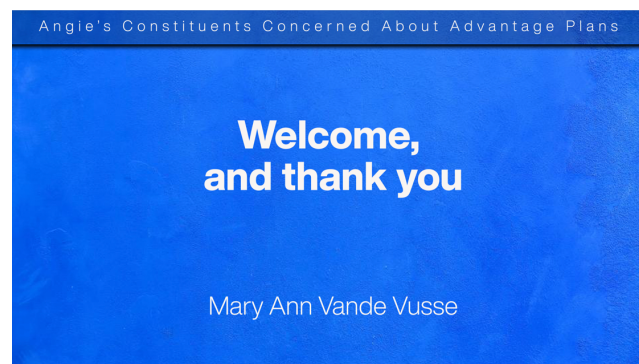


Script from the 2/29/2024 Advantage Plan Zoom meeting with Rep. Angie Craig staff

Constituents presenting: Jean Forman, Mary Ann Vande Vusse, Caren Gallagher, Barbara Mahowald, Cindy Robinson, Chuck Smith-Dewey and Kim Churchill. Constituents contributing were Sharon Schmidt, Leona Goodney and Paul Below. There were 30 other senior constituents who asked to be included on the Zoom, but the congresswoman's office does not allow more than ten Constituents on a Zoom call, nor the recording of a meeting.

From the congresswoman's office: Madeleine Lerner, Director of Community Engagement; and Meghan Mullon, Health Policy.

Welcome, and thank you.



**Mary Ann
Vande Vusse:**

Madeline, Meghan, and Skyler thank you for meeting with us today. My name is Mary Ann Vande Vusse. I live in Savage. I have regular Medicare and a BCBS Supplemental. Since retirement, I did not need pre-approval for 2 knee replacements and abdominal surgery.

I am Chair of the South Metro DFL Senior Caucus. Thank you for answering my emails asking for her support for senior issues.

When Roger Gehrke had his heart attack 2 years ago and Don Peterson fell in his bathroom and broke his back last year, we heard firsthand about staffing shortages in rehab.



Many thanks to Angie for voting for Title 8 Nursing Programs. Plus, her support for Hospital Graduate Medical Training in 2023 and 24. We know from our friends how important it is to support nursing staff. I am thrilled to know about Angie's introduction of the bipartisan Healthcare Workforce Innovation Act¹ because my nursing assistant granddaughter vows to become an RN!

We are proud of Angie for introducing H.R. 5360², the Helping Low-Income Seniors Afford Care Act. Reauthorize federal resources to expand outreach to low-income Medicare beneficiaries? Great!

Like Angie, we hope it will boost enrollment.

I often hear how confused retiring seniors are when they need to apply for their earned resources in Medicare. I watched as my

¹ **H.R.7307 - Health Care Workforce Innovation Act of 2024**

<https://www.congress.gov/bill/118th-congress/house-bill/7307/text?s=1&r=1>

² **H.R.5360 - Helping Low-Income Seniors Afford Care Act**

<https://www.congress.gov/bill/118th-congress/house-bill/5360/>

friend Anne welcomed her trusted insurance agent to discuss Advantage Plan plans but said nothing.



We need Angie's help!

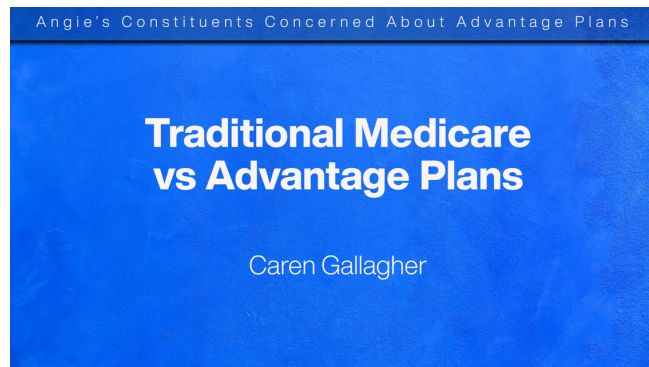
Misinformation and aggressive sales tactics are what we are worried about.

I am heartened to know we are on the same team with Angie in our efforts and concerns. Thank you. I know we can count on Angie to sort through fraudulent plans and promises to keep us as safe as we can be as we age.

