

February 24, 2022

The Honorable Virginia “Ginny” Lyons, Chair
The Honorable Ruth Hardy, Vice Chair
Members
Senate Committee on Health & Welfare
Vermont General Assembly
115 State Street
Montpelier, VT 05633-2228

RE: Support and Amend S.239

Dear Chair Lyons, Vice Chair Hardy and Members of the Committee:

My name is Hrant Jamgochian, and I serve as the CEO of Dialysis Patient Citizens (DPC), a national, nonprofit patient advocacy organization. DPC works to improve the lives of dialysis patients through education and advocacy. We are a patient-led organization with membership open only to dialysis and kidney disease patients and their family members. Our mission and policy positions are guided solely by our members and Board of Directors, which is comprised entirely of End Stage Renal Disease (ESRD) patients.

On behalf of the more than 815ⁱ ESRD patients living in Vermont, thank you for the opportunity to write in support of S.239, and also recommend to the committee for consideration an amendment to broaden the study parameters of the bill. If enacted, this legislation will require insurers to permit individuals enrolled in a Medicare Supplemental (or Medigap) plan to switch to an equal or lesser plan at any time.

For Vermonters with kidney failure who are *ages 65 and over*, this legislation provides an opportunity to switch to a Medigap plan that may better fit their financial situation, without worrying about medical underwriting increasing their monthly premium. Vermonters with kidney failure who are *under age 65* would potentially benefit from the amendment that DPC is bringing to this committee for consideration.

Currently, Vermont statute provides access to persons under age 65 who are eligible for Medicare by reason of disability, but specifically excludes persons in this age group by reason of end stage renal disease.ⁱⁱ

The amendment builds on the section of the bill requiring the Department of Financial Regulation to convene a group of interested stakeholders to consider a variety of Medicare supplement issues, by adding a new (2) to the issues stakeholders will examine:

(2) the accessibility, affordability and options available to under age 65 Vermonters with End Stage Renal Disease through Medicare Supplement and Medicare Advantage plans, the affordability and provider networks of these options, and the extent to which the State may regulate or otherwise affect the options offered to Medicare beneficiaries in Vermont, including the marketing of these products;

Let's quickly look at the universe of ESRD patients in Vermont. ESRD patients comprise an extremely vulnerable population, nearly half of whom are on Medicaid – called Dual-Eligibles. In Vermont, there are 815 residents with ESRD, of which 428 are under age 65.ⁱⁱⁱ To stay alive, these Vermonters need either multiple weekly dialysis treatments or a kidney transplant to stay alive. There are no other treatment options.

Medigap coverage will help these under age 65 Vermonters with ESRD in two critical ways:

First, Medigap coverage provides dialysis patients with greater financial security. While ESRD patients become eligible for Medicare regardless of age, patients are legally required to pay the annual 20% out of pocket expenses, which have no cap. For dialysis patients, this can be as high as \$20,000 per year.^{iv} Medigap insurance covers these annual out-of-pocket expenses, eliminating the struggle dialysis patients face of whether to pay medical bills to stay alive, pay rent or buy food. It's not hard to understand that some will spend down their assets to qualify for Medicaid – become Dual-Eligible – so that the state pays for the annual 20 percent out-of-pocket expenses.

Second, Medigap coverage save lives. While some patients are OK on dialysis, the optimal therapy remains a kidney transplant when possible, as it often adds years and provides a higher quality of life. Currently, there are 61 Vermonters^v on the kidney transplant waitlist; 42 under age 65. It's important to know that patients are placed on the “active” transplant waitlist following an extensive medical and financial review. This is to ensure that the patient has either secondary insurance coverage or the financial means to cover annual out-of-pocket expenses for the transplant surgery and necessary follow-up medical care – keeping the organ viable for as long as possible and ensure that neither the patient nor transplant center has a financial liability.^{vi}

Thank you again for the opportunity to testify in support of S.239, and to offer this amendment to the committee for consideration. I urge your approval of both S. 239 and the addition of the recommended language, that will add the study of the benefits and potential impacts for access to Medigap for under age 65 Vermonters with ESRD.

Sincerely,



Hrant Jamgochian, J.D., LL.M
Chief Executive Officer

cc: Elizabeth Lively, Eastern Region Advocacy Director
elively@dialysispatients.org
312-890-1428

Attachment

ⁱ US Renal Data System 2020 Annual Report; <https://adr.usrds.org/2020/>

ⁱⁱ 8 V.S.A. § 4080e

ⁱⁱⁱ US Renal Data System 2020 Annual Report; <https://adr.usrds.org/2020/>

^{iv} Ibid.

^v <https://optn.transplant.hrsa.gov/data/view-data-reports/state-data/>

^{vi} <https://khn.org/news/no-cash-no-heart-transplant-centers-require-proof-of-payment/>