

11/15/03

The Legislative committee on Persons with Disabilities (SB137)

Dear Committee Members:

Senators, Raymond D. Rawson, Dinas Titus, and Barbara Cegavske  
Assembly persons Mark Manendo, Vonne Chowning, and Valerie Webber

I wrote each of you in the spring of 2003 to inform you of the discrimination of the Disabled under the age of 65 relating to Supplemental Insurance to Medicare. I will be attending the Scheduled November 24 meeting in room 3138 of the Carson City legislature and hope to address you regarding the following matter in person via video. Nevada needs to address this issue.

Medicare does not specifically require that Disabled persons under age 65 are entitled to the same benefits as a person age 65 or over when it comes to Supplemental Insurance to Medicare. Insurance Companies are not specifically required to offer supplemental insurance to persons under 65 years of age and most have abandoned selling it unless state Law requires them to do so. Nevada does not require them to do so. Only 22 states require Insurance companies to sell to persons under 65. In the remaining 28, When Insurance Co. sell it, they sell it at an exorbitant rate for disabled people under age 65 compared to those 65 or older. Only plan B is offered to those less than 65 in Nevada, while plans with more coverage (as type F) are offered to those over 65. My wife, age 57 pays \$201 for a plan B while my sister of 70 years old pays \$94 for a plan F. There are some plans offered in Southern Nevada, such as Secure Horizons, that are not offered in Northern Nevada.

My wife and I live in Carson City Nevada; She is 57 years old with Chronic Diabetes and Heart Disease. All but a \*few Insurance Companies refuse to sell supplemental insurance to her or any person under age 65. My wife has purchased a plan B from one of the few companies. (It took an extensive search to find the few)

Many are not aware that those who are able to take care of their insurance needs are forced to take Medicare after one has been on Social security Disability for a two-year period. If one does not take Medicare when offered one is penalized by 10% per each year that one postpones it.

Companies who are Self-Insured are able to write their own rules without having to adhere to the American Disabilities Act. Many companies drop insurance coverage for Disabled persons under 65 when they become Medicare eligible. (Even if they do not accept Medicare) The same Companies refuse to allow their assigned Insurance carrier to be a secondary insurance carrier to Medicare. My former self-insured Insurance Company, Coors Brewing Company administered by Cigna Insurance company, would not cover my wife because she became Medicare Eligible, nor would they allow Cigna to be a secondary insurance to Medicare.

We had full coverage for my wife, including prescriptions, With simple HMO co-pays. She was forced to take Medicare Insurance with a significant decrease in coverage, limited supplemental insurance availability and no prescription coverage She currently takes seven prescriptions. Total outlay of money increased by approximately \$300.00 per month.

Thank you in advance for your consideration of this matter:

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775-884-9124

- Bankers Fidelity Bankers Life & casualty,
- (800) 241-1439 (888)-282-8252

United American World Insurance Co.,  
(800)-331-2512 (800)-786-7557

EXHIBIT <u>K</u>	Disabilities	Document consists of <u>4</u> pages
<input checked="" type="checkbox"/>	Entire document provided.	
<input type="checkbox"/>	Due to size limitations, pages _____ through _____ provided.	
A copy of the complete document is available through the Research Library (775-684-6827 or e-mail library@icb.state.nv.us).		
Meeting Date <u>11-24-03</u>		

EXHIBIT <u>2</u>	Disabilities	Document consists of _____ pages
<input type="checkbox"/>	Entire document provided.	
<input type="checkbox"/>	Due to size limitations, pages _____ through _____ provided.	
A copy of the complete document is available through the Research Library (775-684-6827 or e-mail library@icb.state.nv.us).		
Meeting Date _____		

## **Medigap Policies For People Under Age 65 With A Disability Or End-Stage Renal Disease (ESRD)**

You may have Medicare before age 65 due to:

- A disability, or
- ESRD (permanent kidney failure requiring dialysis or a kidney transplant).

If you are under age 65 and disabled or have ESRD, you may not be able to buy the Medigap policy you want until you turn 65. Federal law does not require insurance companies to sell Medigap policies to people under age 65. However, some states require insurance companies to sell you a policy, at certain times, even if you are under age 65.