We know it is going to be as hard as dealing with big pharma for us and we celebrate her successes there for diabetic seniors!

Our next presenter will be Caren Gallagher.

Traditional Medicare vs Advantage Plans



Video of Caren's presentation is available at <https://youtu.be/vLq2OGd3D0s>

Caren Gallagher: My name is Caren Gallagher and I am one of 110,000 senior citizens in Minnesota's Second Congressional District³. I'd like to explain why those of us here think that Medicare Advantage is most often disadvantage seniors.

Some of the problems with the Advantage Plans are small networks, lack of coverage out of network, and denials of pre-authorizations or referrals to specialists.

With traditional Medicare, there are no networks. I am free to see any doctor I want, that accepts Medicare, I can see any specialist or undergo a medical procedure without needing pre-authorization.

You never know how good your insurance is until you have a life-threatening illness.

I was still under 65 and had no preexisting conditions until when I was diagnosed with a rare, highly aggressive gynecological cancer. The diagnosis was stressful, but having to deal with my insurance carrier at that time to get the care I needed was a nightmare. I didn't even realize I was "networked"

³ <https://www.census.gov/mycd/?st=27&cd=02>

until I wanted to access care sooner than 3 weeks from diagnosis. I was on the phone for hours having to plead for my life — literally. Had to switch networks and give up the primary care doctor I had for 30 years, in order to see an oncologist that specialized in my cancer sooner, and I ran into roadblock after roadblock including 2 days before my initial major surgery when I was told the hospital was out of the new network!



I used to teach assertiveness, so giving up was not an option, but I know so many might have given up and put off getting the care that they needed immediately. I ended up getting diagnosed, having all pre-op tests done and major surgery completed before my original “in network” clinic would have had me in for my initial consult. When you are facing a medical emergency, time matters, both for your physical and mental health, as well as for the loved ones who will be taking care of you. The last thing anyone needs in this situation is begging your health insurance company for the care you need that you have been paying into for decades. I was just fortunate that I was healthy enough and had the time to advocate for

myself. How many aren't as privileged as I was? What happens to them?



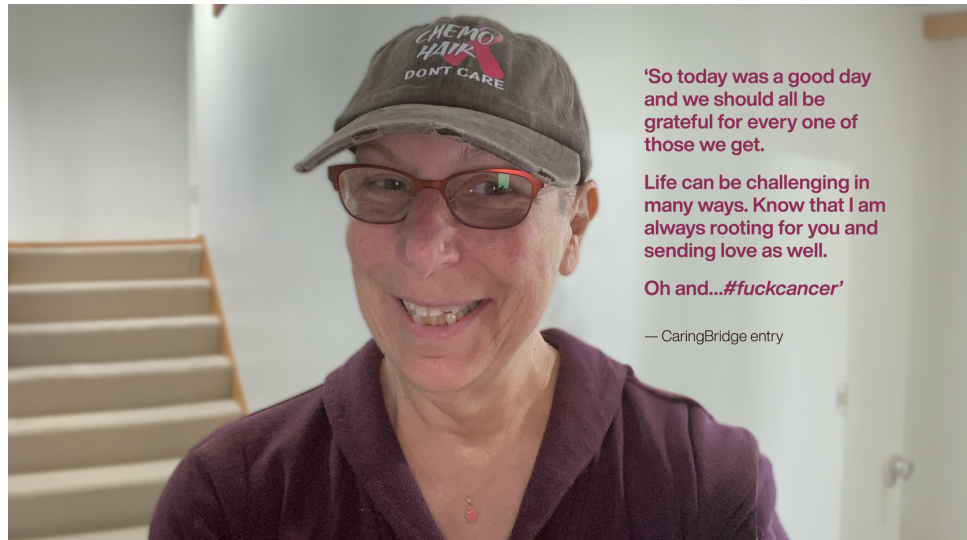
So, when I turned 65 a few months after diagnosis, it was a no-brainer for me to go with regular Medicare and a supplement. Never again would I be at the whim of the insurance industry deciding who I could see, even wanting to pre-approve my chemo medications! Since I have been on Medicare I have yet to have any procedure, visit or med denied, and my oncology team, with me, are determining what is best for my survival. If I need care at Mayo, or one of the many specialty cancer centers around the country that accept Medicare, I know I will be covered. When I went for a second opinion at Yale in Connecticut, there was no issue. Imagine a center having a life prolonging clinical trial that you qualify for, only to be told that center is out of network.



