



**MARYLAND
LEGAL AID**

Advancing
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Justice for All**

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February 3, 2022

The Honorable Shane E. Pendergrass
Chair, House Health, and Government Operations Committee
Room 241
House Office Building
Annapolis, MD 21401

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

Dear Madam Chair and Members of the Committee:

Thank you for the opportunity to support HB 247. This Bill will require the Maryland Insurance Commissioner to permit a period of enrollment for individuals enrolled in Medicare supplemental policy plans to change coverage with an insurance carrier within 30 days after their birthday, even if their health conditions change. HB 247 will protect the health of vulnerable Marylanders by creating a key health insurance opportunity, providing equitable access to life-sustaining health care.

Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. MLA handles civil legal cases involving a wide range of issues, including family law, housing, public benefits, consumer law (e.g., bankruptcy and debt collection), and criminal record expungements to remove barriers to obtaining employment, child custody, housing, and a driver's license. MLA provides this written testimony at the request of Delegate Reznik.

Medicare provides access to health care for disabled persons and older adults (adults over 65). Effective July 2020, 17% of Maryland's population was enrolled in Medicare¹ (1,054,500 people). 87% of Maryland Medicare beneficiaries are at least 65 years of age, and the remaining 13% are disabled and under the age of 65.² Medicare coverage options include, among other things, original Medicare and Medicare Advantage Plans. Only 15.7% of Marylanders are enrolled in Medicare Advantage.³ This means that the remaining 84.3% of Maryland

¹ <https://www.healthinsurance.org/medicare/maryland/#:~:text=the%20national%20average,-,Medicare%20enrollment%20in%20Maryland,state's%20population%20enrolled%20in%20Medicare>

² Id.

³ AARP Bulletin October 2021, Vol 62, No. 8, page 16.

Medicare recipients are on Original Medicare and, therefore, are eligible for supplemental insurance coverage.

Original Medicare is a pay-per-service coverage, on the average of 80% of a medical bill. It leaves the beneficiary with 20% coinsurance.⁴ This 20% coinsurance can quickly produce a hefty bill. For this reason, many beneficiaries choose to enroll in additional supplemental coverage, frequently called Medigap Plans, which are standardized under federal rules but are offered by many different insurance companies across the Nation. Since 2002, Medicare beneficiaries have only had a 6-month window after joining Medicare Part B to enroll by right into a supplemental Medigap plan with guaranteed coverage.⁵ Subsequent to that 6-month period, any attempt to enroll in a supplemental plan can result in an outright denial of coverage for a stated reason of pre-existing conditions.⁶ Dire consequences can result.

Supplemental coverage prevents catastrophic out-of-pocket billing for medical services. For people whose income is too high for Medicaid, supplemental coverage makes health care costs more predictable and provides equitable access to health care. HB 247 will create an essential insurance function to protect vulnerable Marylanders unaware of the 6-month window or those who need to change coverage plans. It will allow Medicare beneficiaries a 30-day period after their birthday to shop and change supplemental Medicare plans.⁷

Very few individuals know about the 6-month window. The ordinary person who retires is not informed about it, even when signing up for Medicare. However, if the window passes and the (usually) older adult needs to stay on Original Medicare, the financial consequences can be devastating. People (usually retirees) often learn about the 6-month window when it is too late. Maryland Legal Aid supports HB 247 because it makes access to health care available to a vulnerable population that is more likely to require medical intervention as well as health-improving medical services. It levels the field.

Thank you for considering this written testimony. For the reasons stated above, **MLA urges a favorable report on HB 247.**

Sincerely,

/s/ Cornelia Bright Gordon

Cornelia Bright Gordon

Director of Advocacy for Administrative Law

⁴ <https://www.medicare.gov/Pubs/pdf/10116-your-medicare-benefits.pdf>

⁵ <https://www.healthinsurance.org/medicare/maryland/#:~:text=the%20national%20average,-,Medicare%20enrollment%20in%20Maryland,state's%20population%20enrolled%20in%20Medicare,https://www.cms.gov/Medicare/Health-Plans/Medigap/downloads/mdgp0203.pdf>

⁶ <https://medicareguide.com/denied-medicare-supplemental-insurance-161174>. People aged 65 and older may have medical conditions.

⁷ Many states are easing the draconian 6-month rule. 5 states (California, Idaho, Illinois, Nevada and Oregon) have a birthday based enrollment window (the "Birthday Rule"). <https://www.medicarefaq.com/faqs/state-specific-medicare-rules/>