



THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

BILL: Senate Bill 682 - Insurance - Medicare Supplement Policy Plans - Open Enrollment Period Following Birthday

SPONSOR: Senator Kramer

HEARING DATE: March 3, 2021

COMMITTEE: Finance

CONTACT: Intergovernmental Affairs Office, 301-780-8411

POSITION: SUPPORT

The Office of the Prince George's County Executive **SUPPORTS Senate Bill 682 - Insurance - Medicare Supplement Policy Plans - Open Enrollment Period Following Birthday**, which requires carriers to make available to enrollees in a Medicare supplement policy plan different Medicare supplement policy plans during the 30 days following the individual's birthday. A carrier shall not deny or condition the effectiveness of the plan or discriminate in the pricing of the plan.

Medicare Supplement Insurance, sometimes known as "Medigap" insurance, may be purchased by anyone enrolled in Medicare. Medicare Supplement Insurance covers the gaps people encounter when using their Medicare benefits by paying Medicare deductibles, copayments and some out-of-pocket expenses.

In mid-2020, over 1,054,500 Maryland residents were Medicare beneficiaries, about 17% of our state's population. SB 682 would provide these Maryland residents with an annual opportunity to review and potentially switch Medicare Supplement insurance plans within 30 days of their birthday without a medical screening.

Currently, if your Medicare Supplement Insurance plan's cost rises substantially, you either pay the new higher premium or apply for a new plan and risk being turned down due to pre-existing conditions. Under this bill, however, our residents can switch without fear. This protects our residents and provides them with options.

This legislation also addresses consumer complaints of being stuck with plans with large annual increases and is colloquially known as the Birthday Rule. Both Oregon

and California have passed Birthday Rule legislation. Oregon's law went into effect in 2013 and California's law has been in place since 2010.

Medicare beneficiaries satisfied with their current Medicare Supplement Insurance can keep it. However, when Medicare Supplement Insurance no longer meets their needs or budget, the Birthday Rule would allow residents to purchase a more suitable plan.

Inadequate health insurance is a known barrier to accessing health care, which is especially important for Medicare beneficiaries during these precarious times. **SB 682** expands opportunities for seniors and people with disabilities to change their Medicare Supplement Insurance selection for one month out of the year if their current selection is not working for them.

For the reasons stated above, the Office of the Prince George's County Executive **SUPPORTS Senate Bill 682** and asks for a **FAVORABLE** report.