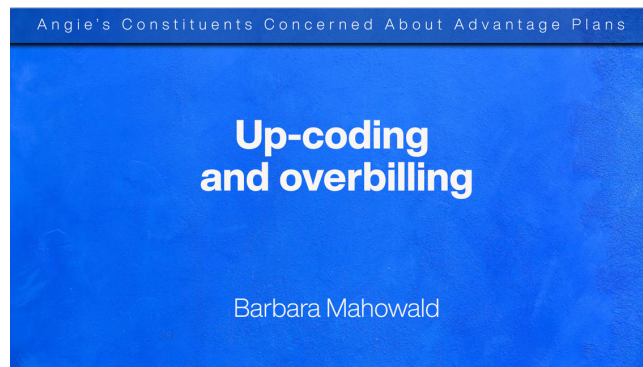
After my experience I would NEVER recommend an Advantage Plan that puts way too many decisions in hands other than you and your doctors. I am highly suspicious of plans that spend millions of dollars advertising on TV endlessly, rather than spending your premium dollars back on your care. As Seniors we have paid into Medicare our entire adult lives, with a promise that we will have the healthcare we need as we age. We don't need greedy insurance companies wrapping up deficient products in shiny wrapping undermining what should be a time of strengthening and improving on traditional Medicare.

None of us has any guarantees of good health and any of us can get that shocking phone call of a serious life threatening or disabling diagnosis. We need to make sure that Seniors are not sold coverage that provides more in profits for the health insurance industry than provides the healthcare that they have paid for and deserve.

Patients and their doctors should determinate best treatment plan, quickly, efficiently and wherever that care may best be accessed. Patients should never be in a position in which they have to beg for life saving care from those they have paid to “insure” it.



Up-coding and overbilling



Barbara Mahowald:

Thank you, Caren. We wish you all the best in your recovery. I am Barbara Mahowald and live in Savage. **People with Caren's health care issues are having an injustice done to them and that's why I'm here.**

I'll start by explaining to you how Advantage came to be⁴. Medicare Part C was created in 1997 as an Advantage plan for the purpose of "transferring to the Medicare program the **efficiencies and cost savings achieved by managed care in the private sector.**"

We will demonstrate how that this benchmark for success has failed.

Over time the Advantage program has been tinkered with, amended, and changed to enable the private insurance industry to extract more federal dollars per enrollee than the government spends on enrollees in traditional Medicare. Today Medicare is spending six percent more⁵ for an Advantage member than it does for a person enrolled in traditional

⁴ ⁴ "An Economic History of Medicare Part C" <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3117270/>

⁵ Medicare Pays Medicare Advantage Plans 6% More Than FFS Medicare <https://healthpayerintelligence.com/news/medicare-pays-medicare-advantage-plans-6-more-than-ffs-medicare>

Medicare, according to MedPac, a nonpartisan legislative agency that advises lawmakers on Medicare financing.



Physicians for a National Health Plan (PNHP), with over 25,000 members and chapters, has researched Advantage and presents the following information.

In 2019, payments to Advantage organizations from our Medicare Trust Fund were \$321 per patient higher compared to original Medicare. **Advantage overcharges taxpayers by a minimum of \$88 billion per year, and up to \$140 billion⁶.** Traditional Medicare pays for the actual care an enrollee gets, but **Advantage is paid a monthly fee regardless of the care it delivers.**

⁶ Medicare Advantage Overpayment >\$100 Billion
<https://pnhp.org/news/medicare-advantage-overpayment-100-billion/>

From *hhs.gov*⁷

*“Medicare pays a fixed amount for your care every month to the companies offering Medicare Advantage Plans. These companies must follow rules set by Medicare. However, each Medicare Advantage Plan can charge different out-of-pocket costs and have different rules for how you get services (like whether you need a referral to see a specialist or if you have to go to only doctors, facilities, or suppliers that belong to the plan for non-emergency or non-urgent care). Unlike Medicare **these rules can change each year.**”*

Furthermore, here’s another quote from *commonwealthfund.org*⁸:

“The government pays Medicare Advantage plans a set rate per person, per year (around \$12,000 in 2019, not including Part D–related expenses) under what’s known as a risk-based contract.¹² That means that each plan agrees to assume the full risk of providing all care for that inclusive amount. This payment arrangement, called capitation, is also intended to provide plans with flexibility to innovate and improve the delivery of care.

