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## The National Kidney Foundation (NKF) Supports H.R. 6265, the Medigap Consumer Protection Act.

Currently, health plans in many states are permitted to deny consumers under age 65 access to Medigap policies based on preexisting conditions. This discriminatory practice creates substantial barriers to accessing health care services that patients need. This is particularly true for individuals who qualify for Medicare due to disability or end-stage renal disease (ESRD).

Significant costs are incurred by Medicare patients that make Medigap coverage vital. For instance, the inpatient hospital deductible for Medicare under Part A is nearly \$1,300. Dialysis treatments, which are needed three times weekly, are covered under Part B at 80%. Pre and post -transplant care, including immunosuppressive drugs, are also covered under Part B at 80%. This leaves patients with out-of-pocket expenses totaling thousands of dollars each year.

Medigap plans can help patients afford their deductibles and co-payments associated with Medicare fee-for-service coverage. When patients must choose between accessing healthcare or paying basic household expenses, they may avoid necessary care or try to stretch their medication supply. Following a prescribed medical plan is critical to avoiding organ rejection and a return to dialysis, and to preventing comorbidities such as diabetes and cardiovascular disease. Skipping treatments or medication not only harms patients, but it also costs the government more money when preventable complications occur.

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, outof- pocket expenses for Medicare-covered services. Most Medicare patients under age 65, whether disabled or ESRD beneficiaries, do not have access to Medigap insurance, even though Medicare is their primary insurance. Medigap plans only provide supplemental coverage to approximately 1 in 4 Medicare beneficiaries, or 9 million Americans. The passage of the Affordable Care Act prohibited discrimination against people with chronic conditions and disabilities by insurance companies selling health insurance in the commercial market, but this prohibition was

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not extended to Medigap plans. It is time to change that and the National Kidney Foundation applauds Congressman Jim McDermott (D-WA) for his leadership in working to address this vital need.

The Medigap Consumer Protection Act will help end discriminatory treatment of Medicare beneficiaries by extending guaranteed issue rights to the entire Medicare-eligible population. It will also help limit price discrimination by health plan issuers based on age, increase consumer access to information regarding coverage options, and restore access to the most popular Medigap plan options, which under current law are scheduled to be eliminated for beneficiaries who become eligible for Medicare beginning in 2020.

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

For a copy of NKF's statement on the Medigap Consumer Protection Act, click here. For a full copy of the Medigap Consumer Protection Act legislation <u>click here</u>.