

# **HB\_247\_Maria\_Robinson\_Support.pdf**

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Position: FAV

March 23, 2022

The Honorable Delores G. Kelley, Chair  
The Honorable Brian J. Feldman, Vice-Chair  
Members of the Committee  
Senate Finance Committee  
Maryland General Assembly

RE: Support of HB 247

Dear Chair Kelley, Vice-Chair Feldman, and Members of the Committee:

My name is Maria Robinson, and I am a dialysis patient residing in Odenton, Maryland. I also have the honor of serving on the Board of Directors of Dialysis Patient Citizens (DPC), a national nonprofit patient advocacy organization. DPC works to improve the lives of dialysis patients through education and advocacy. We are a patient-led organization with membership open only to dialysis and kidney disease patients and their families. Our mission and policy positions are guided solely by our members and Board of Directors, which is comprised entirely of End Stage Renal Disease (ESRD) patients like me. For the past 24 years I have been receiving three-times weekly hemodialysis treatments in a dialysis center.

On behalf of the more than 17,000 ESRD patients living in Maryland, thank you for the opportunity to write in support of HB 247. If enacted, this legislation will require insurers to permit individuals enrolled in a Medicare Supplemental (or Medigap) plan to switch to an equal or lesser plan during a special guaranteed-issue open enrollment period following the individual's birthday.

Dialysis patients comprise an extremely vulnerable population, nearly half of whom are on Medicaid or dual eligible. Once an individual loses their kidney function, they need either multiple weekly dialysis treatments or a kidney transplant to stay alive. There are no other treatment options. I also want to point out that kidney disease and dialysis disproportionately impacts communities of color. According to the latest data from the U.S. Renal Data System<sup>i</sup>, African Americans are 3.5 times more likely to have kidney failure; while Hispanics, Asians and Native Americans are 1.5 times more likely. Health disparities for this group are further exacerbated when it comes to lifesaving kidney transplant.

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The American Journal of Nephrology cites poor health insurance as a key contributor to lower transplant rates for African Americans.<sup>ii</sup> As you think about this legislation, remember that this will be a positive step towards addressing health disparities in our state, especially since many of us on dialysis are from communities of color.

People gain access to Medicare in one of two ways: upon turning age 65, or prior to age 65 when defined as disabled or diagnosed with ESRD. You may not be aware that Original Medicare does not limit the annual out-of-pocket costs for medical treatment. For dialysis patients like me, these costs can be as high as \$20,000 a year.<sup>iii</sup> Medigap plans cover most, if not all of these annual out-of-pocket costs. The “birthday rule” included in HB 247 of an additional guaranteed-issue open enrollment window to switch to an equal or lesser benefit plan will help many dialysis patients who want to be able to change their Medigap plan to one that better fits their financial situation.

This important legislation will provide some help to my situation. It is important for you to know my story as many dialysis patients experience the same problem between income levels and no access to Medigap year-around open enrollment. I continue to work to supplement my income, and the circumstances of my employment and changes to my income present unique challenges. I am employed at a senior center through an age 55+ program available through the Maryland Department of Aging. While working under this MDoA program, my coverage through Medicaid works well. Medicaid coverage is critical as it helps pay the 20% deductibles and co-insurance that Medicare Part B does not cover. However, I was hired away from the MDoA program to serve as Assistant Manager of the senior center. This bump in hours worked increased my income enough to be disqualified for Medicaid and the critical need to re-apply for Medigap to cover most if not all of my out-of-pocket expenses that Medicaid now covers. But here is the catch. Once the state re-opens the senior centers that are now closed due to COVID, I will lose my Medicaid coverage when I return to work. I will be applying for Medigap without the protection of guaranteed issue, so my application will undergo medical underwriting. It is possible the insurance company will either turn down my application, or I will not be able to afford the premium. That means returning to reduced hours, a reduced income and back on the state’s Medicaid program.

Many dialysis patients want to work but know they will run into a similar situation. I challenge the committee to not only approve HB 247, but to go further and pass legislation providing year-round open enrollment that will provide a very meaningful step towards equity and help

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reduce the state's Medicaid population. Doesn't the state want its workforce to grow and reduce Medicaid costs? This is one way to make that happen.

Thank you for the opportunity to write in strong support of HB 247, a positive step in the right direction.