But there are **layers of complexity built into and on top of** that set rate that allow for various adjustments and bonus payments. While those adjustments have proved useful in some ways, they can also be problematic. **They are the main reason why Medicare Advantage costs the government more than traditional Medicare for covering the same beneficiary.”**

⁷ What is Medicare Part C?

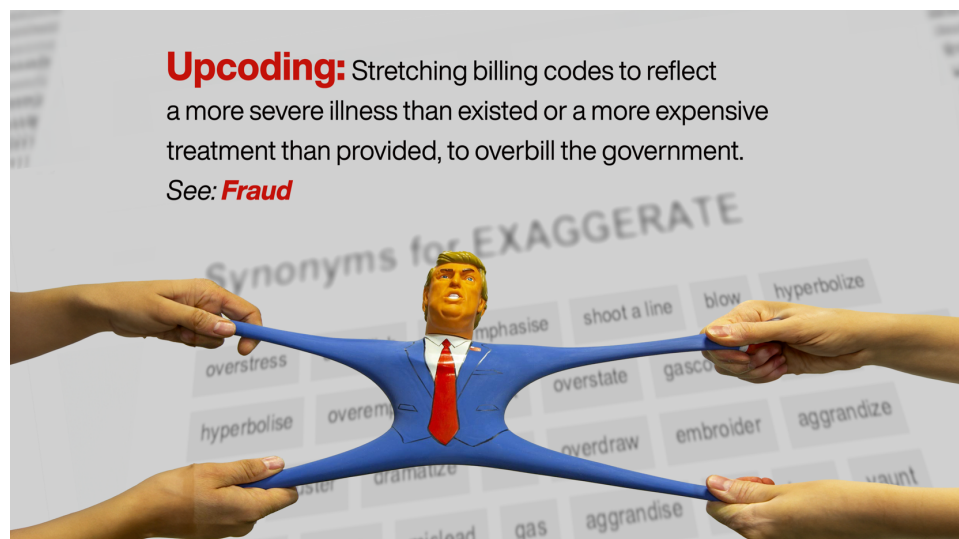
<https://www.hhs.gov/answers/medicare-and-medicaid/what-is-medicare-part-c/index.html>

⁸ Medicare Advantage: A Policy Primer

<https://www.commonwealthfund.org/publications/explainer/2024/jan/medicare-advantage-policy-primer>.

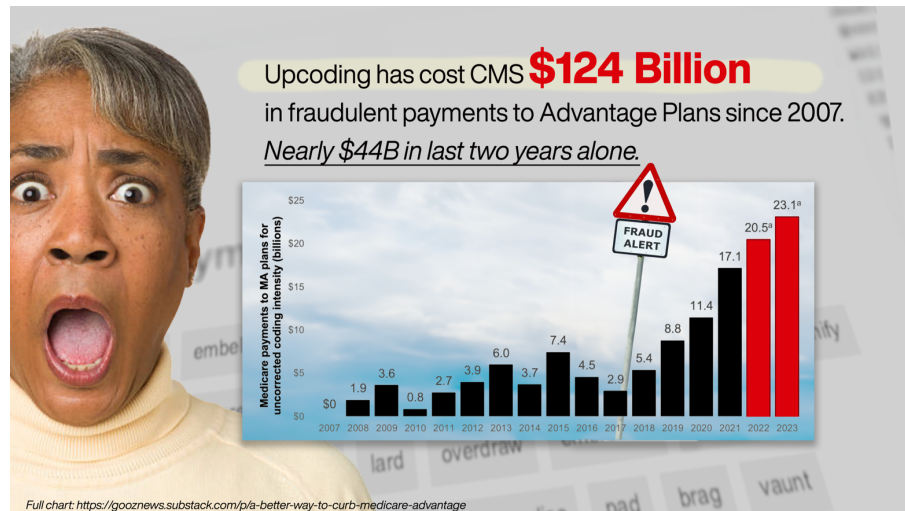
Here are other ways Advantage takes advantage.

