



NRLN Review, Summary for May 2021

The NRLN Review provides a monthly report on National Retiree Legislative Network actions, events in Congress and important retirement news.

NRLN President's Letter to Speaker Pelosi

On May 26 NRLN President sent a letter to House Speaker Nancy Pelosi urge her to prioritize adding in her health care reform agenda a low out-of-pocket cap to traditional Medicare and ban pre-existing condition requirements for Medicare supplemental insurance . Far too many of seniors in traditional Medicare and Medicare Advantage are forced to go without critical health care because they cannot afford their out-of-pocket costs. The letter included an attachment of the NRLN's whitepaper **Medicare Out-of-Pocket Health Cost Limits, *The Unfinished Business of Protecting Medicare Beneficiaries from Catastrophic Health Care Costs.***

Kadereit noted that traditional Medicare and supplemental coverage (Medigap) works well for most NRLN members. However, many do not have supplemental coverage through a former employer or through Medicaid and cannot afford to buy it for themselves. Higher healthcare costs are driving premiums up.

"Moreover, many of our members who want to disenroll from Medicare Advantage and can afford supplemental coverage cannot get it, because insurers are not required to sell it to them," Kadereit wrote. "Inexplicably, the insurers are exempted from the guaranteed issue requirements that the federal government imposes on all private insurers covering people under age 65. Because traditional Medicare lacks any out-of-pocket cap, our members who can't afford Medigap coverage are at substantial financial and health risk. A single chronic illness or catastrophic health event can destroy their economic survival and too often increases the number of personal bankruptcies.

The Affordable Care Act requires all insurers to have an out-of-pocket cap that protects those under age 65; traditional Medicare should not be exempt. The government requires Medicare Advantage plans to have an out-of-pocket cap, although that cap can be as high as \$7,550 this year. And, since supplemental coverage is not available to fill gaps in Medicare Advantage, our members in Medicare Advantage with costly chronic or catastrophic health care needs often end up going without needed care. Most people with Medicare do not have \$5,000 to spend on Medicare-covered outpatient and inpatient services each year, much less the \$7,550 maximum."

The NRLN believes a low out-of-pocket cap in Medicare would cost relatively little (using some of the \$40 billion taxpayer subsidies on Medicare Advantage plans in 2021). With this additional benefit, traditional Medicare would be on a more level playing field with Medicare Advantage.

NRLN Proposals on Medicare Advantage Presented to CMS

Bill Kadereit, NRLN President, and Alyson Parker, NRLN Executive Director, held a conference call with the CMS (Centers for Medicare and Medicaid Services) Acting Deputy Administrator and Director for Medicare and 10 staff members to present the NRLN's research and proposals on Medicare Advantage (MA).

Using an NRLN "Talking Points" document shared with the CMS staff Kadereit and Parker advocated that it is time to end taxpayer funded rebates to providers of MA plans and let original Medicare and MA Plans Compete on level playing fields.

The NRLN supports competition from private healthcare plans and understands the financial challenges ahead for Medicare and the federal budget. In addition, the NRLN support private MA plan competition for Medicare business. However, we lobby against legislated bonus and rebate subsidies and non-competitive restrictions placed on original Medicare Fee-for-Service (FFS) just to preserve the notion that private insurance plans may be more cost effective or provide better care than FFS, when the record shows they are not and do not.

During the dialogue, Kadereit pointed out from the Medicare Payment Advisory Committee's (MedPAC) March 2021 report to Congress that **"Aggregate Medicare payments to Medicare Advantage plans have never been lower than FFS Medicare spending"**. Further, MedPAC concluded that the Quality Bonus Program used to rate Medicare Advantage Programs does not accurately measure the success of the Medicare Advantage Plans.

Other key points presented by the NRLN included:

- After 24 years and \$400 billion paid to MA plans, CMS payments per MA enrollee increased to 104% of payments made to original Medicare FFS enrollees in 2021.
- Payments to MA plan providers were up 19.1% from \$35.1 billion in 2020 to \$41.8 billion this year.
- CMS paid MA insurers rebates of \$81 a month per enrollee in 2016. In 2021, rebate payments rose to \$140 monthly per enrollee (\$1,680 / yr.) paid to insurers directly for 24.9 million MA enrollees.
- Healthcare costs are rising four times faster than the number of Medicare enrollees – **MEDICARE HEALTHCARE COSTS / ENROLLEE ARE OUT OF CONTROL!**
- Congress passed legislation authorizing MA plan rebates starting in 2019-2020 for 19 new "socially determinant" benefits for MA enrollees only. The 40 million enrollees in original Medicare are denied access to these new benefits. The NRLN asserts that this denial of equal benefits is discriminatory and is morally and ethically debased.
- MedPAC has reported that the MA 1-5 Star Quality Bonus Plan (QBP) is unprofessionally derived and administered and stated: **"The current state of quality reporting is such that the Commission's yearly updates can no longer provide an accurate description of the quality of care in MA."**

Kadereit and Parker proposed to the CMS staff members that rebates to MA plan providers end now and let the MA and original Medicare compete head-to-head. If action is not taken now major cuts to Medicare will be necessary. It is not fair to workers have put money into the Medicare program for years and are relying on it to be there when they retire.

The CMS Assistant Administrator for Medicare thanked the NRLN for its presentation.

NRLN Alerts CMS about Private Medicare Exchanges

Many U.S. employers are capping their risk of rising health insurance costs by sending their retirees into Private Medicare Exchanges (PME) to buy replacement coverage. Unfortunately, retirees who purchased their plans through a PME can be subjected to improper notifications and denial of access to less expensive policies.

