

March 8, 2021

The Honorable Shane E. Pendergrass, Chair  
The Honorable Joseline A. Pena-Melnyk, Vice Chair  
Members of the Committee  
House of Delegates Health and Government Operations Committee  
Maryland General Assembly

RE: HB 1063 – Support

Dear Chair Pendergrass, Vice Chair Pena-Melnyk and Members of the Committee:

My name is Hrant Jamgochian, I am a resident of Bethesda, Maryland and have the honor of serving as the Chief Executive Officer for 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 families. Our mission and policy positions are guided solely by our membership and Board of Directors, which is comprised entirely of End Stage Renal Disease (ESRD) patients.

Thank you for the opportunity to provide testimony in support of HB 1063, which, would require insurers to permit individuals enrolled in a Medicare Supplemental (or Medigap) plan to switch to an equal or lesser plan during a special open enrollment period following the individual's birthday.

Dialysis patients comprise an extremely vulnerable population, nearly half of whom are on Medicaid or dual eligible. These individuals, of which more than 15,000 live in Maryland, need either multiple weekly dialysis treatments or a kidney transplant to stay alive. There are no other treatment options. Further, kidney disease and dialysis disproportionately impacts communities of color. According to the latest data from the U.S. Renal Data System, African Americans are 3.5 times more likely to experience kidney failure; while Hispanics, Asians and Native Americans are 1.5 times more likely. Health disparities for this group are further exacerbated when it comes to lifesaving kidney transplant. The American Journal of Nephrology cites poor health insurance as a key contributor to lower transplant rates for African Americans.<sup>1</sup>

Equitable access to Medigap plans for ESRD (kidney failure) patients under age 65 is a key policy priority for DPC. While Maryland law provides guaranteed-issue access to one Medigap plan for individuals under age 65, the addition of another guaranteed-issue open enrollment window would be a positive step in helping our citizens maintain affordable coverage. While opponents may try to argue that such a change would upend the current marketplace, currently 30 other states offer similar or stronger patient protections in their Medigap plans for ESRD patients under the age of 65.

Why is access to fair and equitable Medigap plans for under age 65 dialysis patients important? Access to these plans helps provide them with financial security. People become eligible for Medicare coverage in two ways: upon turning age 65, or under age 65 when defined as disabled or diagnosed with ESRD.

But, even with Medicare coverage, patients are still responsible for the 20% coinsurance of their medical expenses. Since Medicare does not limit the annual out-of-pocket copays and deductibles, which is around \$16,000 per year for dialysis patients, Medigap coverage helps patients pay for these expenses. Many dialysis patients struggle with impossible decisions like whether to pay their medical bills to stay alive or buy food and pay rent. It also explains why so many dialysis patients are forced to spend down their assets to qualify for Medicaid in order to help relieve their financial burden. HB 1063 provides an opportunity for dialysis patients who are current Medigap enrollees to change their plan to one that better fits their financial circumstances.

During last week's Senate Finance Committee hearing of the cross-filed SB 682, I was appalled by the fear mongering of some of the health insurers testifying in opposition to the bill. While Senator Ben Kramer shared data from a state study showing that overall rates were projected to be impacted by less than 2%, insurers tried to argue that the numbers would be much higher, because they were looking at the profit margins for each "individual instrument." Imagine if all of Maryland's hospitals, doctors, providers, and pharmacies took the same approach, and decided that their job was not about caring for our citizens, but rather they needed to make a large profit on each and every patient they saw, rather than trying to figure out how to "stay in the black" while caring for all of their patients.

In the meantime, insurers continue to report record profits during the pandemic, and now they are trying to hold our state hostage if it advances HB 1063, a small, common-sense step towards equity for a patient population disproportionately of color and low income due to their disease. How much profit is enough? The Affordable Care Act was about ending discrimination based on health condition, we should not allow such behavior to continue in our state Medigap plans.

I thank you again for the opportunity to comment on HB 1063 and urge its prompt passage.

Sincerely,



Hrant Jamgochian  
Chief Executive Officer

xc: Elizabeth Lively, Eastern Region Advocacy Director

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<sup>i</sup> Health Disparities in Kidney Transplantation for African Americans; Am J Nephrol 2017;46:165-175