Sincerely,

**Maria Robinson**  
Resident of Odenton, Maryland  
Member, Board of Directors  
Dialysis Patient Citizens

cc: Hrant Jamgochian, CEO, Dialysis Patient Citizens  
Elizabeth Lively, Eastern Region Advocacy Director, Dialysis Patient Citizens

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<sup>i</sup> US Renal Data System 2020 Annual Report, <https://adr.usrds.org/2020/>

<sup>ii</sup> Health Disparities in Kidney Transplantation for African Americans; Am J Nephrol 2017; 46:165-175

<sup>iii</sup> US Renal Data System 2020 Annual Report, <https://adr.usrds.org/2020/>

# **HB 247 Medigap bill testimony - Senate version.pdf**

Uploaded by: James Gutman

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**HB 247 Insurance — Medicare Supplement Policy Plans — Open Enrollment Period  
Following Birthday  
Senate Finance Committee  
FAVORABLE  
March 24, 2022**

Good afternoon, Chair Kelley and members of the Senate Finance Committee. I am Jim Gutman, a Howard County resident and member of the Executive Council and lead health advocacy volunteer for AARP Maryland. Before my retirement, for 25 years, I edited, published and for 10 years owned subscription regulatory and financial newsletters about U.S. health care, including several Medicare-related ones. I am here today representing AARP Maryland and its 850,000 members in support of HB 247. We thank Delegate Reznik and many others for sponsoring this important piece of legislation and the Senate Finance Committee for considering it.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people aged 50 and above, strengthens communities and fights for the issues that matter most to families, such as health care, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

Medicare supplement (also known as Medigap) plans are an important part of the comprehensive health coverage our seniors need. These state-regulated plans pay for portions of eligible Medicare expenses that otherwise would be borne by beneficiaries themselves, but the premiums usually go up rapidly with age, and people who have significant underlying conditions often wind up essentially trapped in their current plans. The reason for this relates to Medicare rules. Medicare recipients have an initial six-month enrollment period starting the first month they have Medicare Part B coverage, which pays for outpatient services, and are age 65 or older. In that initial period, Medigap plans must accept you, and there customarily are good options and prices.

After the initial period, if a Medigap beneficiary wants to switch to another carrier even in the same standardized plan type, meaning having the same plan-letter designation, that person is often in big trouble. This is because other plans do not have to accept you. If they do accept you, they can subject the beneficiary to insurance underwriting and charge much higher premiums based on that. And there now basically is nothing beneficiaries can do about it.

This is the case for my wife and me. We both have had an extensive-coverage Medigap plan for multiple years with Mutual of Omaha. But during the past two years, I have had premium hikes of 13.5% and 17.2%, respectively, leading to a current three-month premium of \$633.14 that will go up 17.17% to \$741.84 when my renewal year starts in May shortly after my birthday. This is even though I've had relatively few and minor claims during my nearly five years with the plan.

The insurers can do it because the rates they file with the state insurance administration are not based on individual experience, with new rates generally taking effect shortly after the beneficiary's birthday. Similarly my wife, who is six years younger than me and has had the same plan with Mutual of Omaha since she reached Medicare age, has three-month premiums in the plan year that began March 1, shortly after her birthday, of \$432.08, up 10.9% from the prior year, which also was up by a double-digit percentage from the previous plan year.

Since both my wife and I have pre-existing conditions, which is normal for people in our age groups, we would have to go through underwriting if we tried to switch plans. My wife's pre-existing conditions are more significant than mine, but we both would be at risk of not even being offered alternate Medigap coverage, especially since I will be 74 years old this week.

HB 247 would give important help to financially stressed seniors who have Medigap plans. And it would do so in a way that should not pose significant financial problems for the insurers. Beneficiaries would have just a single 30-day period following their birthdays each year to purchase other Medigap plans without having to go through underwriting. The risk for the insurers is limited since beneficiaries could not use that period to move up to a more comprehensive plan than they have now. There would be real benefit for the policyholders since plans couldn't refuse to cover these people because of their health status or claims experience. Insurers also could not reduce coverage to those beneficiaries in any particular-letter Medigap plan based on these factors.

The result would be that Medigap beneficiaries, most of whom have very limited and fixed incomes, would have an option to "shop" for other plans and not be, in effect, prisoners of their current plans as they are now.

