



Representatives Jamie Callender and Bride Rose Sweeney

Sponsor Testimony: House Bill 400, Provide Medigap policy for certain Medicare-eligible individuals
House Insurance Committee
April 10, 2024

Chairman Lampton, Vice-Chair Barhorst, Ranking Member Miranda, and members of the House Insurance Committee, thank you for the opportunity to testify in support of HB 400, bipartisan legislation that would provide individuals diagnosed with ALS or end-stage renal disease under the age of 65 the opportunity to purchase Medicare Supplement Insurance.

Amyotrophic Lateral Sclerosis (ALS) is a rare, fatal neurodegenerative disease characterized by a progressive loss of motor control, resulting in an average life expectancy of 3-5 years following an initial diagnosis. Similarly, End Stage Renal Disease (ESRD) is the final, terminal stage of advanced chronic kidney disease in which the kidneys can no longer function without regular, long-term dialysis treatment with an average life expectancy of 5-10. Currently in Ohio, there are 2,672 individuals under age 65 living with end stage renal disease and 1,200 ALS patients. According to the ALS Association, it costs nearly \$90,000 in out-of-pocket expenses to cover the cost of caring for a person with ALS. ESRD patients need dialysis treatments three times a week or a kidney transplant to stay alive. As Medicare only pays 80% of the cost of care, dialysis patients are responsible for annual out-of-pocket costs up to \$18,000 a year. These financial implications further burden families who are already dealing with the physical and emotional impact of having a loved one suffering from a terminal illness.

Under current law, individuals with ALS or ESRD are eligible to receive Medicare coverage under the age of 65 due to their qualifying health condition. This accelerated Medicare eligibility provides a critical safety net for affected patients and acknowledges the sad reality that most individuals diagnosed with these diseases will not live to reach the age of 65. While enrollment in Medicare can provide much-needed coverage, for this group of individuals, the coverage often still comes with prohibitive out-of-pocket costs associated with palliative & end-of-life care that can cripple a family's finances. HB 400 aims to ease the burden of these often crippling medical bills by requiring health insurance companies who already offer Medicare Supplement Insurance plans to extend these plans to individuals with ALS or ESRD under age 65. Medicare Supplement Insurance, or "Medigap" coverage, is extra insurance individuals can buy from private insurance companies to help pay out-of-pocket costs that aren't covered by Medicare Part A and Part B.

Currently, there is no federal law that guarantees these patients access to supplemental Medigap coverage, but at least 17 other states, including Virginia, Kentucky, and Indiana, have passed laws requiring insurance companies to offer Medigap coverage to ALS and ESRD patients. Data from these early-adopters shows that these laws work and have not driven up costs to health plans. Moreover, expanding access to Medigap coverage will also avoid shifting the cost burden of these patients to the Medicaid program by preventing families from being forced to spend down their assets to become Medicaid eligible.

We believe that HB 400 offers Ohio a measured, fiscally-sound approach by which we can offer support to terminally-ill patients and families in need, without overburdening our Medicaid or private insurance system. Mr. Chairman and members of the House Insurance Committee, thank you for the opportunity to provide sponsor testimony for HB 400; we would be happy to answer any questions you may have.