dually Enrolled in Medicaid and Medicare During the COVID-19 PHE	Totals Shown In this Table	State residents who turned age 65 and dually enrolled in Medicaid and Medicare during the COVID-19 PHE	9,212	10,756	6,339
2020 to 2022 Demographics of State Residents Who Turned Age 65 and Dually Enrolled in Medicaid and Medicare During the COVID-19 PHE	5a to 5c	Breakdowns by Gender	Detailed breakdowns available in the attached Exhibits 5a to 7c, aligned with the totals shown above; a: 2022 exhibits b: 2021 exhibits c: 2020 exhibits		
	6a to 6c	Breakdowns by Racial and Ethnic Characteristics			
	7a to 7c	Breakdowns by Geographic Characteristics (County)			

DATA HIGHLIGHTS

Highlights from the 2019 to 2021 enrollment data summarized in Table 4 include the following:

- The total number of residents enrolled in Medicare grew by almost 61,000 (about 4%) from 2019 to 2021.
- Total MedSupp enrollment increased slightly from 2019 (about 309,600) to 2021 (about 313,000).
    - The Pre-Standardized and 1990 Standardized enrollments decline over time because these pools add no new enrollees (all new MedSupp enrollees are part of the 2010 Standardized pool). Over the 2019 to 2021 timeframe, the Pre-Standardized and 1990 Standardized enrollments have averaged annual decreases of almost 17% and over 9%, respectively (a combination of mortality and voluntary lapses of coverage).
- Medicare Advantage (MA) plans showed the highest percentage growth from 2019 to 2021 (over 18%), adding over 68,000 enrollees between 2019 and 2021.
- The number of enrollees also eligible for Medicaid increased by more than 7% between 2019 and 2021, adding nearly 17,000 enrollees in that period.

DATA BACKGROUND AND LIMITATIONS

Background and limitations of the data included the following:

- For the age groups shown in Exhibits 1a to 1c, ages 75 and older were combined to align those totals with the other age groups shown and mitigate unexplainable fluctuations in subgroups ages 75 and older.

- The gender descriptions (Exhibits 2a to 2c and 5a to 5c) and racial and ethnic characteristics (Exhibits 3a to 3c and 6a to 6c) reflect the categories captured in the CMS data.

- County-level enrollment splits were not available for separating those only enrolled in Traditional Medicare fee-for-service coverage, versus those enrolled in Traditional Medicare fee-for-service coverage and also enrolled in MedSupp to cover some or all of Traditional Medicare's cost-sharing.

- 2020 and 2021 totals shown in Table 5 reflect calendar year totals, while 2022 totals shown in Table 5 reflect totals through June 30, 2022.

III. IMPACT OF MARKET CHANGES and MARKET SURVEY

The OIC also requested assessments of the market impact of regulatory changes under consideration, as described below.

OVERVIEW AND OIC OVERSIGHT

The assessments include estimates of the impact on premiums, enrollment, and increased access for individuals currently in Medicare fee for service or MedSupp plans if the state were to have:

- An annual open enrollment period during which MedSupp coverage would be guaranteed issue (with the proposed annual open enrollment period mirroring the Medicare General Enrollment Period, which is currently between January 1 and March 31 each year), or
- MedSupp coverage be guaranteed issue throughout the year.

In keeping with the language of the proviso, assessment of the impacts did not include or consider Medicare Advantage enrollees or a potential shift of Medicare Advantage enrollees into MedSupp coverage.

Proposed insurer rate increases resulting from any regulatory changes are also subject to the OIC's reviews, revisions (if any), and approvals.

TRADE-OFFS WITH EXPANDED ACCESS

Elimination of underwriting requirements (either in some limited period annually or throughout the year) may be expected to expand access for more potential enrollees to have the opportunity to enroll in MedSupp coverage. The trade-off with expanding the opportunity to enroll in MedSupp coverage is expected higher enrollee premiums (driven by an expectation for increased claims). In general, a wider expansion of access to MedSupp coverage through guaranteeing issue of coverage throughout the year may be expected to result in higher proposed rate increases than limiting access expansion to an annual open enrollment period.

If premiums become unaffordable with that expanded opportunity to access coverage, total enrollment may decrease, depending on the magnitude of the rate increase. The current 70% rate differential for the younger than age 65 population (when compared to rates for those ages 65 and older) may already be an affordability barrier for that MedSupp-eligible population.

CURRENT INSURERS AND ACTIVE MARKETING OF PLANS

a) Table 6 lists current insurers in Washington state that are actively marketing MedSupp plans, and the number of 2010 Standardized plan enrollees covered in 2021:

Table 6

Insurer Parent Company	2021 Enrollment in 2010 Standardized Plans
Cambia Health (Regence / Asuris NW)	35,530
Mutual of Omaha Group	25,576
Cigna Health Group	17,027
Humana Group	14,289
UnitedHealth Group	14,066
Premera Blue Cross Group	13,432
USAA Group	6,267
State Farm Group	4,299
Globe Life Group	3,228
Aegon US Holding Group	2,208
American National Financial Group	1,117
CNO Financial Group	822
Others	590
Total	**138,451**

b) Enrollment is low for those younger than age 65 included in the total 2021 enrollment in 2010 Standardized plans shown in Table 6. Based on information provided by the OIC from the most recent MedSupp rate filings, enrollment of those younger than age 65 in open 2010 Standardized plans was as follows:

- Premera Group Health Care Authority (HCA) plans: 1,405
- United American 2010 plans: 15

c) At the end of Section III, we include a summary and review of market survey responses from current insurers (i.e., "carriers") in the market. **Survey results indicated rate adjustments would be the likelier course of action from current insurers, as opposed to no longer marketing MedSupp plans due to implementation of an annual open enrollment period or a policy that guarantees issue throughout the year**.

d) Regarding any new insurers' marketing of MedSupp plans upon implementation of an annual open enrollment period or guaranteed issuance throughout the year, we received no indication from surveyed insurers with older legacy MedSupp business (and not currently actively marketing MedSupp plans) that such a change would bring them back into the market. There may be new entrants to the MedSupp market who did not participate in the survey, but we are unable to quantify what that impact would be, if any.

NET COST (PREMIUM) AND ENROLLMENT IMPACTS OF REGULATORY OPTIONS

The OIC requested estimates of the net cost impact – which we define as the estimated increase to enrollee premiums – and effects on enrollment that may result from increased access for individuals currently enrolled in Traditional Medicare (with or without MedSupp plans) if the state guarantees the issuance of MedSupp coverage [1] during an annual open enrollment period, as described above, or [2] throughout the year.

BACKGROUND AND ONE CONSISTENT RATE INCREASE IMPLEMENTATION

Premium change assumptions apply to 2010 Standardized premiums (i.e., the MedSupp benefit plans actively marketed in Washington). We assumed the Pre-Standardized and 1990 Standardized plans **would not be impacted** by any proposed regulatory changes (whether annual open enrollment or guaranteeing issue throughout the year).

We estimate the net cost impact to enrollees as the expected annual change to out of pocket costs paid for MedSupp premiums based on 2021 average MedSupp premiums of $1,908 for those aged 65 and older and $3,244 for those under age 65 (the last average premium data available). The estimated net cost impact to enrollees reflects the expected incremental increase to those average premiums exclusively due to the proposed change in regulation, assuming the increase is taken entirely in one year. We discuss considerations below for the OIC to mitigate the estimated one-time impact. Other out of pocket costs paid by MedSupp enrollees (such as the Part B deductible for plan G enrollees or the Part B deductible and certain copays paid by plan N enrollees, along with Medicare Part B premiums) would not change as a result of proposed regulatory changes and were not considered in this analysis.

The impact by MedSupp plan (i.e., plan G, N, etc.) and by population covered (those age 65+ and younger than age 65) may vary. The OIC and insurers may prefer implementation of one consistent rate increase for all plans and Medicare-eligible populations to retain current rate relativities and mitigate steerage of enrollees to certain plans that could occur if rate increases are allowed to differ.

ESTIMATED RATE AND ENROLLMENT IMPACTS OF A ONE-TIME RATE INCREASE

Table 7 summarizes our estimates of the net cost (i.e., premium rate) and enrollment impacts to enrollees and the MedSupp market for extension of annual open enrollment and guaranteed issue throughout the year options to the populations shown, assuming the entire estimated rate increase is taken at once and applied to 2010 Standardized plan enrollees.

The figures in Table 7 reflect the estimated average premium rate and enrollment impact in the market to reflect the regulatory changes, as individual insurer actions and subsequent enrollment changes will vary.