During the first 6 months after you turn age 65 **and** are enrolled in Medicare Part B, you will get a Medigap open enrollment period. It does not matter that you have had Medicare Part B before you turned age 65. During this time:

- You can buy any Medigap policy (including those policies that help pay the cost of prescription drugs), and
- Insurance companies cannot refuse to sell you a Medigap policy due to a disability or other health problem, or charge you a higher premium than they charge other people who are 65 years old.

When you buy a policy during your Medigap open enrollment period, the insurance company must shorten the waiting period for pre-existing conditions by the amount of creditable coverage you have. If you had Medicare for more than 6 months before you turned 65 years old, you will not have a pre-existing condition waiting period because Medicare counts as creditable coverage.

Several states require Medigap insurance companies to offer a limited Medigap open enrollment period for people with Medicare Part B who are under age 65. At the time of this printing, the following states require insurance companies to

*Not  
Nevada*

## Medigap Policies For People Under Age 65 With A Disability Or End-Stage Renal Disease (ESRD) (continued)

offer at least one kind of Medigap policy during a special open enrollment period to people with Medicare under age 65:

- |                 |                 |                  |
|-----------------|-----------------|------------------|
| • California    | • Michigan      | • North Carolina |
| • Connecticut   | • Minnesota     | • Oklahoma       |
| • Kansas        | • Missouri      | • Oregon         |
| • Louisiana     | • Mississippi   | • Pennsylvania   |
| • Maine         | • New Hampshire | • South Dakota   |
| • Maryland      | • New Jersey    | • Texas          |
| • Massachusetts | • New York      | • Wisconsin      |

*NOT NEVADA*

Also, some insurance companies will sell Medigap policies to people with Medicare under age 65. However, these policies may cost you more. Remember, if you live in a state that has a Medigap open enrollment period for people under age 65, you will still get another Medigap open enrollment period when you turn age 65.



"I wasn't sure if I could buy a Medigap policy, so I called my State Health Insurance Assistance Program. They were very helpful and answered all of my questions."

-Jim

Also, if you join a Medicare + Choice plan and your coverage ends, you may have the right to buy a Medigap policy (see "Special Note For People With Medicare Under Age 65" on page 48). If you have questions, you should call your State Health Insurance Assistance Program (see pages 79-80).

**New right to suspend a Medigap policy for disabled people with Medicare** *IF SPOUSE WORKS.*

If you are under 65, have Medicare, and have a Medigap policy, you have a new right to suspend your Medigap policy. This new right lets you suspend your Medigap policy benefits and premiums, without penalty, while you are enrolled in your or your spouse's employer group health plan. You can get your Medigap policy back at any time.

*my Spouse Retired!*  
(Jim)

If, for any reason, you lose your employer group health plan coverage, you can get your Medigap policy back. You must notify your Medigap insurance company that you want your Medigap policy back within 90 days of losing your employer group health plan coverage.

### When Is The Best Time To Buy A Medigap Policy?

The best time to buy a Medigap policy is during your Medigap open enrollment period.

Your Medigap open enrollment period lasts for 6 months. It starts on the first day of the month in which you are both:

- Age 65 or older, **and**
- Enrolled in Medicare Part B.

Once the 6-month Medigap open enrollment period starts, it cannot be changed.

During this period, an insurance company cannot:

- Deny you insurance coverage,
- Place conditions on a policy (like making you wait for coverage to start), or
- Charge you more for a policy because of past or present health problems.

If you buy a Medigap policy during your Medigap open enrollment period, the insurance company must shorten the waiting period for pre-existing conditions by the amount of previous health coverage you have. This is called “creditable coverage.”

See page 36 for more information about pre-existing conditions. If you want to know more about creditable coverage, see page 37. If you are disabled or have End-Stage Renal Disease (ESRD), see pages 38-40.

You can tell if you are in your Medigap open enrollment period by looking at your red, white, and blue Medicare card. This card shows the dates that your Medicare Part A and Part B coverage started. If you are age 65 or older, add 6 months to the date that your Medicare Part B coverage starts to figure out if you are in your Medigap open enrollment period. If that date is in the future, you are still in your Medigap open enrollment period. If that date is in the past, you have missed your Medigap open enrollment period (see example on page 19).

Words in purple are defined on pages 82-85.