Advantage companies have been gaming the system by up-coding⁹ to get higher payments than they are entitled to which is draining **our** Medicare Trust Fund. It happens this way. Up-coding is when an insurance company submits codes to Medicare or Medicaid for more serious and more expensive diagnoses or procedures than the provider actually diagnosed or performed. Meaning they make you look sicker than you are, so that the government pays them to “manage” health needs that you don’t even have.



Perhaps your doctor says you are obese, but Advantage codes you morbidly obese, which pays more. Or you are pre-diabetic but the company codes you for full diabetes with retinopathy, which again pays more. These codes all add up to something called a “risk score”, which determines how much **our** Trust Fund pays Advantage to manage your care. **My sister could be up-coded without her knowing it.**

⁹ **Upcoding: one reason Medicare Advantage companies pay clinicians to make home health checkups**
<https://www.statnews.com/2023/01/19/rein-in-upcoding-medicare-advantage-companies/>



PNHP finds that up-coding results in **Advantage patients having risk scores 19 percent above those of patients on traditional Medicare¹⁰**. If seniors want to get out of Advantage and have a high risk score they will pay **MORE** for supplemental insurance.

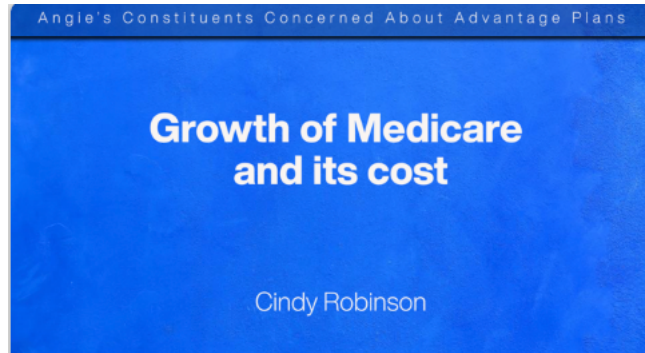
“... Medicare costs from 2023 to 2031 will be **\$600 billion higher than if ... Advantage beneficiaries were instead enrolled in traditional Medicare.**”

— THE LEVER, “The \$20 Billion Scam At The Heart Of Medicare Advantage”

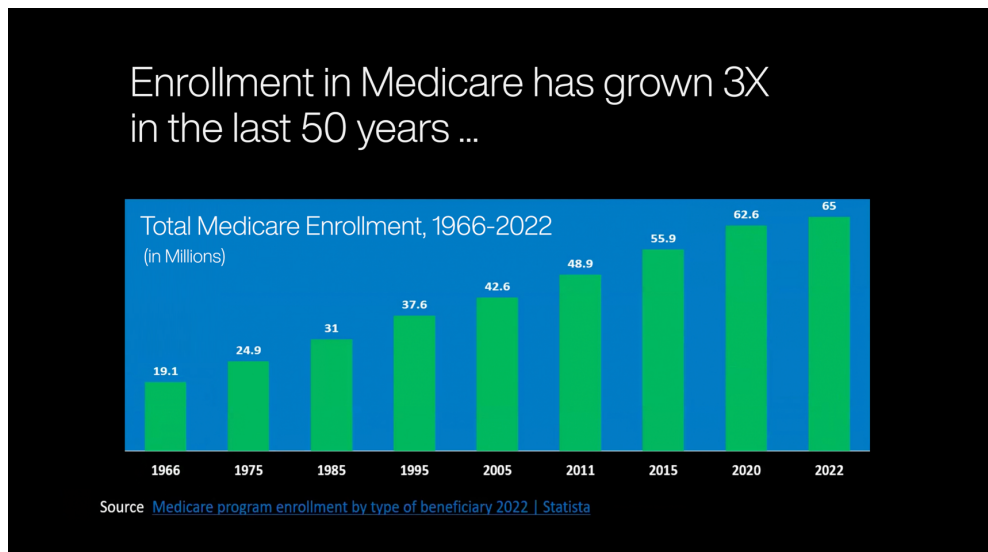
Here we’ve shown you how **Advantage plans have failed miserably with their promise and their stated purpose by exploiting *our* Medicare Trust Fund for more money than they are entitled to, while providing no cost savings for taxpayers and less care for seniors.**