Table 7

Regulatory Change	Estimated Premium Rate Change and Range of Changes	Estimated Impact on Enrollment and Range of Impacts
Annual Open Enrollment for Ages 65 and Older Only	16% average increase (increases may range from 8% to 24%)	7% decrease to 127,411; decreases may range from 1% to 13%
Annual Open Enrollment for All Ages		7% decrease to 128,760; decreases may range from 1% to 13%
Year-Round Guaranteed Issue for Ages 65 and Older Only	34% increase (increases may range from 15% to 53%)	22% decrease to 106,861; decreases may range from 10% to 34%
Year-Round Guaranteed Issue for All Ages		22% decrease to 107,992; decreases may range from 10% to 34%
** 137,001 ages 65 and older 2010 Standardized plan enrollees in 2021* *** 1,450 younger than age 65 2010 Standardized plan enrollees in 2021 (per OIC filing review)*		

If regulatory changes are applied to all ages, we may expect insurers offering coverage to all ages to retain current rate relationships and be more likely to adjust all rates by the same percentage.

If regulatory changes are only applied to those ages 65 and older, the current rate relationships between those younger than age 65 and those ages 65 and older would change. Insurers offering coverage in the younger than age 65 market might reassess premium rates for that population (even with no change in regulations for those younger than age 65) if, for example, approved rate changes for the ages 65 and older population are insufficient when compared to emerging experience or if claim experience for the younger than age 65 market also changes.

We have not estimated the impact on younger than age 65 rates (if any) where the regulatory change only applied to those ages 65 and older because no state considered has rules exactly matching Washington's current rating methodology and options being considered and, as a result, there would be too many unknowns associated with developing estimates in such a scenario.

Table 8 quantifies what the estimated increases translate to in terms of additional average market premiums enrollees may pay due to the regulatory changes proposed, assuming such increases are implemented all at once. The actual dollar changes will vary by insurer.

Table 8

Regulatory Change	Baseline Average 2021 Annual Premium	Estimated Premium % Increase	Estimated Annual Premium $ Increase
Annual Open Enrollment for Ages 65 and Older Only	$1,908 (ages 65+)	16%	$305
Annual Open Enrollment for All Ages	$1,908 (ages 65+)		$305
	$3,244 (ages less than 65)		$519
Year-Round Guaranteed Issue for Ages 65 and Older Only	$1,908 (ages 65+)	34%	$649
Year-Round Guaranteed Issue for All Ages	$1,908 (ages 65+)		$649
	$3,244 (ages less than 65)		$1,103

Because the actual rates currently charged in the market vary by insurer and both the rate increases that insurers may propose and the OIC may approve are also unknown, we also provide ranges of rate increases and enrollment decreases as potential bounds for the rate and enrollment changes. Given the size of the projected rate increases that may result from the indicated regulatory changes, it may be more likely that enrollment decreases (rather than remaining unchanged) in response to such rate increases. We assumed insurers would implement a one-time, consistent rate increase percentage for all plans and applicable Medicare-eligible populations to retain current rate relativities and mitigate steerage of enrollees to certain plans. Actual results will be different than these estimates and could vary outside the ranges noted.

CHANGES BY INSURER AND EXPECTED RATE CONVERGENCE

We provide estimates for average projected changes and ranges of those changes for the market in total because each insurer will make its own market assessment and take its own rate change actions. Given the same pool of enrollees will be open to all insurers if either of the proposed regulatory changes is implemented, premium rates may be expected to eventually converge over time to a narrower range than currently exists in the 2010 Standardized market.

OIC CONSIDERATIONS TO MITIGATE THE IMPACT ON ACCESS AND PREMIUMS

As part of its oversight of the MedSupp industry, the OIC may consider different strategies to mitigate the impact on consumers' access and premiums. One approach could spread the estimated rate increase associated with the regulatory proposals over multiple years to balance protection of consumers with recognition of the estimated regulatory effect on MedSupp claim experience to sustain a robust and competitive MedSupp market.

Table 9 summarizes the estimated annual impact of the increases noted above if spread over the periods shown.

Table 9

Regulatory Change	Estimated Premium Rate Change	Premium Rate Change Spread Over 3 Years	Premium Rate Change Spread Over 5 Years
Annual Open Enrollment	16% one-time increase	5% annually	3% annually
Year-Round Guaranteed Issue	34% one-time increase	10% annually	6% annually

Actual experience will vary from projections if increases are spread over multiple years. From the consumers' perspective, such a spread to reduce the impact in any given year may better sustain enrollment by mitigating the size of rate increases that may otherwise result in any given year. Insurers may request increases that vary annually to reflect the regulatory change, and ongoing participation in the market may also vary if insurers are asked to spread the impact of regulatory changes over multiple years.

EXPANDED ACCESS IMPACT: MEDICARE-ELIGIBLE AGE GROUPS

As noted earlier, the proposed regulatory changes did not consider requiring insurers to begin offering coverage to Medicare-eligibles younger than age 65. Regulations to require carriers offering MedSupp coverage to those ages 65 and older to also offer coverage to those eligible for Medicare and younger than age 65 (due to disability or ESRD) could change insurer participation in the market, which could include insurer withdrawals from the market.

The effect on access of the proposed regulatory changes will be primarily experienced by those ages 65 and older, given that group comprises the significant majority of MedSupp enrollment. Proposed regulatory changes would expand the opportunity to enroll in MedSupp plans but may not necessarily expand MedSupp enrollment because of the anticipated premium rate increases.

Table 10 highlights the potential impacts on access for the different proposed regulatory changes and age groups noted, based on estimates cited earlier in the report (Tables 7 and 8):

Table 10

<table>
<tr><th rowspan="2">Regulatory Change</th><th colspan="2">Impact on Access For:</th></tr>
<tr><th>Enrollees Ages 65 and Older</th><th>Enrollees Younger than Age 65</th></tr>
<tr><td>Annual Open Enrollment for Ages 65 and Older Only</td><td rowspan="2">Rate increases may result in lower enrollment</td><td>No change expected</td></tr>
<tr><td>Annual Open Enrollment for All Ages</td><td>Rate increases may reduce enrollment *</td></tr>
<tr><td>Year-Round Guaranteed Issue for Ages 65 and Older Only</td><td rowspan="2">More significant rate increases from this change may drive steeper decreases in enrollment</td><td>No change expected</td></tr>
<tr><td>Year-Round Guaranteed Issue for All Ages</td><td>Higher rate increases may result in higher enrollment decreases *</td></tr>
<tr><td colspan="3">* For those younger than age 65, premium rate affordability and the current 70% rate differential (when compared to rates for those ages 65 and older) may drive steeper decreases in enrollment than for those ages 65 and older</td></tr>
</table>

EXPANDED ACCESS IMPACT: OTHER COVERAGE AND GEOGRAPHY

Table 2 noted that MedSupp enrollees tend to be more rurally located with higher incomes. Those characteristics serve as background for the following comments related to the effect of possible regulatory changes and expanded access to enroll in MedSupp for the following populations:

- Current enrollees in Traditional Medicare only (and not eligible for Medicaid) may be the most likely potential beneficiaries of expanded access, a group that totaled nearly 592,000 in 2021 (noted in Table 4).
    - Within that group of Traditional Medicare-only enrollees, it is likely that those with relatively generous retiree health coverage (either via the state [which may number 100,000 or more enrollees currently in state-sponsored plans], or through plans offered by larger private employers or other public sponsors in the state) will not opt out of their current plans to move into a MedSupp plan because of proposed regulatory changes.
    - Individuals living in areas with more limited (or possibly no) access to Medicare coverage options other than Traditional Medicare (given Medicare Advantage plans offer coverage at the county level and may not be available in all counties) may perceive more benefits from an expanded opportunity to enroll in MedSupp coverage if the premium rates following any regulatory change are affordable.

EXPANDED ACCESS IMPACT: MEDICAID-ELIGIBLE POPULATIONS

Another MedSupp program characteristic – the lack of subsidization of MedSupp premiums (also noted in Table 2) – leads to the following insight on the effect of possible regulatory changes and expanded access to enroll in MedSupp for Medicaid-eligible populations:

- Participants in the various Medicare Savings Programs (MSPs) – the Qualified Medicare Beneficiary (QMB) program, the Specified Low-Income Medicare Beneficiary (SLMB) program, the Qualifying Individual (QI) program, and the Qualified Disabled and Working Individuals (QDWI) program – are unlikely to enroll in MedSupp plans because such programs help people pay for their Part A premiums, Part B premiums, and/or certain other Medicare cost-sharing (deductibles and copays) but not MedSupp premiums.

