Testimony against HF2335 and SF2498 (identical companion bills)

Please vote against HF2335 and SF2498 because it will allow the discrimination against people with disabilities and elderly with preexisting conditions to be denied the right to purchase Medicare Supplement policies.

The captured customer base, the disabled and the elderly must buy Medicare but it only covers 80 percent of medical expenses. The leftover 20 percent plus deductibles, copays, coinsurance and other add ons like prescription drug coverage and nothing for dental work, hearing, or vision is enough to bankrupt many citizens. While Medicare supplement plans, also known as Medigap plans, don't cover prescriptions, dental work, hearing, or vision, those are still out-of-pocket expenses on top of the usual extra "skin in the game" payments we must make for medical care.

Despite the fact that we have our actual skin in the game.

The sole reason that Medicare supplement plans exists is to serve the disabled and elderly people who are on Medicare.

To deny the purchase of a supplemental policy due to an unfortunate compromise made back in the day when Medicare was first created, still allows discrimination based on preexisting conditions to exist in this cohort. The Democratic Party is very proud that the ACA eliminated preexisting conditions. And millions of people were able to buy insurance making for a large group base.

Under Medicare, however, we are still subjected to "underwriting" that "may" (according to Blue Cross Blue Shield's letter to the commerce committee(s) allow them to refuse to sell their insurance product to willing buyers unless they have bought Medicare Part B within the first six months of becoming eligible for Medicare.

Medicare Part B can be bought outside of the first 6 months of eligibility, albeit with a 10% penalty for each year the premiums were not paid.

If a person may buy Part B premiums at open enrollment, so should people be able to buy a Medicare supplement insurance policy. Perhaps amend the bill to allow a 10% penalty like Medicare does. Of course there are many good reasons why a suddenly disabled, jobless, loss of employer insurance for other reasons too, or elderly people developing medical conditions associated with aging. They should not be BANNED for life from ever buying a policy due to preexisting conditions.

REPORTS and ANALYSIS REVIEW

There was considerable research done before the 2023 bill was made into law. I know because I did a lot of research for Senator Liz Boldon about it. I discovered things like an industry report that said health insurance financial companies made $22 billion in profits from premiums alone in a prior year. This certainly seems like they can afford to take on the much smaller number of customers that are in the "missed the window" cohort who have disabilities or preexisting conditions.

While the BC/BS report questions the findings of the Commerce department's own assessment, the numbers each come up with are beyond reasonable bounds of expectations, to the detriment of the most likely valid conclusions of the Commerce Department report which found it would not increase premiums for people already holding Medigap policies significantly.

FOCUS ON THE PEOPLE REALLY HARMED - THOSE DENIED THE RIGHT TO BUY

The BC/BS assessment focused on the consequences to existing policy holders but did not do any effort to assess the major adverse consequences for disabled and elderly people. That includes medical bankruptcy which is a big issue right now. So it is absurd to repeal a law that would prevent disabled and elderly people with preexisting conditions from being able to buy the very insurance product designed to provide health insurance for us.

Why should the State do anything about Medical debt or keep providing reinsurance to insurance providers, if they are allowed to simply discriminate against the very people they were created to serve? Why should their CEOs and shareholders make extraordinary passive income profits by denying disabled and the elderly with preexisting conditions (like natural aging).

To repeal a bill based on the biased opinions and beliefs of insurance companies with a huge conflict of interest in anything they say to keep denying the "expensive" care for people with disabilities and others with preexisting conditions that are not allowed to buy into the ACA is wrong and short-sighted.

Please vote no and let the law be implemented by January 2026. A year later than it should have been, but essential to the general health and welfare of people with disabilities and the elderly with preexisting conditions. The insurance companies will not suffer equal to each person denied the right to buy a Medicare supplement policy.

There was also some discussion about mortality and expensive conditions, but the alternative to denying medical care due to lack of insurance available to be purchased during one single period of 6 months is much more costly in the long run. People who cannot buy Medigap policies, will become impoverished and have to rely on Medicaid, costing the state more and more money. Or they will die.

This denial of the right to purchase Medicare Supplements essentially, is a death warrant for people with disabilities and the elderly who develop chronic illness or progressive diseases, First comes bankruptcy, then comes homelessness, then comes suffering and death due to lack of medical care.

Vote no to allowing discrimination due to preexisting conditions to be restored.