Growth of Medicare and its budget

¹⁰ **Government evidence of Medicare Advantage cheating**
<https://pnhp.org/news/government-evidence-of-medicare-advantage-cheating/>

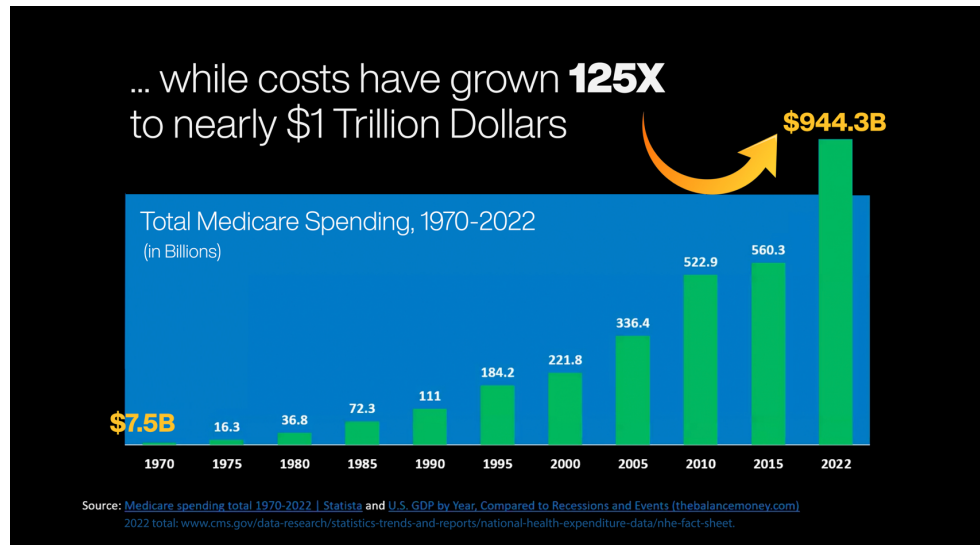


Cindy Robinson: Seniors on Medicare increased 3-fold from 1965 to 2020. The cost of the program during that time increased by 125-fold, increasing sharply as Advantage Plans gained market share.



Advantage plans often hedge their bets by taking mostly younger and healthier patients. And then they make them look sicker than they are to get increased payments to manage their care.

If you become too expensive for the Advantage plans, they may cut your doctor out of their network to get you to leave. With the upcoding on your record, you may not be able to get back on traditional Medicare.

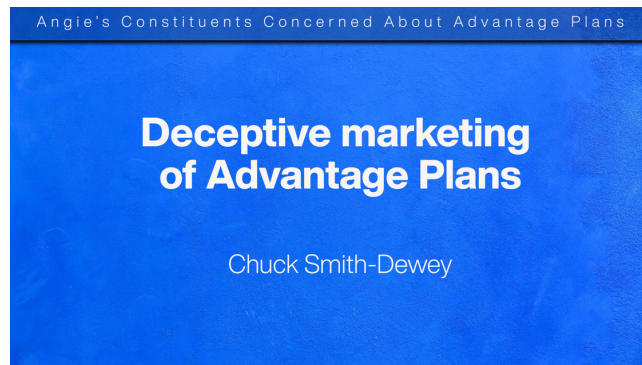


When you first join Medicare the supplemental Medicare insurance companies, who's plans work alongside Traditional Medicare instead of replacing it, must accept you with no regard to your health situation.

After you have left Traditional Medicare for an Advantage plan, you are subject to medical underwriting to get a supplement plan, and these companies may rate the premiums out of your reach based on false medical information contained in the upcoding.



Deceptive marketing of Advantage Plans



Video of Chuck's presentation is available at <https://youtu.be/vZ3Ce-Ti4Fw>

Chuck Smith-Dewey: Hi. My name is Chuck Smith-Dewey and I'm from Lakeville. I became interested in health care at a very early age. My dad's chest was crushed in a farm accident before I was even born. My mom fought breast cancer, and that's a fight which eventually took her life. So, 30 years I founded a web site to help consumers, especially those with pre-existing conditions, figure out how to find and keep affordable health insurance.



