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**Statement of the Maryland Federation of National Active and
Retired Federal Employees – State Legislative Committee**

On House Bill 247,

**Insurance – Medicare Supplement Policy Plans – Open Enrollment
Period Following Birthday**

To: Chair Shane E. Pendergrass

Thank you for the opportunity to present comments supporting HB 247 on behalf of the State Legislative Committee (SLC) of the Maryland Federation of NARFE, the National Active and Retired Federal Employees Association. Our Committee supports state legislation which promotes the general welfare of our current Federal annuitant senior citizens in Maryland with respect to their rights under tax laws and regulations as well as other state legislation to protect

seniors. For the benefit of all Maryland seniors, we support HB 247, Insurance – Medicare Supplement Policy Plans – Open Enrollment Period Following Birthday.

We believe that HB 247 will be very helpful to Maryland seniors who have Medicare Supplement plans, also called “Medigap” plans. These plans are purchased by seniors who believe their Medicare Part B coverage may not cover all their costs.

Federal law provides that you can purchase Medigap insurance during a one-time only open enrollment period during the first six months after you enroll in Medicare Part B. During this open enrollment period, carriers may not deny or condition the issuance of the Medigap policy on health status (i.e., preexisting conditions) or other factors. But after the open enrollment period, if the person wants to change Medigap plans, the guaranteed issue requirements do not apply, and the applicant could be denied or face higher premiums.

HB 247 would provide that Medigap carriers must make available Medigap plans with benefits equal or lesser to the planholder's current plan's benefits within 30 days after the planholder's birthday. The carrier is prohibited from denying or conditioning any new plan because of a change in the planholder's health status. HB 247 would offer protection to Medigap policy holders and give them options when they may face a substantial Medigap premium increase or when they are not happy with their current Medigap plan for other reasons.

We note that Federal retirees typically will not need Medigap policy coverage because they will have Medicare Part B as their primary medical insurance, and will have a Federal Employees Health Benefits (FEHB) plan as their secondary medical insurance. (Some Federal Retirees will have their FEBB Plan as their sole medical insurance and will forego Medicare Part B depending on their situation and health care needs) The FEHB Plan covers expenses which Medicare Part B does not cover, so it acts like a Medigap plan for the Federal retiree. Federal retirees have an annual Open Season, near the end of the calendar year, which offers them the opportunity to change their health plan if their current plan becomes too expensive or for other reasons. We believe that HB 247 will provide Maryland seniors with Medigap policies a one month open season annually to offer them the opportunity to change a policy which is not working for them and pick a new plan which best serves their financial needs.

Thank you for your time and consideration of our comments on HB 247. We respectfully request that the Committee give the bill a favorable report.

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