



COMMISSION ON AGING

To: Delegate Shane E. Pendergrass, Chair, House Health and Government Operations Committee

From: Barbara Selter, Chair, Montgomery County Commission on Aging BS

Date: February 3, 2022

Subject: HB 247: Insurance - Medicare Supplement Policy Plans - Open Enrollment Period Following Birthday

Position: Favorable

Dear Delegate Pendergrass:

I am writing on behalf of the Montgomery County Commission on Aging in support of HB 247. The Commission is authorized by the *Older Americans Act*, P.L. 116-131, and was established by Montgomery County in 1974 to advise County government on the needs, interests and issues of older adult residents, and to advocate on their behalf at the local, state and national levels.

HB 247 would require a Medigap carrier to provide an enrolled individual the opportunity to switch to a different Medicare supplement policy plan with equal or lesser benefits within 30 days following the individual's birthday – the so-called “birthday rule.” Further, the carrier would be prohibited from denying or conditioning a new plan, discriminating in the pricing of the plan, or denying, reducing, or conditioning coverage because of the health status, claims experience, receipt of health care, or medical condition of the individual.

This proposal addresses a weakness in Federal law that only provides for a guaranteed issue for Medicare supplemental coverage at the time an individual qualifies for Medicare coverage. Thereafter, if such individual wanted to change policies, s(he) would likely be subject to underwriting or charged higher premiums, effectively precluding a realistic chance to change policies after the initial opportunity to enroll. Importantly, those enrolled in Medicare Advantage plans can change health plans during the annual open enrollment period without being underwritten. Similarly, those electing Part D may switch plans during the annual open enrollment period as well. As a matter of fairness and to ensure a level playing field among competing Medicare options, the opportunity to change plans should be made available to those with Medigap policies as well.

Several states have enacted the Medigap birthday rule, namely California, Oregon, Illinois, Idaho, and Nevada, while Missouri, Maine and Washington have enacted legislation that are variations on the same approach. In addition, New York and Connecticut offer guaranteed issue at any time. We believe Maryland should join these states that already have broadened access to Medicare supplemental insurance. This proposal would not increase state expenditures. Moreover, since it does not permit the individual to obtain better coverage, it is not going to incent adverse selection.

We urge you to give this proposal favorable consideration. Thank you for the opportunity to comment on HB 247.