

SUPPORT SB 250 MEDICARE SUPPLEMENTAL POLICIES FOR BENEFICIARIES UNDER AGE 65

Medicare insurance coverage is available to most individuals over age 65 as well as younger individuals who have been eligible for Social Security Disability benefits for 24 months. People under age 65 with certain medical conditions (e.g. renal failure and ALS disease) can also get Medicare.

Medicare beneficiaries often have very high “out-of-pocket” costs for deductibles and cost-sharing requirements. For example, the inpatient hospital deductible is \$1,408 for each spell of illness; skilled nursing after 20 days has a co-pay of \$170.50 per day; the standard monthly Part B premium is \$144.60/mo.; the Part B deductible is \$198/year; and, generally, the beneficiary must pay 20% of the cost of all Part B services (doctors, screenings, labs, etc.)

Because Medicare out-of-pocket costs can add up quickly, many Medicare beneficiaries choose to purchase a “Medigap Plan” or “Medicare Supplemental Insurance”. There are many varieties of these insurance products, but all assist with medical costs that Medicare does not cover.

However, in Virginia, nearly all Medigap plans are sold only to Medicare beneficiaries who are age 65 and older. For disabled Medicare beneficiaries who are under age 65, there is only one Medigap plan, which is very expensive and offered only in one area of Northern Virginia.

The Joint Commission on Health Care (JCHC) studied this issue in 2017. [View the report here](#) (pp. 47-50). The report confirmed the high out-of-pockets incurred by Medicare beneficiaries and found that 33 other states do require insurers offering supplemental plans to also offer plans to Medicare enrollees under age 65. The JCHC did not endorse any subsequent legislative action.

Unless they are very low income (when Medicaid can assist), Virginia Medicare beneficiaries under age 65 often incur major medical debt while struggling to pay for the health services they desperately need. They should have the option to purchase Medicare supplemental insurance.

For more information contact Jill Hanken, Health Attorney, (804) 351-5258 jill@vplc.org