For example, the Tennessee Valley Authority (TVA) terminated its retirees' health plan effective in 2017 and contracted with a PME to help TVA retirees search for coverage. Retirees were advised they "must" use a PME's selection of plans and services during an October 3 to December 31 enrollment period. The PME's promotional material stated it would act as the retirees' "trusted advisor" and would provide "objective and unbiased" advice. In fact, the PME worked with national

and regional major insurers to develop in-house market baskets of retiree offerings that excluded less expensive equivalent plans online.

The NRLN alerted CMS (Centers for Medicare and Medicaid) that what the TVA retirees actually received from the PME were recommendations for Medigap G plans that were 43-53% more expensive than purchasing a Plan G directly from insurers. The PME offered only two insurers for Plan G but at least 30 other insurers in the market offered Plan G at lower rates. Inflated premiums could end up costing a retiree over \$100 more a month without providing any additional benefits.

The NRLN has proposed to CMS the following first steps for protecting seniors from any abusive PME tactics:

1. Declare a Special Enrollment Period (SEP) for TVA and other seniors who were provided misleading information that restricted access and forced selection of higher priced plans than otherwise available.
2. Require that employers disclose to retirees that they are not required to purchase their plans through the PME.
3. Require that employers and PMEs disclose that retirees may be able to find a plan in their local market that is less expensive than those offered through the PME and provide contact information to do so.
4. Develop and standardize specific instructions that all PMEs must follow when providing information to retirees.

The NRLN is continuing to follow with the CMS the PMEs issue.

NRLN Legislative Committees' Work

H.R. 366, Protecting Access to Post-COVID-19 Telehealth Act of 2021, would ensure the continued use of telehealth after the Coronavirus public health emergency by eliminating restrictions on the use in Medicare and requiring a study on the use of the telehealth during the pandemic.

--Letters were emailed on May 4, 2021 to Chairwoman Anna Eshoo (CA-18) and Ranking Member Brett Guthrie (KY02) requesting a vote on **H.R. 366** in the Subcommittee on Health.

H.R.1215, Fraud and Scam Reduction Act and **S. 337, Stop Scams Act** H.R. 1215 was passed by the House and received in the Senate on April 19, 2021. The bills would create an office and advisory group at the Federal Trade Commission (FTC) to coordinate and share anti-scam resources with seniors. The bills also would direct the commission to promote efforts to prevent scams and fraud targeting older Americans and provide an annual report to Congress. Further, FTC would be required to establish an advisory office in the Bureau of Consumer Protection to assist the FTC in monitoring scams targeting older adults, educating consumers, and receiving complaints.

-- Letter was emailed on May 4, 2021 to Senate Majority Leader Chuck Schumer (NY) requesting that he call for a Senate vote on **H.R. 1215**. The NRLN recommended that **H.R. 1215 (or S. 337)** be amended to include strong penalties against those who perpetrate fraud and scams against seniors.

S. 912, Protecting Seniors Through Immunization Act of 2021 would provide Medicare beneficiaries, at no cost, access to all recommended vaccines, including shingles, tetanus, diphtheria, and pertussis.

--Letters were emailed to Chairman Ron Wyden (OR) and Ranking Member Michael Crapo (ID) requesting a vote in the Senate Committee of Finance on **S. 912**.

The LAPC approved the LAC's recommendations to Table and Monitor:

- H.R.1628
- H.R.1349
- H.R.2179
- H.R.2455

Key News Articles Posted in April

During May 80 links to news articles related to retirement issues were researched and posted daily IN THE NEWS on the NRLN website home page. The headlines below are links to the articles. Or, read the articles at www.nrln.org under IN THE NEWS in the right column. Scroll down the right side column and click on the headline to access the article you want to read. Below are examples of the headlines.

The Must-Read Biden Quote on Social Security – May 2

Employers, insurers push to make virtual visits regular care – May 2

Social Security Sees Slowdown in Retiree Rolls Amid Covid Deaths – May 3

3 Changes to Social Security You Probably Didn't Know About – May 3

Rising out-of-pocket drug costs linked to increase in brand-name prices – May 4

Could SECURE Act 2.0 Fix The Retirement Crisis? – May 5

Manchin Opposes Progressives' Plan to Lower Eligible Age For Medicare – May 7

Opinion: Medicare beneficiaries can't wait for lower drug prices – May 7

What Will Healthcare Cost You in Retirement? Prepare to Be Shocked – May 8

Out-of-Pocket Costs Go Up When Prescription Drug Prices Rise – May 11

Pelosi drug price plan threatened by centrist defections – May 11

Opinion: Financial market transactions should not be taxed or restricted – May 14

Medicare-Covered Older Adults Are Satisfied with Their Coverage – May 17

SECURE Act 2.0: 10 Ways the Proposed Law Could Change Retirement Savings – May 19

Medicare for 60-year-olds not guaranteed to be a better deal – May 19

Retirement reform is on track for Biden's signature 'hopefully this year': Rep. Kevin Brady – May 20

Senators reintroduce bipartisan retirement security package – May 21

As Hope Of Sweeping Health Initiatives Fade, Biden Looks To Build On ACA - May 24

Earn less than \$75,000? You may pay nothing in federal income taxes for 2021 – May 26

Democrats announce plan to begin crafting public option insurance bill - May 26

Sen. Murray, Rep. Pallone Launch Effort To Get Public Health Insurance Option – May 27

'SECURE 2.0' will modernize retirement security for the post-COVID American workforce – May 28

Public option plan left out of Biden budget proposal – May 28

Biden's \$6T budget: Social spending, taxes on business – May 28

Moderna and Pfizer are already developing COVID-19 vaccine boosters. Do we need a third shot? - May 30