AARP believes that policy makers should keep Medigap insurance affordable and available. The overall AARP policy calls for requiring pure community rating and prohibiting insurers from varying Medigap premium levels and premium rate hikes for different individuals. While this bill would not do all of that, HB 247 would help a very large number of Maryland residents on Medicare.

For all these reasons AARP Maryland requests that the Senate Finance Committee give a favorable report to HB 247. Thanks very much for your time and consideration. If you have questions, please contact Tammy Bresnahan at [tbresnahan@aarp.org](mailto:tbresnahan@aarp.org) or by calling her at 410-302-8451.

**OAG HAU\_FAV\_HB0247.pdf**

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Position: FAV



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March 24, 2022

To: The Honorable Delores G. Kelley  
Chair, Finance Committee

From: The Office of the Attorney General's Health Education and Advocacy Unit

Re: House Bill 247 (Insurance - Medicare Supplement Policy Plans - Open Enrollment Period Following Birthday): Support

The Office of the Attorney General's Health Education and Advocacy Unit (HEAU) supports House Bill 247 because the bill adds protections from medical underwriting for Medicare enrollees who want to change Medicare supplement policy plans more than 6 months after they first enroll in Medicare, which is the current protected period. Supplemental plan enrollees who currently attempt to change plans more than 6 months after initial enrollment may be denied coverage, or charged higher premiums, on the basis of medical underwriting, effectively locking them into a plan that may no longer meet their needs or that has become unaffordable. This bill provides that a carrier must make available supplemental plans with benefits that are equal to or less than the current plan's benefits, within 30 days after the birthday of an individual enrolled in a supplemental plan, also known as the Birthday Rule (the BR).

Carriers successfully opposed BR legislation introduced in previous sessions by contending that volatility and increased costs *could* result if the BR became law despite the fact that many states over time have enacted laws to allow Medigap plan transfers without medical underwriting.<sup>1</sup>

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<sup>1</sup> <http://files.kff.org/attachment/Issue-Brief-Medigap-Enrollment-and%20Consumer-Protections-Vary-Across-States> As of 2018, 4 states (NY, ME, MA, and CT) have continuous or annual guaranteed issue protections for Medigap. States may have qualifying life events which trigger guaranteed issue: 28 states guarantee Medigap in the event retiree benefits change; 9 states guarantee Medigap upon loss of Medicaid eligibility; 14 states have additional life qualifying events such as when the beneficiary's health plan changes its benefits or when a participating hospital leaves the network of a beneficiary's health plan. Maryland is among 16 states that only have the federal minimum standard.

The MIA's Office of Chief Actuary (OCA) found that "the data available to the OCA does not demonstrate that the adoption of the BR in Maryland would reduce competition and choice or introduce anti-selection and increase rates in the Maryland Medigap market overall."<sup>2</sup> The report further stated:<sup>3</sup>

From the MIA's perspective, the data reviewed suggests that the adoption of a BR in Maryland would not likely have a negative impact on competition and choice if measured in terms of the number of legal entities willing to write Medigap coverage in Maryland and would have a favorable impact on choice if measured in terms of the options available to individual enrollees. The data reviewed also suggests to the MIA that the BR is unlikely to introduce anti-selection features at a pool level that would result in higher overall premiums in the Maryland market. Rather, it appears that the BR would likely act to counter the renewal anti-selection that currently exists, because the sickest individuals cannot move to other plans, but the healthy can. Over time, this feature of the Medigap market has resulted in significant differences in loss experience between legal entities and, thus, significant differences in rates among legal entities for identical plans with identical benefits. The long-term impact of allowing enrollees to price shop without underwriting appears to be more concentrated rates and a more even distribution of risk across carriers and plans, as sicker individuals initially move to less expensive plans. Over the short- and long-terms, opponents of [the BR] contend that impacts to the pool rates could be double-digit, while those who favored [the BR] assert that the impact is more likely to be in the +/- 2% range. The OCA believes that the latter figure is better supported by the data.

Accordingly, we ask the committee to give the bill a favorable report.

cc: Sponsor

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<sup>2</sup> <https://insurance.maryland.gov/Consumer/Appeals%20and%20Grievances%20Reports/Birthday-Rule-Legislation-Report.pdf>, page 2.

<sup>3</sup>*Id.*, page 3.