

Vermont Area Agencies on Aging

Age Well  
Central Vermont Council on Aging  
Northeast Kingdom Council on Aging  
Southwestern Vermont Council on Aging  
Senior Solutions



**House Health Care Committee**  
**Vermont’s Area Agencies on Aging-Testimony on S.239 - Medicare**  
**April 1, 2022**

I am Meg Burmeister, Executive Director of the Northeast Kingdom Council on Aging. Thank you for the opportunity to testify today on S.239, related to Medicare Supplemental Insurance policies, open enrollment, and Medicare Advantage plans.

I am speaking today on behalf of the five area agencies on aging (AAA’s) located throughout Vermont. The AAA’s services include Medicare and Health Insurance Counseling and Education, Meals on Wheels and Community Meals, Long-Term Care Coordination, Caregiver Programs, Wellness Activities and Programs, and Information and Referrals for contracted services pertaining to legal and mental health needs. Additionally, we provide outreach and application assistance for benefits such as state pharmacy, Medicare low income savings, housing, fuel, and 3SquaresVT.

**Overview of AAAs’ Medicare and Health Insurance Services**

Our AAAs provide Medicare and Health Insurance services to empower, educate, and assist Medicare-eligible individuals through objective outreach, counseling, and training, including open enrollment assistance for beneficiaries as well as those new to Medicare under the federal State Health Insurance Assistance Program (SHIP). These SHIP Counselors participate in trainings thru the Administration on Community Living (ACL) and Center for Medicare Services (CMS). These services are free to the public and offer neutral, objective information to our clients and the public. This federally contracted program has been provided thru the AAA network since 1990. The focus is on unbiased information.

There are 128,000 Medicare beneficiaries in Vermont. In 2021, the AAA’s assisted 7,254 older Vermonters and adults with disabilities with Medicare and health insurance issues and delivered 52 Medicare enrollment workshops. During the 2021 Medicare annual open enrollment period, the AAA’s assisted 2,742 beneficiaries to change their Medicare coverage, and join, switch, or drop a Medicare drug plan (known as Part D).

AAAs also assist individuals with Medicare Supplement Insurance (also called “Medigap”) and Medicare Advantage Plans (also known as “Part C”). Medigap helps fill "gaps" in original

Medicare coverage and is sold by private companies. Original Medicare pays for much, but not all, of the cost for covered health care services and supplies. A Medicare Supplement Insurance (Medigap) policy can help pay some of the remaining health care costs, such as copayments, coinsurance, and deductibles. The rates for these plans are not put forth for the New Year in many cases until after the New Year. This sometimes leaves a person attempting to explore options without full knowledge to make an informed decision.

Medicare Advantage Plans are an alternative way to access Medicare. They are sold by private health insurance companies who administer Medicare for the federal government under rules set by Medicare. The number of Vermont private insurers in the Advantage market has increased from 3 plans with 11 options three years ago to 5 plans with 22 options today. Advantage plans are heavily marketed through celebrities on national television ads, social media, print ads, and google ads. Additionally, many received calls from their current supplemental plan offering “better benefits” only to not understand they were switched to an advantage plan. In 2021, the AAAs received 3,009 requests for assistance with Medicare Advantage plans, compared to 2,467 in 2020.

Those new to Medicare and those who are already Medicare beneficiaries are inundated with ads which make assurances about Advantage plan coverage which don’t always bear out for Vermonters. Some facilities and primary care doctors may be outside of the Advantage plan network, unbeknownst to the beneficiary. For example, some Vermonters enroll in an Advantage plan, then need rehabilitation services during a nursing home stay and learn the nursing home will not accept the Advantage plan. As people begin to explore the bonus entitlements, they often face very limited provider options of providers - a dentist in Burlington may be the only option for someone living in the Northeast Kingdom. Many Vermonters are confused about Medicare Advantage options and are reaching out to the Area Agencies on Aging for neutral advice and counseling. It can be difficult to disenroll a Vermonter from an Advantage Plan, and then to re-enroll in a prior benefit if within the first year. If too much time has elapsed, these requests thru CMS are typically denied.

## **AAAs Support S.239**

### ***Section 1***

In the Senate Health and Welfare Committee, we supported the now-deleted provision in Section 1, which we continue to support. This provision would have:

- Amended 8 V.S.A. §480(e) to allow Medicare Supplemental plans after the six-month period following a beneficiary’s 65<sup>th</sup> birthday without the current status which allows the insurance company to decide to enroll an individual or not. Beneficiaries may need more than six months to determine that their healthcare costs are high enough that a supplemental plan is needed.
- Established an annual enrollment period for enrolling in or changing a Medicare supplement plan.
- **Proposed amendment** – We had proposed an amendment requiring rate increases to be approved prior to the open enrollment period.

## **Section 2**

We support convening a stakeholder group to study options for Medicare Supplement Plans and Advantage plans. ***But more needs to be done*** to address the problems and confusion due to Advantage Plans. The Stakeholder Group should explore:

- Funding to increase staffing, as there are currently 5 AAA's and, within those organizations, 5 primary Counselors in the SHIP program. Clearly with the increased aging population in Vermont more are needed to meet the need.
- Prevention of misleading and incomplete information in Advantage ads in Vermont
- Public education about Advantage plans to improve the public's understanding of coverage, cost comparisons and provider networks."

**As leaders in the work to educate and support elders, the AAA's would like to have adequate representation in the Stakeholder Group.**

Thank you for the opportunity to address this important subject before the Senate Healthcare Committee.

### **Contact**

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