  The following link (an OIC and Statewide Health Insurance Benefits Advisors (SHIBA) publication regarding MSPs) provides further details related to the MSPs noted above:

  https://www.insurance.wa.gov/sites/default/files/documents/get-help-paying-medicare-fact-sheet_1.pdf.

- For those dually eligible for Medicaid and Medicare and those Medicaid-eligibles who turned 65 during the COVID-19 PHE, the lack of subsidies for MedSupp premiums and resulting premium unaffordability may mean that the regulatory change options studied may not truly expand access to MedSupp plans for those individuals.

Table 11 summarizes 2021 unique enrollees by the categories included in CMS data:

Table 11

CMS Data Category	2021 Unique Enrollees
Qualified Medicare Beneficiary (QMB)	189,597
Specified Low-Income Medicare Beneficiary (SLMB)	27,818
Qualified Disabled Working Individual (QDWI)	None indicated
Qualifying Individuals (QI)	14,503

ANALYSIS OF OTHER FACTORS IMPACTING ACCESS AND PREMIUMS

Other factors that could impact access and premiums for individuals eligible to enroll in MedSupp plans and individual behavior and enrollment decisions include:

a) Economic pressures on other living expenses (whether sustained inflation or other economic pressures) may impact individuals' health plan affordability and resulting plan enrollment choices. If enrollees and potential enrollees strongly believe MedSupp's price (premium) provides higher value relative to other options available (i.e., Traditional Medicare or MA plans), they may make other sacrifices to retain their MedSupp coverage.

b) The extent to which other options (particularly MA plans) and any related subsidies (such as those available for enrollees eligible for both Medicare and Medicaid) are available. MA plans and networks may be more readily available as an alternative in urban and suburban areas (as opposed to more rural locations).

c) The pace at which 2010 Standardized premium rates among insurers change and potentially become more similar (i.e., compress) over time. With individuals having the opportunity to change insurers without underwriting (if the state moves forward with one of the regulatory changes described), the range of rates offered to consumers may narrow over time because of the annual competition for the same pool of enrollees.

d) Insurer participation in the MedSupp market, following any regulatory change. As noted elsewhere, survey results indicated rate adjustments would be the likelier course of action from current insurers (as opposed to exiting the market), and we are unaware of any new entrants to the market following or resulting from any regulatory change. However, insurers could change course with their decisions around ongoing participation, depending upon different factors, such as if they are asked to spread the impact of regulatory changes over multiple years.

e) Federal legislative changes – examples include, but are not limited to, possible changes in (i) Medicare eligibility criteria (e.g., renewal of efforts around "Medicare for All" or changes to the Medicare eligibility age or other criteria) or (ii) MA plan funding (which could change the MA plan landscape and options available).

SURVEY OF WASHINGTON STATE INSURERS

Overview

With input and contact information from the OIC, we emailed a survey to all 57 insurers (i.e., "carriers") who currently have enrollees in the Washington Individual and Group MedSupp markets (2010 Standardized, 1990 Standardized, or Pre-Standardized) to request their complete, honest, and blinded (to the OIC) feedback regarding the impact, if any, on rating and market participation under the different regulatory options described. The survey did not ask recipients to consider regulatory change options that would require offering coverage to Medicare-eligibles younger than age 65.

We received responses from 20 insurers (14 of which actively market the 2010 Standardized plans), including the three largest MedSupp insurers in the market (Premera Blue Cross, Regence Blue Shield, and UnitedHealthcare). Those responses represented 87% or more of total premium and enrollees in the 2021 MedSupp market (based on 2021 NAIC financial statement data), as summarized in Table 12:

Table 12

Category	Estimated 2021 Total for Survey Respondents	Total 2021 Washington Market (per NAIC data)	Proportion of Market Captured by Survey Responses
Premium	$678.9 million	$772.3 million	88%
Enrollees	272,972	312,945	87%

Results

Appendix B includes the email, survey, and specific respondent comments. Responses from the survey indicated:

- Respondents generally expect to file for rate increases if regulations change. Insurers' most likely actions centered around modest to significant rate increases consistent with projected changes in claim experience based on experience in other states with annual open enrollment regulations.

- Insurers generally noted no anticipated changes in Washington MedSupp market participation. Exiting the market entirely is **not** likely based on respondent feedback, with the market exit option ranked low by almost all respondents.

    - This respondent feedback does not mean all current insurers actively marketing the 2010 Standardized plans will remain in the market if regulations change, though the responses indicate market exits are generally not expected.

    - The survey did not address spreading the impact of regulatory changes over multiple years, however, which could potentially impact ongoing participation in the market.

IV. DATA SOURCES, METHODOLOGY, AND ASSUMPTIONS

The following section describes our data sources, methodology, and underlying assumptions supporting this work.

DATA SOURCES AND METHODOLOGY

Data sources that supported the summaries and analyses in this report included the following:

- CMS data and reports:
  - Limited Data Set (LDS) Master Beneficiary Summary File (MBSF) file
  - LDS Standard Analytic Files (SAFs)
  - Participation reports
  - Market publications

- NAIC data from the Medicare Supplement Insurance Experience Exhibit, as developed from a subscription with Mark Farrah Associates (MFA), a licensee of the NAIC. Access to the data file is restricted to MFA active subscribers and all material is protected by copyright law. Data is available separately for policies written in 2019 through 2021 (i.e., the last three years) and older policies with detail available to separate policies among Pre-Standardized, 1990 Standardized, and 2010 Standardized categories.

- America's Health Insurance Plans (AHIP) MedSupp industry reports linked below:
  - https://www.ahip.org/documents/AHIP_IB-Medicare-Supp-Cvg-Report.pdf
  - https://www.ahip.org/resources/the-state-of-medicare-supplement-coverage-trends-in-enrollment-and-demographics

- OIC supporting data and insurer information and filing support

- Milliman research supporting Milliman's *Health Cost Guidelines – Ages 65 and Over*™

Our methodology included the following steps:

- We started with the unadjusted experience baseline (2019 to 2021 experience) and summarized Washington state data to understand the Medicare population and its characteristics, alongside the population subset enrolled in MedSupp. We also compiled other (non-Washington) MedSupp state premium rate and enrollment data and normalized for geographic differences, as a basis for comparing average premium rates across states with different enrollment regulations.

  - Average age, other state-level enrollment characteristics, differences in state regulatory approaches, or other factors were not available to normalize between other potential state-level differences.

- We developed models consistent with the data reviewed and our MedSupp industry experience and research to reflect the assumptions and build out the figures and estimates described in the report.

METHODOLOGY DETAILS – PREMIUM AND ENROLLMENT IMPACTS

The estimated premium and enrollment impact calculations and ranges summarized in Section III were developed based on plan G NAIC data (enrollment and average premiums) and industry reports (including MedSupp enrollment rates) cited above, normalized for state utilization and charge differences based on Milliman research.

States included in the analyses and projections for comparison to Washington included a mix of states with available plan G data:

- Year-round guaranteed issue states: CT, ME, and NY
- Annual open enrollment states: CA, MO, and OR (MA not included because MA has its own plans)

ASSUMPTIONS

Estimated premium and enrollment changes in this report are assumed to apply to 2010 Standardized premiums (i.e., the MedSupp benefit plans actively marketed in Washington). The rate change estimates and ranges presented assume changes to enrollment risk and claims associated with those enrollees.

We assumed the Pre-Standardized and 1990 Standardized plans **would not be impacted** by any proposed regulatory changes (whether annual open enrollment or guaranteeing issue throughout the year).

In developing the projections for the effect of regulatory changes under consideration:

- The range of potential rate increases due to proposed regulatory changes assume the OIC accepts proposed insurer rate increases without revision or requirements for lower increases.
- Our projections assume economic inflation would not affect consumer decision-making; those projections will vary from emerging experience to the extent the economy impacts enrollee decisions.

V. QUALIFICATIONS, LIMITATIONS, AND CAVEATS

QUALIFICATIONS

In accordance with actuarial standards of practice (ASOPs), actuaries are required to confirm their qualifications and designations for developing analyses provided. I, Nick Ortner, Senior Consulting Actuary for Milliman, Inc., am a member of the American Academy of Actuaries, and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

LIMITATIONS ON DISTRIBUTION AND CAVEATS

This report (and its accompanying exhibits and appendices) is prepared solely for the benefit of the State of Washington OIC and the State Legislature. Milliman does not intend to legally benefit any third party receiving or accessing the report. The OIC may distribute the final, non-draft version of this report at the OIC's discretion. The OIC may summarize or abstract the content of this report so long as any summaries or abstracts are not attributed to Milliman, and any distribution must include a citation that will allow the reader to request and obtain the full report. The OIC may distribute excerpts of the report, prepared by Milliman, if such excerpts contain a citation that will allow the reader to request and obtain the full report. Mentions of this report by the OIC shall provide a citation that will allow the reader to obtain the full report.

