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AARP Testimony on SF 2477
Senate Commerce and Consumer Protection Committee
March 25, 2025

Chair Klein and Committee Members,

My name is Thomas Elness and I am the State Director of Advocacy for AARP Minnesota. On behalf of our more than 620,000 members statewide. I am writing today asking you to please oppose SF 2477, which mandates a 10% premium increase for Minnesotans who switch Medicare supplement policy plans as prescribed in state law.

This legislation seeks to add a flat 10% premium increase for anyone switching Medicare supplement policy plans (often known as Medigap) or enrolling in Medigap plan outside of the initial six-month window. This surcharge would apply in addition to regular annual premium increases. This 10% fee would be burdensome for Minnesotans and would not go towards improving enrollees' health or access to care.

AARP recognizes the value of the state law set to take effect in 2026 that offers more options for Minnesotans with Medicare, will continue to advocate for this policy, and appreciates that SF 2477 continues to provide Minnesotans with enrollment options throughout the year. One potential improvement to SF 2477 could be clarifying that the 10% penalty is not a permanent surcharge for the consumer, but rather it only applies during the enrollment year that the change was made.

Lastly, we would encourage the Legislature to consider Medicare Savings Programs (MSP), a joint federal/state program for people on Medicare who have limited income and resources, as an alternative way of helping Minnesotans with limited income and resources pay for some or all of their Medicare costs. For those who qualify, MSPs can help with out-of-pocket costs such as premiums, copays, coinsurance, and deductibles.

Given the lack of consumer benefit despite mandated increased costs, we respectfully ask you to oppose SF 2477. Thank you!

Thomas Elness
State Advocacy Director
AARP Minnesota