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Appropriations Committee
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THE MARYLAND HOUSE OF DELEGATES ANNAPOLIS, MARYLAND 21401

Madam Chair and members of the HGO Committee, it is my pleasure to once again present HB 247 the Medicare Supplement Policy Plans - Open Enrollment Period Following Birthdays, or as we know it the "Birthday Rule."

This bill is exactly the same as introduced in the previous three sessions, and accomplishes one simple goal - it allows seniors purchasing a Medicare Supplemental or Medigap policy to have an open enrollment period, just like you and I do, for 30 days following their birthday.

As a recap, though Medicare is a federal program and outside the purview of State regulation, Medicare supplemental plans are an insurance product like any other regulated at the State level and administered by the Maryland Insurance Administration.

Though advertised by insurance companies as having open enrollment, and seniors can choose the plan that best fits them, this is only really true upon initial selection of their plan. Once a plan has been locked in, in order to change later on, a senior must be able to pass medical underwriting. This means that if an insurance carrier deems the senior as too expensive because of a pre-existing condition or major health event, they can deny them the change and force them to stay on a plan that is more expensive or has poor coverage for their needs. Now, how many of you know seniors on Medicare that get healthier as they age? By creating this roadblock to change, insurance companies are essentially forcing seniors into one plan and one insurer that they chose when they were 65 years old (or even earlier if coverage is because of a disability).

Seven states; Massachusetts, New York, Connecticut, California, Oregon, Maine, and Missouri, all have some form of this already in place. Five of those seven states have much more expansive policies. What I am proposing, a 30-day window following a birthday, is in line with California and Oregon's plans, and to me, is infinitely fair.

The insurance companies argue that it isn't fair to them if a senior is relatively healthy and on a cheaper plan until there is a major health event and then switches to a more expensive plan on a different insurance carrier. But after the Affordable Care Act, and the prohibition of denial of coverage for pre-existing conditions, that is literally the case for everyone else - from subscribers to the Maryland Benefits Exchange to our own, State employee health plans. If it's good enough for everyone else, why can't it be good enough for seniors on Medicare.

Two sessions ago, this Committee requested the Maryland Insurance Administration to do a study of this plan, which I provided to you last year and am providing again as part of submitted testimony. Despite the protests from insurance companies, the overall conclusion is clear. The MIA found that "the data available to the [Office of the Chief Actuary] **does not** demonstrate that the adoption of the [Birthday Rule] in Maryland would reduce competition and choice or introduce anti-selection and increase rates in the Maryland Medigap market overall. The data shows that: 1) premiums in [California and Oregon] are largely comparable to [Maryland]; 2) the experience of "new issues" and "total experience" do not demonstrate a spike; 3) enrollment does not appear to have been slowed

down due to rising rates in [California and Oregon]; and 4) competition does not appear to have been reduced.” [emphasis added]

For the last three years, this has been an important issue to me, and I have brought constituent after constituent in front of this committee to advocate for this policy. This year it became personal, as my mother-in-law was denied the ability to move coverage because she failed underwriting. Her major healthcare event? Cataract surgery. If cataracts can keep a senior from accessing open enrollment, then why even pretend we have it?

The data and the policy are clear. It is time for Maryland to adopt the Birthday Rule and give seniors on Medicare a break.

Thank you for your time and I urge a favorable report on HB 247.