We designed this report to document the data and demographics related to various ages of Washington state residents as described in this report and the projected impact of various MedSupp enrollment policy changes under consideration. This information may not be appropriate, and should not be used, for other purposes.

Actual results and impacts on the Washington MedSupp market because of any policy changes will differ from the estimates in this report due to factors including, but not limited to:

- Changes in the characteristics and medical costs of the enrolled population
- Factors affecting consumer decision-making (e.g., inflationary pressures on consumers or the availability of alternatives to MedSupp)
- Differences in claim experience, rating adjustments, and market participation by MedSupp insurers
- OIC acceptance of (and any adjustments to) proposed insurer rate increases
- Random fluctuation

As resources may be available to support such activity, the State OIC should consider periodic monitoring of emerging experience to better understand the effects from any policy changes.

Milliman developed certain models used to estimate the values included in this communication. We reviewed the models, including the data, inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant ASOPs. The projections and models, including all inputs, calculations, and outputs, may not be appropriate for any other purpose.

The development of the projections is based on information collected from sources including, but not limited to, the OIC, CMS, and reviews of other state MedSupp markets. We accepted this information without audit but reviewed the information for general reasonableness. Our projections and conclusions may not be appropriate if this information is not accurate.

The terms of Milliman's Consulting Services Agreement with the State of Washington OIC, signed July 28, 2022, apply to this report and its use.

EXHIBITS

Exhibit 1a
Washington State Medicare Supplemental Insurance Study
2021 Demographics of State Residents Enrolled in Medicare
Breakdown by Age

Age Category	Traditional Medicare Fee-for-Service Only	MedSupp Plans	Medicare Advantage	Medicaid Dual Enrolled ^	Total
Ages Younger than 65 - Disabled	55,625	1,447	27,983	86,465	171,520
Ages Younger than 65 - ESRD	1,605	42	118	1,032	2,797
Ages Younger than 65 - Unassigned	4,447	0	528	2,232	7,207
Ages 65 to 69	218,339	60,743	128,063	54,042	461,187
Ages 70 to 74	158,973	57,358	122,241	34,367	372,939
Ages 75 and Older	152,747	193,355	162,788	62,115	571,005
TOTAL	**591,736**	**312,945**	**441,721**	**240,253**	**1,586,655**

^ *Medicaid Dual Enrolled category includes those enrolled in Medicaid and either Traditional Medicare or a Medicare Advantage plan.*

Exhibit 1b
Washington State Medicare Supplemental Insurance Study
2020 Demographics of State Residents Enrolled in Medicare
Breakdown by Age

Age Category	Traditional Medicare Fee-for-Service Only	MedSupp Plans	Medicare Advantage	Medicaid Dual Enrolled ^	Total
Ages Younger than 65 - Disabled *	67,116	1,447	29,845	84,802	183,210
Ages Younger than 65 - ESRD *	1,622	42	39	885	2,588
Ages Younger than 65 - Unassigned *	4,079	0	624	1,977	6,680
Ages 65 to 69	236,518	55,390	117,738	46,938	456,584
Ages 70 to 74	166,406	52,425	112,367	32,213	363,411
Ages 75 and Older	138,548	201,422	144,146	60,529	544,645
TOTAL	**614,289**	**310,726**	**404,759**	**227,344**	**1,557,118**

^ Medicaid Dual Enrolled category includes those enrolled in Medicaid and either Traditional Medicare or a Medicare Advantage plan.

** Younger than 65 MedSupp Plan enrollees assumed equal to 2021 figures (data not available for 2019 and 2020)*

Exhibit 1c
Washington State Medicare Supplemental Insurance Study
2019 Demographics of State Residents Enrolled in Medicare
Breakdown by Age

Age Category	Traditional Medicare Fee-for-Service Only	MedSupp Plans	Medicare Advantage	Medicaid Dual Enrolled ^	Total
Ages Younger than 65 - Disabled *	76,100	1,447	30,613	86,538	194,698
Ages Younger than 65 - ESRD *	1,592	42	27	873	2,534
Ages Younger than 65 - Unassigned *	4,301	0	616	2,024	6,941
Ages 65 to 69	247,041	48,248	108,250	43,951	447,490
Ages 70 to 74	167,637	45,843	102,822	30,442	346,744
Ages 75 and Older	122,550	214,053	131,057	59,717	527,377
TOTAL	**619,221**	**309,633**	**373,385**	**223,545**	**1,525,784**

^ Medicaid Dual Enrolled category includes those enrolled in Medicaid and either Traditional Medicare or a Medicare Advantage plan.

** Younger than 65 MedSupp Plan enrollees assumed equal to 2021 figures (data not available for 2019 and 2020).*

Exhibit 2a
Washington State Medicare Supplemental Insurance Study
2021 Demographics of State Residents Enrolled in Medicare
Breakdown by Gender

Gender	Traditional Medicare Fee-for-Service Only	MedSupp Plans	Medicare Advantage	Medicaid Dual Enrolled ^	Total
Female	303,604	162,731	242,360	138,540	847,235
Male	288,132	150,214	199,361	101,713	739,420
Total	**591,736**	**312,945**	**441,721**	**240,253**	**1,586,655**

^ Medicaid Dual Enrolled category includes those enrolled in Medicaid and either Traditional Medicare or a Medicare Advantage plan.

Exhibit 2b
Washington State Medicare Supplemental Insurance Study
2020 Demographics of State Residents Enrolled in Medicare
Breakdown by Gender

Gender	Traditional Medicare Fee-for-Service Only	MedSupp Plans	Medicare Advantage	Medicaid Dual Enrolled ^	Total
Female	312,796	163,131	222,422	131,876	830,225
Male	301,493	147,595	182,337	95,468	726,893
Total	**614,289**	**310,726**	**404,759**	**227,344**	**1,557,118**

^ Medicaid Dual Enrolled category includes those enrolled in Medicaid and either Traditional Medicare or a Medicare Advantage plan.

Exhibit 2c
Washington State Medicare Supplemental Insurance Study
2019 Demographics of State Residents Enrolled in Medicare
Breakdown by Gender

Gender	Traditional Medicare Fee-for-Service Only	MedSupp Plans	Medicare Advantage	Medicaid Dual Enrolled ^	Total
Female	313,665	164,105	205,824	129,950	813,544
Male	305,556	145,528	167,561	93,595	712,240
Total	**619,221**	**309,633**	**373,385**	**223,545**	**1,525,784**

^ *Medicaid Dual Enrolled category includes those enrolled in Medicaid and either Traditional Medicare or a Medicare Advantage plan.*

Exhibit 3a
Washington State Medicare Supplemental Insurance Study
2021 Demographics of State Residents Enrolled in Medicare
Breakdown by Racial and Ethnic Characteristics

Racial / Ethnic Category	Traditional Medicare Fee-for-Service Only	MedSupp Plans	Medicare Advantage	Medicaid Dual Enrolled ^	Total
Non-Hispanic White	515,543	278,520	383,404	167,620	1,345,087
Black (or African-American)	14,244	6,259	10,258	15,382	46,143
Asian / Pacific Islander	18,456	7,824	18,227	22,720	67,227
Hispanic	6,155	3,129	3,901	11,597	24,782
American Indian / Alaska Native	5,749	1,565	2,110	4,738	14,162
Other	14,826	7,824	12,738	5,675	41,063
Unknown	16,763	7,824	11,083	12,521	48,191
Total	**591,736**	**312,945**	**441,721**	**240,253**	**1,586,655**

^ Medicaid Dual Enrolled category includes those enrolled in Medicaid and either Traditional Medicare or a Medicare Advantage plan.

