Center for Medicare Advocacy, Inc.

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SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
113TH CONGRESS, 2ND SESSION
HEARING REGARDING UNITED HEALTHCARE AND MEDICARE ADVANTAGE

January 22, 2014

Senator Blumenthal and members of the Committee, thank you for holding this hearing and inviting me to testify. I am Judith Stein, founder and executive director of the Center for Medicare Advocacy (the Center). The Center is a private, non-profit organization based in Mansfield, Connecticut with offices in Washington, DC and throughout the country.

The Center provides education and legal assistance to advance fair access to Medicare and quality healthcare for Medicare beneficiaries throughout Connecticut and the United States. We represent Medicare beneficiaries throughout the state, respond to over 7,000 calls and emails annually, host websites, webinars, and publish a weekly electronic and a quarterly print newsletter. The Center also provides materials, education, and expert support for Connecticut's CHOICES program. I serve on the Executive Committee of the Connecticut Elder Action Network (CEAN).

IMPACT OF RECENT UNITED HEALTHCARE ACTIONS

As you know, in late 2013 United Healthcare jettisoned approximately 2,250 providers and healthcare facilities from its Connecticut Medicare Advantage network. Two thousand two

hundred and fifty. That's a very large number, particularly in this small state – about one physician or hospital or nursing home, or other healthcare provider lost, for every 260 Medicare Connecticut beneficiaries. Neither physicians nor Medicare patients were given adequate notice of this extraordinary decision by United. As the 2013 Medicare enrollment period and year came to a close, many older and disabled people enrolled in the United Healthcare Medicare Advantage plan learned that their doctors or local hospital would not be available to them in United's reduced Medicare Advantage network in 2014. Many others did not learn until after the new year, others will not learn until they seek medical care in 2014, only to find their doctor or other healthcare provider is no longer in their Medicare plan.

Our clients are one example of a family that learned about the United network cut only when health care was urgently needed. Susan W. called the Center for Medicare Advocacy on behalf of her parents, who are both in their 80s. Mr. W. had a stroke in 2013 with bleeding in his brain. He was helicoptered from his local hospital to Yale New Haven due to the complexity of his condition. Now he is finding his medical and rehabilitation needs severely limited and further complicated by United's Medicare Advantage network cuts. His long-time primary care doctor and his local hospital are no longer in United's Medicare Advantage network. He must travel farther to another, unknown hospital and find a new doctor.

Most importantly, he cannot obtain the nursing care or rehabilitation he needs at the nursing home closest to his wife and community since it too has been cut from United's Medicare Advantage plan. As with many Medicare beneficiaries, Mr. W. had long been in traditional Medicare with supplemental Medigap coverage, but switched to the United Medicare Advantage

plan in 2011 because it was less expensive. This worked until he became ill and United exercised its business prerogative to severely reduce providers from its Medicare Advantage network. We know we will hear from many other people like Mr. W. as the year proceeds and they need health care but find their providers are no longer in the United Medicare Advantage network.

United Healthcare's actions would be bold in the private health insurance market. They should not be tolerated in the public Medicare arena. All Medicare Advantage plans, including United, are paid more by taxpayers than it would cost to provide the same coverage in traditional Medicare. In return for such public funding, particularly such robust funding, United owes its Medicare enrollees and providers timely notice and a fair remedy when significant network reductions are planned. It owes its Medicare enrollees a truly adequate array of providers. It should not be able to enroll Medicare beneficiaries one year, only to decimate its network the next.

PROTECTIONS SHOUD BE INSTITUTED FOR MEDICARE ADVANTAGE ENROLLEES

Individuals such as Mr. W., who have been hurt by provider cuts in United Healthcare's Medicare Advantage plan, should receive help. Further, Congress should act so such severe network reductions do not happen in the future. Accordingly, the Center for Medicare Advocacy recommends the following:

1. Protect Current United Healthcare Medicare Advantage Enrollees

- Require United Healthcare to pay the in-network rate on behalf of individuals such as Mr. W. who cannot find the quality care they anticipated in network.
- Provide a Special Enrollment Period for United Healthcare Medicare Advantage enrollees to change Medicare Advantage plans or re-enter traditional Medicare.

- Require United Healthcare to provide quality transition services to enrollees such as Mr. W., who are in the middle of treatment, to limit disruption of their healthcare.

2. Protect Future Medicare Advantage Enrollees

- Require Medicare Advantage plans to provide notice at least 60 days before the Annual Enrollment Period when more than a certain percentage of their provider network is to be cut. And, regardless of the overall percentage, provide notice to each enrollee whose physicians or closest hospitals and nursing homes will no longer be in the network.
- Review the definition of an adequate Medicare Advantage network to ensure all necessary services are available within a reasonable geographic area.
- Limit the percentage of each kind of provider a Medicare Advantage plan can cut from its network.
- Require Medicare Advantage plans to pay as if an enrollee's provider was in network if the plan is determined to have unreasonably reduced its Medicare Advantage providers.
- Provide a Special Enrollment Period for Medicare Advantage enrollees to change Medicare Advantage plans or re-enter traditional Medicare if their plan is determined to have unreasonably reduced its provider network.
- Level the playing field between the two Medicare models. For example, include prescription drug coverage in traditional Medicare and identify other incentives in the Medicare Advantage program that entice beneficiaries to migrate from traditional Medicare to Medicare Advantage.
- Retain reasonably prized, first-dollar Medigap[1] coverage.

[1] AKA Medicare Supplement Insurance.

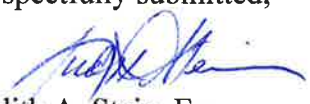
- As is the case in Connecticut and some other states, make it a federal requirement that Medigap insurance offer open enrollment. Wider access to Medigap will give Medicare Advantage enrollees more flexibility to return to traditional Medicare if their Advantage plan no longer meets their healthcare needs.

CONCLUSION

Connecticut's older and disabled community deserves better than the treatment they have received from United Healthcare's Medicare Advantage plan. This kind of behavior should not happen again, and Medicare beneficiaries caught in this year's dramatic network cuts should be helped.

Thank you for holding this hearing and for the opportunity to testify regarding this important matter. Please let me know if the Center for Medicare Advocacy can help in any way.

Respectfully submitted,



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