



House Committee on Behavioral Health & Health Care

**Testimony in Support of SB 1181**

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AARP is pleased to support SB 1181. AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50+ to choose how they live as they age. AARP Oregon advocates on issues important to our more than 500,000 Oregon members with a focus on health security, financial resilience and livable communities.

Our support of this bill and nationwide commitment to improve access to Medicare coverage for all older Americans is informed by AARP national policies that are carefully vetted and reviewed.

Currently, whether it's through employer-based or through the exchange, younger Oregonians can modify their medical coverage *annually* during open enrollment periods with no medical underwriting requirements that may limit their choices. For some, that's selecting a PPO plan, which can be more expensive but allows access to more providers and for others it may be paying less through an HMO system, which may have a narrower choice of providers. Just like older Oregonians there may be many reasons a person changes plans.

However, when an Oregonian turns 65 and secures Medicare coverage, they have a 6 month window to purchase additional coverage without medical underwriting or pre-existing exclusions. They can purchase a Medicare supplemental insurance (Medigap) plan to pay for health care costs that original Medicare does not cover, or Medicare Advantage as an all-in-one alternative to original Medicare.

After that 6 month window, if an individual wants to either switch from Medicare or Medicare Advantage to a Medigap plan, they must undergo medical underwriting and may be rejected or have certain coverage excluded as pre-existing. If they want to switch their Medigap plan, the only option they have *without* medical underwriting is an annual opportunity to switch to a *comparable* or *lower* Medigap plan but to select higher coverage requires underwriting. Ostensibly, whatever choice a person makes at age 65 will bind and restrict them from moving forward, no matter how long they live, which for some can be decades.

Unlike those who are in the marketplace or with employer health care coverage, older Oregonians on Medicare are penalized. It ignores the reality that many older Oregonians need to switch plans for *a variety of reasons*, such as changes in health care needs, provider network limitations, or a greater desire to choose their doctors or specialists. But today, Oregonians cannot easily switch to better plans without going through underwriting.

Some opponents have suggested that *only* those who are “gaming” the system, who have a worsening health care situation, would want to change their plan. First, that seems a rather broad brush to paint all Oregonians age 65 and older. Second, the reality is that when transitioning to Medicare, most are overwhelmed by the complicated information and new choices they have and do their best to make the right decision at the time. It’s doubtful that most are thinking about their future medical situations. How many of us are thinking 5 years ahead? Third, this ignores the reality, which the Committee went into great detail and discussion, that there can be many reasons to change policies, especially with the problems of accessing providers.

Another argument opponents make against this legislation is that it will lead to higher premiums for current Medigap enrollees. To be clear, AARP is very sensitive to rising health care costs and protecting older adults from those costs. However, we believe that currently *far too many* older Oregonians have their health care choices limited and as such are already incurring high health care costs at the back end.

HB 1181 allows older Oregonians to have access to more options annually during the open-enrollment period without the penalty of a medical underwriting that may lead to exclusion of a pre-existing medical condition or denial entirely. This change will improve access and choice for *all* older Oregonians. We would join Massachusetts, Connecticut, New York, Maine and Vermont, which all have open enrollment protections

AARP urges this committee to pass SB 1181.