Exhibit 3b
Washington State Medicare Supplemental Insurance Study
2020 Demographics of State Residents Enrolled in Medicare
Breakdown by Racial and Ethnic Characteristics

Racial / Ethnic Category	Traditional Medicare Fee-for-Service Only	MedSupp Plans	Medicare Advantage	Medicaid Dual Enrolled ^	Total
Non-Hispanic White	535,545	276,688	352,291	159,277	1,323,801
Black (or African-American)	15,003	6,323	9,427	14,579	45,332
Asian / Pacific Islander	18,709	7,610	16,085	21,822	64,226
Hispanic	6,545	3,186	3,526	10,679	23,936
American Indian / Alaska Native	6,346	1,665	1,975	4,669	14,655
Other	15,272	7,709	11,676	5,322	39,979
Unknown	16,869	7,545	9,779	10,996	45,189
Total	**614,289**	**310,726**	**404,759**	**227,344**	**1,557,118**

^ *Medicaid Dual Enrolled category includes those enrolled in Medicaid and either Traditional Medicare or a Medicare Advantage plan.*

Exhibit 3c
Washington State Medicare Supplemental Insurance Study
2019 Demographics of State Residents Enrolled in Medicare
Breakdown by Racial and Ethnic Characteristics

Racial / Ethnic Category	Traditional Medicare Fee-for-Service Only	MedSupp Plans	Medicare Advantage	Medicaid Dual Enrolled ^	Total
Non-Hispanic White	540,622	276,088	326,312	157,324	1,300,346
Black (or African-American)	15,258	6,360	8,846	14,282	44,746
Asian / Pacific Islander	18,139	7,299	14,184	21,701	61,323
Hispanic	6,690	3,218	3,008	10,322	23,238
American Indian / Alaska Native	6,791	1,765	1,819	4,745	15,120
Other	15,362	7,667	10,654	5,249	38,932
Unknown	16,359	7,236	8,562	9,922	42,079
Total	**619,221**	**309,633**	**373,385**	**223,545**	**1,525,784**

^ *Medicaid Dual Enrolled category includes those enrolled in Medicaid and either Traditional Medicare or a Medicare Advantage plan.*

Exhibit 4a
Washington State Medicare Supplemental Insurance Study
2021 Demographics of State Residents Enrolled in Medicare
Breakdown by Geographic Characteristics (by County)

County	Traditional Medicare Fee-for-Service, With or Without MedSupp Coverage	Medicare Advantage	Medicaid Dual Enrolled ^	Total
Adams	1,461	226	382	2,069
Asotin	4,952	964	1,157	7,073
Benton	31,952	3,362	6,010	41,324
Chelan	8,535	3,182	1,951	13,668
Clallam	24,525	2,650	3,447	30,622
Clark	42,759	53,150	14,645	110,554
Columbia	1,046	100	236	1,382
Cowlitz	11,255	11,954	4,671	27,880
Douglas	9,896	4,099	2,246	16,241
Ferry	1,806	70	467	2,343
Franklin	8,814	1,042	2,433	12,289
Garfield	677	23	101	801
Grant	12,638	3,280	3,696	19,614
Grays Harbor	17,461	1,909	4,618	23,988
Island	19,289	8,303	2,328	29,920
Jefferson	12,214	1,046	1,409	14,669
King	199,199	117,563	59,268	376,030
Kitsap	44,954	12,701	7,597	65,252
Kittitas	7,316	820	1,061	9,197
Klickitat	5,752	252	934	6,938
Lewis	13,159	7,296	4,068	24,523
Lincoln	3,093	159	513	3,765
Mason	13,110	4,244	2,511	19,865
Okanogan	8,713	1,561	2,266	12,540
Pacific	7,453	502	1,400	9,355
Pend Oreille	3,596	238	802	4,636
Pierce	99,226	48,516	28,227	175,969
San Juan	5,182	1,144	483	6,809
Skagit	22,301	9,671	4,600	36,572
Skamania	1,944	152	356	2,452
Snohomish	66,187	54,638	21,083	141,908
Spokane	65,337	38,943	21,582	125,862
Stevens	9,218	2,047	2,197	13,462
Thurston	42,829	17,812	9,238	69,879
Wahkiakum	1,008	493	203	1,704
Walla Walla	11,123	1,920	2,383	15,426
Whatcom	29,654	16,760	7,530	53,944
Whitman	5,687	207	1,006	6,900
Yakima	29,360	8,722	11,148	49,230
TOTAL	**904,681**	**441,721**	**240,253**	**1,586,655**

^ Medicaid Dual Enrolled category includes those enrolled in Medicaid and either Traditional Medicare or a Medicare Advantage plan.

Exhibit 4b
Washington State Medicare Supplemental Insurance Study
2020 Demographics of State Residents Enrolled in Medicare
Breakdown by Geographic Characteristics (by County)

County	Traditional Medicare Fee-for-Service, With or Without MedSupp Coverage	Medicare Advantage	Medicaid Dual Enrolled ^	Total
Adams	1,497	179	352	2,028
Asotin	5,011	867	1,077	6,955
Benton	33,180	1,386	5,683	40,249
Chelan	8,806	2,807	1,867	13,480
Clallam	24,956	1,798	3,228	29,982
Clark	42,949	50,600	13,706	107,255
Columbia	1,068	71	226	1,365
Cowlitz	11,701	11,362	4,416	27,479
Douglas	10,174	3,439	2,086	15,699
Ferry	1,814	55	409	2,278
Franklin	9,285	410	2,303	11,998
Garfield	676	14	94	784
Grant	12,688	2,922	3,398	19,008
Grays Harbor	17,665	1,447	4,377	23,489
Island	19,648	7,096	2,160	28,904
Jefferson	12,239	738	1,291	14,268
King	205,681	109,883	56,735	372,299
Kitsap	45,011	11,029	7,123	63,163
Kittitas	7,348	660	960	8,968
Klickitat	5,705	219	855	6,779
Lewis	13,540	6,762	3,863	24,165
Lincoln	3,024	139	451	3,614
Mason	13,349	3,625	2,343	19,317
Okanogan	8,905	1,318	2,111	12,334
Pacific	7,406	442	1,301	9,149
Pend Oreille	3,561	197	730	4,488
Pierce	101,647	44,535	26,839	173,021
San Juan	5,145	986	412	6,543
Skagit	22,845	8,576	4,310	35,731
Skamania	1,921	131	316	2,368
Snohomish	68,184	51,561	19,801	139,546
Spokane	66,802	36,307	20,545	123,654
Stevens	9,348	1,641	2,018	13,007
Thurston	43,262	16,346	8,658	68,266
Wahkiakum	1,017	431	185	1,633
Walla Walla	11,214	1,530	2,336	15,080
Whatcom	30,225	15,372	7,141	52,738
Whitman	5,665	147	954	6,766
Yakima	30,853	7,731	10,684	49,268
TOTAL	**925,015**	**404,759**	**227,344**	**1,557,118**

^ *Medicaid Dual Enrolled category includes those enrolled in Medicaid and either Traditional Medicare or a Medicare Advantage plan.*

Exhibit 4c
Washington State Medicare Supplemental Insurance Study
2019 Demographics of State Residents Enrolled in Medicare
Breakdown by Geographic Characteristics (by County)

County	Traditional Medicare Fee-for-Service, With or Without MedSupp Coverage	Medicare Advantage	Medicaid Dual Enrolled ^	Total
Adams	1,500	143	321	1,964
Asotin	4,931	866	1,070	6,867
Benton	32,730	965	5,480	39,175
Chelan	8,928	2,611	1,931	13,470
Clallam	25,189	964	3,174	29,327
Clark	42,963	48,131	13,396	104,490
Columbia	1,067	50	227	1,344
Cowlitz	11,900	10,973	4,381	27,254
Douglas	10,138	3,105	2,030	15,273
Ferry	1,797	50	401	2,248
Franklin	9,219	276	2,257	11,752
Garfield	660	12	92	764
Grant	12,857	2,511	3,292	18,660
Grays Harbor	17,728	1,019	4,306	23,053
Island	19,498	6,039	2,059	27,596
Jefferson	11,999	516	1,267	13,782
King	208,249	102,780	56,060	367,089
Kitsap	45,318	9,422	7,064	61,804
Kittitas	7,178	576	961	8,715
Klickitat	5,562	169	821	6,552
Lewis	13,628	6,365	3,743	23,736
Lincoln	2,996	126	430	3,552
Mason	13,477	3,022	2,282	18,781
Okanogan	8,800	1,197	2,051	12,048
Pacific	7,209	369	1,279	8,857
Pend Oreille	3,431	173	681	4,285
Pierce	102,213	41,044	26,548	169,805
San Juan	4,896	1,020	375	6,291
Skagit	23,052	7,744	4,218	35,014
Skamania	1,862	123	308	2,293
Snohomish	68,136	48,534	19,430	136,100
Spokane	67,378	33,381	20,184	120,943
Stevens	9,452	1,218	1,976	12,646
Thurston	43,123	15,140	8,553	66,816
Wahkiakum	1,051	409	179	1,639
Walla Walla	11,150	1,302	2,290	14,742
Whatcom	30,311	14,368	7,044	51,723
Whitman	5,546	128	912	6,586
Yakima	31,732	6,544	10,472	48,748
TOTAL	**928,854**	**373,385**	**223,545**	**1,525,784**

