BRIDGING THE MEDICARE GAP

Chronic Disease Coalition

Why do we need Medigap?

Medicare is the federally funded health insurance program eligible to most people age 65 and older and those younger than 65 who are disabled or have certain serious diseases such as End Stage Renal Disease and Amyotrophic Lateral Sclerosis (ALS). This is essential coverage, but Medicare does not limit patients' out-of-pocket costs, so patients can still end up with huge bills. Medigap is an additional insurance plan just for that small group of seriously ill patients.

States have an important role to play

Although the federal government does not guarantee Medigap coverage for Medicare patients under 65, individual states can step in - and many of them are. Ensuring access to Medigap coverage has multiple benefits including:

- **Financial stability.** With no out-of-pocket maximum for Medicare, that can be thousands of dollars of medical bills for people least able to manage them.
- **Access to kidney transplantation.** Most transplant centers will not place ESRD patients on the waitlist without secondary insurance coverage. Kidney recipients are dramatically healthier, but they still have ongoing medical costs. Medigap makes it possible to have the transplant and ongoing care.
- **Keeps patients off Medicaid.** In some states, Medicaid can be the secondary insurer. Families are often forced to "spend down" everything they have first, essentially forcing them into poverty and onto Medicaid.
- **Little or no increase in Medicare premiums.** Studies from Health Management Associates and KFF indicate that because there are so few people under 65 who qualify for Medigap, there is little to no increase in premiums.

"I don't wait to take cruises and fancy vacations, I just want to live independently, somewhere safe and comfortable. I want to be able to pay my health insurance premiums and my utilities, and those are expensive. So much of my income has to go to healthcare."

Lesley Perkins, a 62-year-old Texan in need of a kidney transplant, is exactly who Medigap plans are intended to help.