



# National Kidney Foundation™

## MEDIGAP COVERAGE FOR KIDNEY FAILURE

### Goal:

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To ensure equal access to Medigap insurance for all Medicare-eligible patients, regardless of age, disability or End Stage Renal Disease (ESRD) status.

### Why:

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Medigap is a Medicare supplemental health insurance policy sold by a private insurer specifically to fill "gaps" in Original Medicare coverage. A Medigap policy typically covers some or all out of pocket expenses for Medicare-covered services that Medicare does not pay. Most Medicare patients under 65, whether disabled or ESRD beneficiaries, do not have access to Medigap insurance, even though Medicare is their primary insurance.

Significant costs can be incurred by Medicare patients that make Medigap coverage necessary. For instance, the inpatient hospital deductible for Medicare under Part A is over \$1,000. Immunosuppressive drugs for kidney transplant recipients are covered under Part B at 80%, but the remaining 20% can cost thousands of dollars out of pocket annually. Dialysis treatments, which are needed three times weekly, are also covered under Part B at 80%, and the cumulative out-of-pocket expenses can be substantial over time.

When kidney patients cannot afford the deductibles and co-payments associated with Medicare, it can have a significant impact. Those who have received a kidney transplant may not be able to pay the 20% coinsurance for the immunosuppressive drugs they need to help avoid rejection of the transplanted kidney, and may need to return to dialysis.

Some believe that insurers would substantially raise the cost of Medigap premiums if coverage was mandated for people under 65 who are disabled or who have kidney failure since they may have more health care costs compared with other Medicare beneficiaries and this would make Medigap coverage too expensive for many older Americans. However, a study done by Abt and Associates found that Medigap premiums increased only modestly in states that mandate Medigap coverage for all Medicare beneficiaries under 65. In addition, when individuals can't get Medigap and sign up for Medicaid and Medicare Savings Plans, these costs are covered by taxpayers at the federal and state level.

### What:

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Inequality in access to Medigap insurance is best addressed by the federal government to avoid a patchwork of coverage. Congress should require insurers that offer Medigap policies to make them equally available to all Medicare beneficiaries under age 65, including those with ESRD.