^ *Medicaid Dual Enrolled category includes those enrolled in Medicaid and either Traditional Medicare or a Medicare Advantage plan.*

Exhibit 5a
Washington State Medicare Supplemental Insurance Study

(January to June) 2022 State Residents:
Turned 65 and Dually Enrolled in Medicaid and Medicare
During the COVID-19 PHE

Breakdown by Gender

Gender	Total
Female	3,375
Male	2,964
Total	**6,339**

Exhibit 5b
Washington State Medicare Supplemental Insurance Study

2021 State Residents:
Turned 65 and Dually Enrolled in Medicaid and Medicare
During the COVID-19 PHE

Breakdown by Gender

Gender	Total
Female	5,806
Male	4,950
Total	**10,756**

Exhibit 5c
Washington State Medicare Supplemental Insurance Study

2020 State Residents:
Turned 65 and Dually Enrolled in Medicaid and Medicare
During the COVID-19 PHE

Breakdown by Gender

Gender	Total
Female	5,045
Male	4,167
Total	**9,212**

Exhibit 6a
Washington State Medicare Supplemental Insurance Study

(January to June) 2022 State Residents:
Turned 65 and Dually Enrolled in Medicaid and Medicare
During the COVID-19 PHE

Breakdown by Racial and Ethnic Characteristics

Racial / Ethnic Category	Total
Non-Hispanic White	4,270
Black (or African-American)	416
Asian / Pacific Islander	265
Hispanic	226
American Indian / Alaska Native	59
Other	491
Unknown	612
Total	**6,339**

Exhibit 6b
Washington State Medicare Supplemental Insurance Study

2021 State Residents:
Turned 65 and Dually Enrolled in Medicaid and Medicare
During the COVID-19 PHE

Breakdown by Racial and Ethnic Characteristics

Racial / Ethnic Category	Total
Non-Hispanic White	7,423
Black (or African-American)	724
Asian / Pacific Islander	700
Hispanic	527
American Indian / Alaska Native	121
Other	367
Unknown	894
Total	**10,756**

Exhibit 6c
Washington State Medicare Supplemental Insurance Study

2020 State Residents:
Turned 65 and Dually Enrolled in Medicaid and Medicare
During the COVID-19 PHE

Breakdown by Racial and Ethnic Characteristics

Racial / Ethnic Category	Total
Non-Hispanic White	6,357
Black (or African-American)	610
Asian / Pacific Islander	631
Hispanic	454
American Indian / Alaska Native	118
Other	296
Unknown	746
Total	**9,212**

Exhibit 7a
Washington State Medicare Supplemental Insurance Study

(January to June) 2022 State Residents:
Turned 65 and Dually Enrolled in Medicaid and Medicare
During the COVID-19 PHE

Breakdown by Geographic Characteristics (by County)

County	Total
Adams	12
Asotin	46
Benton	168
Chelan	51
Clallam	94
Clark	459
Columbia	7
Cowlitz	121
Douglas	64
Ferry	14
Franklin	66
Garfield	0
Grant	118
Grays Harbor	112
Island	83
Jefferson	33
King	1,434
Kitsap	189
Kittitas	34
Klickitat	31
Lewis	98
Lincoln	16
Mason	81
Okanogan	52
Pacific	52
Pend Oreille	17
Pierce	706
San Juan	17
Skagit	107
Skamania	11
Snohomish	577
Spokane	603
Stevens	64
Thurston	235
Wahkiakum	6
Walla Walla	71
Whatcom	197
Whitman	26
Yakima	267
TOTAL	**6,339**

Exhibit 7b
Washington State Medicare Supplemental Insurance Study

2021 State Residents:
Turned 65 and Dually Enrolled in Medicaid and Medicare During the COVID-19 PHE

Breakdown by Geographic Characteristics (by County)

County	Total
Adams	16
Asotin	74
Benton	245
Chelan	79
Clallam	165
Clark	770
Columbia	8
Cowlitz	221
Douglas	99
Ferry	23
Franklin	110
Garfield	6
Grant	172
Grays Harbor	193
Island	135
Jefferson	70
King	2,440
Kitsap	359
Kittitas	46
Klickitat	48
Lewis	184
Lincoln	22
Mason	124
Okanogan	107
Pacific	67
Pend Oreille	41
Pierce	1,265
San Juan	35
Skagit	209
Skamania	20
Snohomish	984
Spokane	967
Stevens	105
Thurston	419
Wahkiakum	12
Walla Walla	98
Whatcom	341
Whitman	48
Yakima	429
TOTAL	**10,756**

Exhibit 7c
Washington State Medicare Supplemental Insurance Study

2020 State Residents:
Turned 65 and Dually Enrolled in Medicaid and Medicare
During the COVID-19 PHE

Breakdown by Geographic Characteristics (by County)

County	Total
Adams	17
Asotin	54
Benton	231
Chelan	66
Clallam	158
Clark	620
Columbia	8
Cowlitz	187
Douglas	90
Ferry	17
Franklin	89
Garfield	0
Grant	143
Grays Harbor	150
Island	127
Jefferson	58
King	2,117
Kitsap	278
Kittitas	35
Klickitat	40
Lewis	159
Lincoln	14
Mason	115
Okanogan	86
Pacific	66
Pend Oreille	36
Pierce	1,101
San Juan	28
Skagit	178
Skamania	15
Snohomish	807
Spokane	834
Stevens	91
Thurston	369
Wahkiakum	8
Walla Walla	87
Whatcom	300
Whitman	51
Yakima	382
TOTAL	**9,212**

APPENDIX A – RCW.48.66.055

RCW 48.66.055 Termination or disenrollment—Application for coverage—Eligible persons—Types of policies—Guaranteed issue periods. (1) Under this section, persons eligible for a medicare supplement policy or certificate are those individuals described in subsection (3) of this section who, subject to subsection (3)(b)(ii) of this section, apply to enroll under the policy not later than sixty-three days after the date of the termination of enrollment described in subsection (3) of this section, and who submit evidence of the date of termination or disenrollment, or medicare part D enrollment, with the application for a medicare supplement policy.

(2) With respect to eligible persons, an issuer may not deny or condition the issuance or effectiveness of a medicare supplement policy described in subsection (4) of this section that is offered and is available for issuance to new enrollees by the issuer, shall not discriminate in the pricing of such a medicare supplement policy because of health status, claims experience, receipt of health care, or medical condition, and shall not impose an exclusion of benefits based on a preexisting condition under such a medicare supplement policy.

(3) "Eligible persons" means an individual that meets the requirements of (a), (b), (c), (d), (e), or (f) of this subsection, as follows:

(a) The individual is enrolled under an employee welfare benefit plan that provides health benefits that supplement the benefits under medicare; and the plan terminates, or the plan ceases to provide all such supplemental health benefits to the individual;

(b)(i) The individual is enrolled with a medicare advantage organization under a medicare advantage plan under part C of medicare, and any of the following circumstances apply, or the individual is sixty-five years of age or older and is enrolled with a program of all inclusive care for the elderly (PACE) provider under section 1894 of the social security act, and there are circumstances similar to those described in this subsection (3)(b) that would permit discontinuance of the individual's enrollment with the provider if the individual were enrolled in a medicare advantage plan:

(A) The certification of the organization or plan has been terminated;

(B) The organization has terminated or otherwise discontinued providing the plan in the area in which the individual resides;

(C) The individual is no longer eligible to elect the plan because of a change in the individual's place of residence or other change in circumstances specified by the secretary of the United States department of health and human services, but not including termination of the individual's enrollment on the basis described in section 1851(g)(3)(B) of the federal social security act (where the individual has not paid premiums on a timely basis or has engaged in disruptive behavior as specified in standards under section 1856 of the federal social security act), or the plan is terminated for all individuals within a residence area;

(D) The individual demonstrates, in accordance with guidelines established by the secretary of the United States department of health and human services, that:

(I) The organization offering the plan substantially violated a material provision of the organization's contract under this part in relation to the individual, including the failure to provide an enrollee on a timely basis medically necessary care for which benefits

are available under the plan or the failure to provide such covered care in accordance with applicable quality standards; or

(II) The organization, an insurance producer, or other entity acting on the organization's behalf materially misrepresented the plan's provisions in marketing the plan to the individual; or

(E) The individual meets other exceptional conditions as the secretary of the United States department of health and human services may provide.

(ii)(A) An individual described in (b)(i) of this subsection may elect to apply (a) of this subsection by substituting, for the date of termination of enrollment, the date on which the individual was notified by the medicare advantage organization of the impending termination or discontinuance of the medicare advantage plan it offers in the area in which the individual resides, but only if the individual disenrolls from the plan as a result of such notification.

