



Mid-Atlantic Permanente Medical Group, P.C.
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
2101 East Jefferson Street
Rockville, Maryland 20852

February 11, 2020

The Honorable Maggie McIntosh
Appropriations Committee
House Office Building Room 121
6 Bladen Street
Annapolis, Maryland 21401

RE: HB 381 – Support

Dear Chair McIntosh and Members of the Committee:

Kaiser Permanente is pleased to support HB 381, State Employee and Retiree Health Benefits – Retirees – Enrollment in a Medicare Advantage Plan.

Kaiser Permanente is the largest private integrated health care delivery system in the United States, delivering health care to over 12 million members in eight states and the District of Columbia.¹ Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for approximately 755,000 members. In Maryland, we deliver care to over 430,000 members.

HB 381 would require regulations adopted by the Secretary of Budget and Management to authorize retirees who are enrolled in the State Employee and Retiree Health and Welfare Benefits Program and who are eligible for the Medicare Supplemental Program to enroll, or discontinue participation, in a Medicare Advantage Plan.

Medicare Advantage plans are a type of Medicare health plan offered by a private company that contracts with Medicare to provide all hospital (“Part A”) and medical (“Part B”) benefits. Most Medicare Advantage Plans offer coverage for items that aren’t covered by Original Medicare, like vision, hearing, dental, and wellness programs (e.g., gym memberships). Plans may also cover more extra benefits than they have in the past, including services like transportation to doctor visits, over-the-counter drugs, adult day-care services, and other health-related services that promote health and wellness. Plans can also tailor their benefit packages to offer these new benefits to certain chronically ill enrollees. These packages will provide benefits customized to treat those conditions.

Medicare Advantage plans help retirees by allowing them to keep their current group coverage. They also package and provide coverage for medical and pharmacy benefits all under one plan.

¹ Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation’s largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals, which operates 39 hospitals and over 650 other clinical facilities; and the Permanente Medical Groups, self-governed physician group practices that exclusively contract with Kaiser Foundation Health Plan and its health plan subsidiaries to meet the health needs of Kaiser Permanente’s members.

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The plans are also help employers control costs by shifting generally higher cost retirees to a separate plan allowing the active plan rates to be based on lower cost working population. For these reasons, Kaiser Permanente urges a favorable report for HB 381.

Thank you for the opportunity to comment. Please feel free to contact Wayne Wilson at Wayne.D.Wilson@kp.org or (301) 816-5991 with questions.

Sincerely,

Wayne D. Wilson
Vice President, Government Programs and External Relations
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc.