

Ruby Baker, Executive Director, Community of Vermont Elders (COVE)

I want to share with you the role that Community of Vermont Elders (COVE) plays in the Medicare sphere here in Vermont. We are the sole administrators of the Senior Medicare Patrol for Vermont, which seeks to prevent, detect, and report instances of Medicare error, fraud, and abuse. As such, we handle complex cases of older adults who have been victimized, field calls from people who are confused, and provide public education around consumer protections. Medicare is a complicated system, as you are well aware. It consists of three main parts:

Part A (Hospital Insurance): This helps cover inpatient care in hospitals, skilled nursing facility care, hospice care, and home health care. Most people get Part A for free, but some have to pay a premium for this coverage.

Part B (Medical Insurance): This covers services from doctors and other health care providers, outpatient care, home health care, durable medical equipment (like wheelchairs, walkers, hospital beds, and other equipment), many preventive services (like screenings, shots or vaccines, and yearly “Wellness” visits). Part B is a voluntary program which requires the payment of a monthly premium for all months of coverage.

Part D (Drug coverage): This helps cover the cost of prescription drugs (including many recommended shots or vaccines). You join a Medicare drug plan in addition to Original Medicare (parts A and B) or you get it by joining a Medicare Advantage Plan with drug coverage. Plans that offer Medicare drug coverage are run by private insurance companies that follow rules set by Medicare.

Medicare Supplemental Insurance (Medigap): Extra insurance you can buy from a *private company* that helps pay your share of costs in Original Medicare. Policies are standardized, and in most states named by letters, like Plan G or Plan K. The benefits in each lettered plan are the same, no matter which insurance company sells it.

COVE and others in the field receive a lot of calls from confused or frustrated clients concerning Medicare Advantage plans. Medicare Advantage is a private insurance product that replaces original Medicare. It should be noted that an in-depth county-by-county analysis from the Commonwealth Fund has found that while MA plan costs per beneficiary are lower than traditional Medicare costs in urban areas, they were substantially higher in rural areas. Anecdotally, we find that most of our clients who have Medicare Advantage plans are fine with them while their health needs are low, but as soon as they need more expensive care, those costs skyrocket. Many people are looking for a financially secure way out of these plans, and in Vermont there is no way out without being financially penalized, every month, for the rest of their lives.

Original Medicare	Medicare Advantage (also known as Part C)
Original Medicare includes Part A and Part B.	Medicare Advantage is a Medicare-approved plan from a <i>private company</i> that offers an alternative to Original Medicare for your
You can join a separate Medicare drug plan to get Medicare drug coverage (Part D).	

	health and drug coverage. These “bundled” plans include Part A, Part B, and usually Part D.
You can use any doctor or hospital that takes Medicare, anywhere in the U.S.	In most cases, you’ll need to use doctors who are in the plan’s network
To help pay your out-of-pocket costs in Original Medicare (like your 20% coinsurance), you can also buy supplemental coverage, like Medicare Supplement Insurance (Medigap), or have coverage from a former employer, union, or Medicaid	Plans may have lower out-of-pocket costs than Original Medicare.
	Plans may offer some extra benefits that Original Medicare doesn’t cover — like vision, hearing, and dental services.

It is the opinion of COVE and our Policy Advisory Committee that S.239 would benefit older adults in two significant ways:

Firstly, it offers an annual opportunity to change their minds. Every other Vermonter on a state-regulated plan has that opportunity during the open enrollment period, and older adults deserve that same opportunity. I, myself, changed my insurance plan this last year because I realized that the insurance I had before was resulting in higher costs over the course of the year than another option. So I switched. All consumers should have that opportunity: to make a different decision if that is what is best for them and their family. They should not be bound or penalized for responding to their own changing situation.

Secondly, the opportunity to opt out of Medicare Advantage and to re-join Original Medicare will exert market pressure on the providers of Medicare Advantage plans. That market pressure helps control costs, improve benefits, and protect consumers. Without financially safe alternatives, older adults are trapped in plans that are no longer serving their needs but have no other options. This can lead to delayed care, increased ED visits, and medical debt.

Older adults do not deserve to bear the brunt of the risk. Our insurance products should be designed to protect older adults, provide a spectrum of options that best serve their needs, and create fluidity that can allow for changing circumstances and needs that are difficult to predict.

COVE supports the passage of S.239. Our only recommendation would be to expand the working group, ensuring that consumer representatives from the community, and key stakeholders such as COVE and the Area Agencies on Aging, are included. We would also suggest adjusting the language in Section 2(b)(1) to include education to the public regarding these plans. Many of the challenges we are currently experiencing are as a result of the Medicare Advantage plan marketing strategies which drown out the limited public education that the AAA’s and COVE are able to provide. With coordination and support, we could create a strong educational campaign that counters the often deceptive or misleading marketing so common with Medicare Advantage and private insurance products.