(B) In the case of an individual making the election under (b)(ii)(A) of this subsection, the issuer involved shall accept the application of the individual submitted before the date of termination of enrollment, but the coverage under subsection (1) of this section is only effective upon termination of coverage under the medicare advantage plan involved;

(c)(i) The individual is enrolled with:

(A) An eligible organization under a contract under section 1876 (medicare risk or cost);

(B) A similar organization operating under demonstration project authority, effective for periods before April 1, 1999;

(C) An organization under an agreement under section 1833(a)(1)(A) (health care prepayment plan); or

(D) An organization under a medicare select policy; and

(ii) The enrollment ceases under the same circumstances that would permit discontinuance of an individual's election of coverage under (b)(i) of this subsection;

(d) The individual is enrolled under a medicare supplement policy and the enrollment ceases because:

(i)(A) Of the insolvency of the issuer or bankruptcy of the nonissuer organization; or

(B) Of other involuntary termination of coverage or enrollment under the policy;

(ii) The issuer of the policy substantially violated a material provision of the policy; or

(iii) The issuer, an insurance producer, or other entity acting on the issuer's behalf materially misrepresented the policy's provisions in marketing the policy to the individual;

(e)(i) The individual was enrolled under a medicare supplement policy and terminates enrollment and subsequently enrolls, for the first time, with any medicare advantage organization under a medicare advantage plan under part C of medicare, any eligible organization under a contract under section 1876 (medicare risk or cost), any similar organization operating under demonstration project authority, any PACE program under section 1894 of the social security act or a medicare select policy; and

(ii) The subsequent enrollment under (e)(i) of this subsection is terminated by the enrollee during any period within the first twelve months of such subsequent enrollment (during which the enrollee is permitted to terminate such subsequent enrollment under section 1851(e) of the federal social security act);

(f) The individual, upon first becoming eligible for benefits under part A of medicare at age sixty-five, enrolls in a medicare advantage plan under part C of medicare, or in a PACE program under section 1894, and disenrolls from the plan or program by not later than twelve months after the effective date of enrollment; or

(g) The individual enrolls in a medicare part D plan during the initial enrollment period and, at the time of enrollment in part D, was enrolled under a medicare supplement policy that covers outpatient prescription drugs, and the individual terminates enrollment in the medicare supplement policy and submits evidence of enrollment in medicare part D along with the application for a policy described in subsection (4)(a)(iv) of this section.

(4)(a) An eligible person under subsection (3) of this section is entitled to a medicare supplement policy as follows:

(i) A person eligible under subsection (3)(a), (b), (c), and (d) of this section is entitled to a medicare supplement policy that has a benefit package classified as plan A through F (including F with a high deductible), K, or L, offered by any issuer;

(ii)(A) Subject to (a)(ii)(B) of this subsection, a person eligible under subsection (3)(e) of this section is entitled to the same medicare supplement policy in which the individual was most recently previously enrolled, if available from the same issuer, or, if not so available, a policy described in (a)(i) of this subsection;

(B) After December 31, 2005, if the individual was most recently enrolled in a medicare supplement policy with an outpatient prescription drug benefit, a medicare supplement policy described in this subsection (4)(a)(ii)(B) is:

(I) The policy available from the same issuer but modified to remove outpatient prescription drug coverage; or

(II) At the election of the policyholder, an A, B, C, F (including F with a high deductible), K, or L policy that is offered by any issuer;

(iii) A person eligible under subsection (3)(f) of this section is entitled to any medicare supplement policy offered by any issuer; and

(iv) A person eligible under subsection (3)(g) of this section is entitled to a medicare supplement policy that has a benefit package classified as plan A, B, C, F (including F with a high deductible), K, or L and that is offered and is available for issuance to new enrollees by the same issuer that issued the individual's medicare supplement policy with outpatient prescription drug coverage.

(b) For purposes of this subsection (4), in the case of any individual newly eligible for medicare on or after January 1, 2020, any reference to a medicare supplement policy C or F, including F with high deductible, is deemed to be a reference to a medicare supplement policy D or G, including G with high deductible, respectively, that meets the requirements of this subsection.

(5)(a) At the time of an event described in subsection (3) of this section, and because of which an individual loses coverage or benefits due to the termination of a contract, agreement, policy, or plan, the organization that terminates the contract or agreement, the issuer terminating the policy, or the administrator of the plan being terminated, respectively, must notify the individual of his or her rights under this section, and of the obligations of issuers of medicare supplement policies under subsection (1) of this section. The notice must be communicated contemporaneously with the notification of termination.

(b) At the time of an event described in subsection (3) of this section, and because of which an individual ceases enrollment under a contract, agreement, policy, or plan, the organization that offers the contract or agreement, regardless of the basis for the cessation of enrollment, the issuer offering the policy, or the administrator of the plan, respectively, must notify the individual of his or her rights under this section, and of the obligations of issuers of medicare supplement policies under subsection (1) of this section. The notice must be communicated within ten working days of the issuer receiving notification of disenrollment.

(6) Guaranteed issue time periods:

(a) In the case of an individual described in subsection (3)(a) of this section, the guaranteed issue period begins on the later of: (i) The date the individual receives a notice of termination or cessation of all supplemental health benefits (or, if a notice is not received, notice that a claim has been denied because of a termination or cessation), or (ii) the date that the applicable coverage terminates or ceases, and ends sixty-three days thereafter;

(b) In the case of an individual described in subsection (3)(b), (c), (e), or (f) of this section whose enrollment is terminated involuntarily, the guaranteed issue period begins on the date that the individual receives a notice of termination and ends sixty-three days after the date the applicable coverage is terminated;

(c) In the case of an individual described in subsection (3)(d)(i) of this section, the guaranteed issue period begins on the earlier of: (i) The date that the individual receives a notice of termination, a notice of the issuer's bankruptcy or insolvency, or other such similar notice if any, and (ii) the date that the applicable coverage is terminated, and ends on the date that is sixty-three days after the date the coverage is terminated;

(d) In the case of an individual described in subsection (3)(b), (d)(ii) and (iii), (e), or (f) of this section, who disenrolls voluntarily, the guaranteed issue period begins on the date that is sixty days before the effective date of the disenrollment and ends on the date that is sixty-three days after the effective date;

(e) In the case of an individual described in subsection (3)(g) of this section, the guaranteed issue period begins on the date the individual receives notice pursuant to section 1882(v)(2)(B) of the federal social security act from the medicare supplement issuer during the sixty-day period immediately preceding the initial part D enrollment period and ends on the date that is sixty-three days after the effective date of the individual's coverage under medicare part D; and

(f) In the case of an individual described in subsection (3) of this section but not described in the preceding provisions of this subsection, the guaranteed issue period begins on the effective date of disenrollment and ends on the date that is sixty-three days after the effective date.

(7) In the case of an individual described in subsection (3)(e) of this section whose enrollment with an organization or provider described in subsection (3)(e)(i) of this section is involuntarily terminated within the first twelve months of enrollment, and who, without an intervening enrollment, enrolls with another organization or provider, the subsequent enrollment is an initial enrollment as described in subsection (3)(e) of this section.

(8) In the case of an individual described in subsection (3)(f) of this section whose enrollment with a plan or in a program described

in subsection (3)(f) of this section is involuntarily terminated within the first twelve months of enrollment, and who, without an intervening enrollment, enrolls in another plan or program, the subsequent enrollment is an initial enrollment as described in subsection (3)(f) of this section.

(9) For purposes of subsection (3)(e) and (f) of this section, an enrollment of an individual with an organization or provider described in subsection (3)(e)(i) of this section, or with a plan or in a program described in subsection (3)(f) of this section is not an initial enrollment under this subsection after the two-year period beginning on the date on which the individual first enrolled with such an organization, provider, plan, or program. [2019 c 38 § 2; 2008 c 217 § 64; 2005 c 41 § 5; 2002 c 300 § 4.]

Severability—Effective date—2008 c 217: See notes following RCW 48.03.020.

Intent—2005 c 41: See note following RCW 48.66.025.

APPENDIX B – SURVEY DETAILS

Milliman's Email to Survey Recipients

Background: As directed and funded by the Washington State legislature, the Washington State Office of Insurance Commissioner (OIC) has engaged Milliman to prepare and provide an assessment of options related to regulations regarding Medicare Supplement ("MedSupp") insurance in Washington. As part of that assessment, Milliman is conducting the survey linked below of insurance carriers who currently have enrollees in the Washington Individual and Group MedSupp markets (2010 Standardized, 1990 Standardized, or Pre-Standardized). Milliman requests your complete and honest feedback regarding the impact, if any, on your rating and market participation under the different options described.

