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AARP Testimony on SF 4020
Minnesota Senate Commerce and Consumer Protection Committee
March 17, 2026

Chair Klein and Committee Members,

On behalf of our more than 620,000 AARP members statewide, thank you for considering Senate File 4020. Medicare, consumer fairness, and consumer choice are among the most critical issues for older Minnesotans and why we urge your support of SF 4020 and the proposed amendment. Thank you, Senator Wiklund, for offering this important legislation.

Traditional Medicare (also called "Original Medicare") provides comprehensive health coverage, but its benefit design requires substantial cost-sharing requirements with no cap on out-of-pocket costs. As a result, people with Traditional Medicare can face extremely high out-of-pocket costs if they have a serious health problem. To avoid this risk, many people supplement their Medicare benefits with private Medicare Supplement insurance (also called "Medigap) that provides coverage for some of these out-of-pocket costs. Employers may offer these supplemental policies through their retiree health benefit plan, or individuals may purchase a policy on their own.

SF 4020 is a step in the right direction toward improving consumer choice, fairness, and access to consumers' preferred Medicare supplement insurance plans, and therefore Medicare plans, even if it may only impact a very small portion of policyholders. Minnesotans with Extended Basic Medigap plans who discover their plan has been discontinued for one of the reasons in Section 62A.31, Subdivision 1u, paragraph (b), clause (4), found on lines 3.10-3.14 of SF 4020—*issuer insolvency or bankruptcy of the non-issuer, involuntary termination of coverage, issuer substantially violated a material provision of the policy, or issuer/agent/other entity acting on the issuer's behalf materially misrepresented the policy's provisions*— deserve the right to be able to purchase that same type of Medigap plan with new carrier. Under current law, consumers only have the right to purchase a Basic plan, leaving those already enrolled in Extended Basic plans suddenly with lesser coverage through no fault of their own.

AARP also urges support for the proposed amendment that would allow consumers access to a fair and competitive insurance market by allowing choice between equivalent, standardized Medigap plans across carriers. Several states have this consumer protection, including Missouri, Nevada, and Oklahoma, to ensure consumers are not stuck paying premiums far above market rates for equivalent coverage. Without this amendment, Minnesotans can be

stuck paying more than $1,600 more per year for the exact same level of insurance coverage from a different carrier.

AARP supports both SF 4020 and the proposed amendment, but remains adamantly opposed to the changes made in Article 5 of SF 4 (2025 1st Special Session) that limited guaranteed-issue rights by age, inexplicably capping normal state-issued rights to those 70 and younger, and created state-mandated, lifetime financial penalties paid to insurers. No other state has placed an age limit on guaranteed issue rights or mandated lifetime penalties. Neither SF 4020 nor the proposed amendment address those broader, fundamental issues. However, the bill and amendment make common-sense improvements to the law that will benefit Minnesota consumers and we respectfully request your support for both and urge the Legislature to take additional steps forward to reverse the 2025 changes to Minnesota's Medigap laws.

For further discussion on this topic, please contact Thomas Elness, AARP Minnesota Associate State Director of Advocacy at telness@aarp.org. Thank you for your consideration.

Sincerely,



Cathy McLeer
State Director, AARP Minnesota