



Medicare Position Paper September 2019

Since the Medicare program was created in 1965, it has served as a critical source of financial and health security for our nation's senior population. Much has changed with the program and its beneficiaries over the years and the complementary private Medicare coverage marketplace has evolved as well. The National Association of Health Underwriters (NAHU), a professional association representing more than 100,000 health insurance agents and brokers, including thousands of agents directly involved in the Medicare marketplace, believes that our nation should prioritize the long-term security of Medicare. Policymakers should take all necessary steps to ensure that the program is financially stable, serves its beneficiaries efficiently, and provides consumers with dynamic health coverage choices. Further, we believe that Medicare beneficiaries should always have the option to access the professional services of licensed insurance agents trained in the Medicare marketplace. Agents serve as the Medicare consumer's advocate, a trusted advisor and source of information by providing objective and affordable choices to meet consumers' needs.

Over the years a number of changes have affected the Medicare marketplace creating the environment we have today. The development of the private Medicare Advantage (MA) program option has given beneficiaries more choice and the option to elect coverage that more closely mirrors the coverage options that were available to them when they were part of the under 65 population. Furthermore, the creation of the Medicare Part D prescription drug program has proven to be extremely popular and eliminated many of the affordability problems seniors previously had with purchasing necessary medication. Market and demographic changes have also created an increasingly robust and competitive marketplace for seniors who elect to combine traditional Medicare with supplemental coverage. Furthermore, as access to group retiree coverage has declined, the demand for Medicare coverage has skyrocketed.

So that the Medicare program serves its beneficiaries in the most efficient way possible, policymakers need to always be mindful of the current health coverage and economic climate and ensure that Medicare beneficiaries always have a wide range of appropriate coverage choices. Because most seniors live on fixed incomes, continuing to provide access to first-dollar coverage options is critical for millions of seniors who find it easier to budget a premium than a claim. Seniors also need an adequate amount of time to choose their plan options each year, and their time to make plan choices should ideally be during a time window-dedicated to Medicare, not one where issuers, advisors and the federal government are also focused on enrollment for other health coverage programs. Once a senior makes a plan choice, he or she should have a window of time to make an appropriate coverage adjustment if necessary especially when significant mid-year changes to a Medicare health plan's structure or benefits occur. Coverage appeals processes need to be simple and effective for beneficiaries and outdated program rules that can unintentionally disrupt coverage, such as the requirement that rehabilitation care be dependent on a three-night hospital stay need to constantly be reviewed and revised.

It is also essential that policymakers preserve access to private Medicare options. For many seniors Medicare Advantage coverage is an attractive and familiar coverage option that provides access to enhanced benefits with low and predictable out-of-pocket cost levels. The popularity of this program continues to grow each year, so

reimbursement cuts need to be avoided to prevent consumers from facing higher out-of-pocket costs and reduced benefits.



As demographics shift, policymakers will need to expediently make necessary Medicare program changes to accommodate the evolving needs of beneficiaries. Americans are delaying retirement and staying in the workforce longer due to a variety of reasons including improved health, the rising Social Security eligibility age and reduced retirement savings levels. The nexus between employer group health insurance and Medicare eligibility is complicated and beneficiary choices during this timeframe can have financial consequences that last a lifetime. NAHU believes that steps need to be taken at the federal level to make Medicare eligibility more complimentary with employer group coverage, including increasing flexibility and options for working seniors with access to qualified high-deductible health plans and health savings accounts.

Another workforce issue relates to COBRA. Just as COBRA and state-based continuation coverage is considered creditable coverage for individuals changing jobs in the employer market, this type of health insurance coverage should also be creditable for any member of the Medicare population who wishes to remain on an employer-sponsored plan past Medicare eligibility or exercise COBRA or state continuation rights before enrolling in Parts B and D. Federal policymakers should take steps to ensure that qualified employer group coverage is always accepted by Medicare as creditable alternative coverage mechanism, regardless of whether the employer is paying most of the premium under active employee coverage or the individual employee is the primary payer of such coverage under COBRA or state continuation. The Parts B and D open enrollment periods should begin when COBRA or state continuation coverage expires or is discontinued. Furthermore, accurate information about an individual's creditable coverage rights and options relative to Medicare should be included as part of any employer COBRA and/or state continuation of coverage sample notice templates.

Another key priority for lawmakers needs to be ensuring that Medicare beneficiaries have access to the help they need to make plan choices that meet their needs and budgets and effectively use their benefits all year. A constant resource available to help seniors with all of the issues associated with their Medicare coverage is licensed health insurance agents and brokers. Agents deal with Medicare issues and health insurance consumers every day and are more than capable of educating seniors and advocating for them when needed. Unfortunately, in today's Medicare Advantage marketplace, health insurance agents and brokers are limited in their ability to provide adequate counsel. When working with an individual who has inquired about Medicare Advantage, they are unable to fully analyze the individual's needs relative to the array of coverage choices available and the individual's personal circumstances. This is in stark contrast to an agent's ability to talk with their clients when the person has inquired about a Medicare supplement or traditional under-65 health insurance coverage. Allowing a broker to provide a full needs-analysis is in the best interests of the individual and ensures they will enroll in the right product for their individual circumstances.

CONCLUSION

NAHU believes that increasing Medicare beneficiaries' access to a wide range of health plan choices that meet the demographic and economic circumstances of today's seniors and improving the professional agent/broker's ability to service their Medicare clients will truly benefit the Medicare program and all Medicare beneficiaries. Americans have come to depend on Medicare as a core financial and health security element in their later years. NAHU looks forward to working with policymakers to ensure that all Americans have access to an efficient and dynamic Medicare marketplace serviced by licensed professional health insurance agents and brokers.