

March 25, 2025

The Honorable Joseline Pena-Melnyk  
Chair, Health & Government Operations Committee  
241 Taylor House Office Building  
6 Bladen Street  
Annapolis, MD 21401

Re: SB956 – Health Insurance – Medicare Supplement Policies – Broker Commission  
Position: Support

My name is Barbara Horanoff and I have a small insurance agency in Bel Air, MD. I have been a licensed agent for 15 years and I have over 1,100 clients. In my business, we are very client focused, always taking the time to educate the consumer on all of the Medicare options. In other words, we are service-oriented and we take our time, preferring to keep our clients for the long haul and build relationships in the community.

The Birthday Rule legislation that was passed and put into effect in July of 2023 has been a huge help to many seniors. It creates a special election period for people who were formerly not able to shop for a better cost on their plan, due to stringent underwriting beyond the first 6 months of Medicare eligibility. Beneficiaries with limiting health conditions can now shop rates any year within 30 days of their birthday. As more people are becoming aware of this benefit, I am finding that 10% of my Medicare supplement applications, since the passing of the bill, are moving people into new plans using the Birthday Rule special election.

When the first clients called me to utilize the new special election period, I learned the clients were told to seek out agents, such as myself to do the actual processing of business. The carriers were not taking the work of it on themselves. These policies take as much time as any other policy we do and sometimes more, as we have to help the client obtain documents from their former carrier and get those to the new carrier within a short amount of time. However, there are very limited commissions being paid on these policies. In many cases the commissions are 90% lower than those paid on traditional sales.

Due to this compensation consideration, offering this option creates a tension between doing what is right and doing what will keep the lights turned on. This would be the same for any agent. This is a people business and doing it right means taking the time. Where agents would normally offer this option to someone who is experiencing rising premiums on their Medicare supplement, it would be a far better commission option for the agent if he or she offers the Medicare Advantage plan to their client as the way to potentially bring the client's costs down,

which might tempt someone to steer a client—something which is strictly prohibited under federal Medicare marketing regulations. In addition, the lack of compensation for the work will keep an agent from educating consumers about the birthday rule option, which is again, a disservice to the client.

Carriers limiting the amount an agent is compensated for helping a Medicare beneficiary make the right choice will only decrease the number of people who are able to do it. Clients, already worried about all of the television commercials, junkmail, robo-calls, etc., will then have fewer local agents to turn to when they are shopping for a Medicare replacement policy.

I've included an email from a long-time client I was recently able to help through the Birthday Rule, who was kind enough to attest to the help she received.

I'm requesting a favorable decision on Senate Bill 956. Thank you for your time and consideration on this important matter.

Sincerely,

Barbara Horanoff  
Independent Agent



Barbara Horanoff &lt;barb@bhihealthplans.com&gt;

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## Birthday Enrollment

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Terri Ewing <ewingtn1@gmail.com>

Mon, Mar 24, 2025 at 4:44 PM

To: Barbara Horanoff <barb@bhihealthplans.com>

To whom it may concern,

I am writing on behalf of Barbara Horanoff of B. Horanoff Insurance, Inc. Ms. Horanoff has been my insurance agent for many years and always goes above and beyond for her clients' needs. An example of her detailed thoroughness is her recent work on obtaining a new policy for me during the Birthday Enrollment period. Barbara was able to write a policy with a new carrier that offered identical coverage as my previous policy carrier for a monthly savings of \$271.42! As someone who is permanently disabled and on a fixed income, this savings is greatly appreciated. This is evidence of Barbara Horanoff's exemplary work; spending additional time and energy to provide the best care possible for her clients. She is a valuable asset to me and her worth cannot be overstated.