Respondents and responses will only be identifiable to Milliman, without directly identifying the respondents to the OIC, to elicit unbiased and honest answers to be shared in deidentified summary form with the OIC. Please understand that the OIC is in the early stages of exploring various options directed by the legislature and that your feedback will be an important component in guiding future considerations of the potential viability of these options. The OIC does not expect changes, if any, to be in effect for calendar year 2023, and no changes should be considered or reflected in 2023 MedSupp rate filings. In answering the survey questions, it is reasonable to assume statutory rating (Community Rating) requirements will remain in place, should any regulatory changes occur.

Survey Purposes: The purposes of the survey are to understand carrier concerns about possible regulatory changes and subsequent carrier actions and ongoing carrier participation in the Washington MedSupp market if options being studied were implemented. Millman will provide to the OIC a de-identified summary of the survey results regarding carriers' responses related to market participation and possible actions if an option or options being studied were to become law. Your participation is appreciated and critical to shaping the direction of the post-2023 Washington MedSupp market.

Survey Logistics: We have sent this survey to the contacts listed for companies submitting MedSupp filings for effective dates of January 1, 2020, to January 1, 2023. As necessary, please forward this message and survey to the policymaker or best person in your company to help ensure a complete and accurate response. For contacts who submitted filings for multiple companies, please name all companies in the survey and fill out separate surveys for companies if different companies may have different responses.

There are only three pages total with appreciation of the value of your time, with the expectation that completion of the survey should be efficient and straightforward. In addition to the Introduction page, there are two pages with a few questions/items each.

The survey will close Wednesday, September 7, at 5pm Pacific time.

* * * * * * * * * *

Please complete the following survey and direct questions you may have to Nick Ortner with Milliman (nick.ortner@milliman.com), phone 262-796-3403.

https://www.surveymonkey.com/r/CarrierSurveyofWAStateMedSuppRegulatoryAlternatives

Survey Questions

A. Basic Information
   1. Insurance company name
   2. Insurance company representative completing this survey
   3. Representative's email address
   4. Does your company actively market any 2010 MedSupp plans to those eligible for Medicare due to age? Yes or No
   5. Does your company actively market any 2010 MedSupp plans to those eligible for Medicare due to disability or end-stage renal disease (ESRD)? Yes or No

B. Scenario Questions
   1. Scenario: If there was a requirement for an annual open enrollment period during which MedSupp coverage issuance for those eligible for Medicare on the basis of age (i.e., age 65+) would be guaranteed without underwriting for a limited period to be defined:
      a. No rate changes: hold rates and wait to assess changes in claim experience before taking any rate action, with no change anticipated in Washington MedSupp market participation
      b. Modest rate changes: file some level of rate adjustment to reflect anticipated changes in claim experience based on experience in other states with annual open enrollment regulations and your judgment, with no change otherwise anticipated in Washington MedSupp market participation
      c. Significant rate changes: file conservative rate adjustments consistent with projected changes in claim experience based on experience in other states with annual open enrollment regulations and your judgment, with no change anticipated in Washington MedSupp market participation
      d. Significant rate and potential market participation changes: file conservative rate adjustments consistent with projected changes in claim experience based on experience in other states with annual open enrollment regulations and your judgment, with consideration given to exiting the Washington MedSupp market
      e. Market exit likely: our company would be likely to exit the Washington MedSupp market, understanding that the company will then be subject to a 5-year ban from participation in the market
   2. Scenario: If there was a requirement for an annual open enrollment period during which MedSupp coverage issuance for those eligible for Medicare due to disability or ESRD status would be guaranteed without underwriting for a limited period to be defined:
      a. Not applicable: We do not offer MedSupp plans to those eligible by reason of disability or ESRD nor do we intend to submit new plans including eligibility by reason of disability or ESRD
      b. No rate changes: hold rates and wait to assess changes in claim experience before taking any rate action, with no change anticipated in Washington MedSupp market participation
      c. Modest rate changes: file some level of rate adjustment to reflect anticipated changes in claim experience based on experience in other states with annual open enrollment regulations and your judgment, with no change otherwise anticipated in Washington MedSupp market participation

   d. Significant rate changes: file conservative rate adjustments consistent with projected changes in claim experience based on experience in other states with annual open enrollment regulations and your judgment, with no change anticipated in Washington MedSupp market participation
   e. Significant rate and potential market participation changes: file conservative rate adjustments consistent with projected changes in claim experience based on experience in other states with annual open enrollment regulations and your judgment, with consideration given to exiting the Washington MedSupp market
   f. Stop offering to this group: no longer offer to those eligible for Medicare due to disability or ESRD
   g. Market exit likely: our company would be likely to exit the Washington MedSupp market, understanding that the company will then be subject to a 5-year ban from participation in the market
3. Scenario: If there was a requirement for MedSupp coverage issuance for those eligible for Medicare on the basis of age (i.e., age 65+) to be guaranteed year-round without underwriting:
   a. No rate changes: hold rates and wait to assess changes in claim experience before taking any rate action, with no change anticipated in Washington MedSupp market participation
   b. Modest rate changes: file some level of rate adjustment to reflect anticipated changes in claim experience based on experience in other states with year-round open enrollment regulations and your judgment, with no change otherwise anticipated in Washington MedSupp market participation
   c. Significant rate changes: file conservative rate adjustments consistent with projected changes in claim experience based on experience in other states with year-round open enrollment regulations and your judgment, with no change anticipated in Washington MedSupp market participation
   d. Significant rate and potential market participation changes: file conservative rate adjustments consistent with projected changes in claim experience based on experience in other states with year-round open enrollment regulations and your judgment, with consideration given to exiting the Washington MedSupp market
   e. Market exit likely: our company would be likely to exit the Washington MedSupp market, understanding that the company will then be subject to a 5-year ban from participation in the market
4. Scenario: If there was a requirement for MedSupp coverage issuance for those eligible for Medicare due to disability or ESRD status to be guaranteed year-round without underwriting:
   a. Not applicable: We do not offer MedSupp plans to those eligible by reason of disability or ESRD nor do we intend to submit new plans including eligibility by reason of disability or ESRD
   b. No rate changes: hold rates and wait to assess changes in claim experience before taking any rate action, with no change anticipated in Washington MedSupp market participation
   c. Modest rate changes: file some level of rate adjustment to reflect anticipated changes in claim experience based on experience in other states with year-round open enrollment regulations and your judgment, with no change otherwise anticipated in Washington MedSupp market participation

d. Significant rate changes: file conservative rate adjustments consistent with projected changes in claim experience based on experience in other states with year-round open enrollment regulations and your judgment, with no change anticipated in Washington MedSupp market participation
e. Significant rate and potential market participation changes: file conservative rate adjustments consistent with projected changes in claim experience based on experience in other states with year-round open enrollment regulations and your judgment, with consideration given to exiting the Washington MedSupp market
f. Stop offering to this group: no longer offer to those eligible for Medicare due to disability or ESRD
g. Market exit likely: our company would be likely to exit the Washington MedSupp market, understanding that the company will then be subject to a 5-year ban from participation in the market

Space for Comments

Milliman also provided space for sufficient and transparent feedback regarding the respondent's considerations, suggestions, and other feedback related to regulatory changes (if any) and allowed rating changes. The comments provided are summarized below and include feedback provided by one or more of the three largest carriers in the Washington MedSupp market (Premera Blue Cross, Regence BlueShield, and UnitedHealthcare):

- The proposal to restrict underwriting practices and/or expand guarantee issue periods would further amplify the age-based anti-selection that already occurs with community rating. To pay for the possible right to change plans without underwriting, average premium rates would need to be increased beyond normal medical trend to account for the resulting anti-selection. A consequence of this is that there may be less choice in the market due to the higher cost of MedSupp coverage, with relatively more seniors considering other options such as MA plans.
- The impact to existing community rates we are particularly interested in is whether we would be required to offer plans to individuals under age 65, and if so, whether we would be allowed to charge different rates and what the allowed differential would be. For example, a provision allowing a 50% higher rate for individuals under age 65 would have less of an impact on age 65+ rates than a provision requiring all ages to be offered the same rate. It is also important to note that MA is an alternative coverage option available to Medicare beneficiaries under age 65 and is also available to people who qualify for Medicare due to ESRD.
- To promote more affordable options for seniors, consider flexible rating structures and fewer guarantee issue rights to create more value for younger seniors considering a MedSupp plan and promote a more affordable and stable MedSupp market for all.

For more information about Milliman, please visit us at:

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Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in life insurance and financial services, property & casualty insurance, healthcare, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

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