In the early days, this was through comprehensive health insurance risk pools. These were state-run programs, where the

state government became the insurer of last resort. Later, the site became a highly regarded source of information on the Affordable Care Act. And steered people away from the junk insurance policies some companies were still trying to sell.

And that brings us to Advantage Plans — the plans that companies spend millions and millions and millions of dollars every year, telling seniors that they offer them an “advantage” over traditional Medicare, when in truth those “advantages” come at a very dear cost.

These plans always boast that they offer “additional benefits” that seniors “may be entitled to.” But the dental plans, and vision coverage¹¹ and hearing and prescription drugs and health club memberships and their “zero-dollar” premiums aren’t really being paid for by these plans — they are being paid for by (these plans) overbilling the CMS. And that’s just not right.

The image displays four television advertisements for Medicare Advantage Plans, arranged in a 2x2 grid. Each advertisement features a man in a suit pointing towards the camera. The ads are as follows:

- Top Left:** "You may qualify for up to **\$148** Added back to your Social Security check every month!" It includes a "FREE MEDICARE BENEFITS REVIEW 2021" badge and the text "CALL NOW! FREE Medicare Benefits Review" and "800-862-0933 Medicare Benefits Hotline Now Open".
- Top Right:** "FREE Eyeglasses, FREE Hearing Aids, ✓FREE Meal Delivery, FREE Drug Delivery". It includes a "FREE MEDICARE BENEFITS REVIEW 2021" badge and the text "CALL NOW! FREE Medicare Benefits Review" and "800-862-0933 Medicare Benefits Hotline Now Open".
- Bottom Left:** "\$0 Premiums, \$0 Deductibles, NO Co-Pays". It includes a "FREE MEDICARE BENEFITS REVIEW 2021" badge and the text "CALL NOW! FREE Medicare Benefits Review" and "800-862-0933 Medicare Benefits Hotline Now Open".
- Bottom Right:** "FREE MEDICARE BENEFITS REVIEW 800-862-0933 CALL NOW!". It includes a "FREE MEDICARE BENEFITS REVIEW 2021" badge and the text "CALL NOW! FREE Medicare Benefits Review" and "800-862-0933 Medicare Benefits Hotline Now Open".

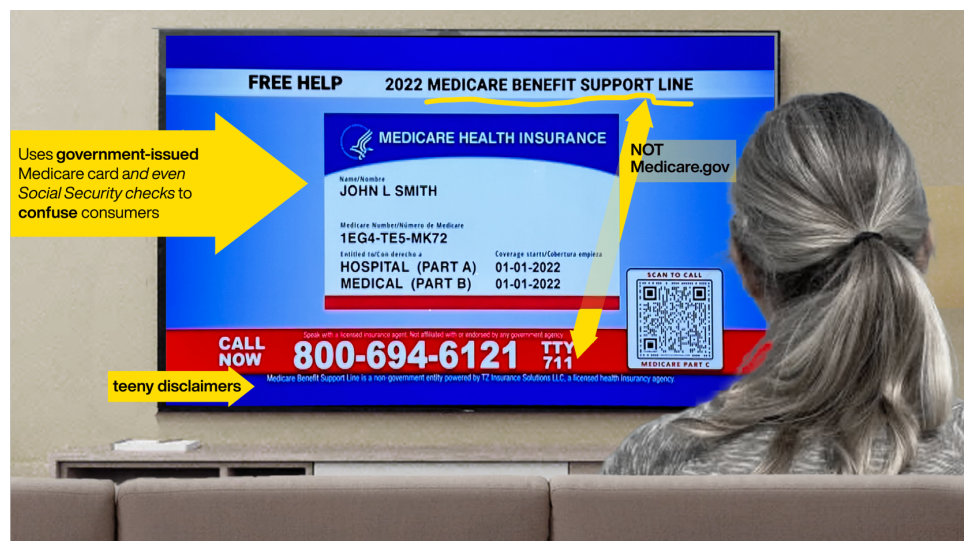
A Kaiser Family Foundation investigation found out that the television ads for these Advantage Plans comprised more than

¹¹ What's Up with Medicare Advantage Ads?

<https://crr.bc.edu/whats-up-with-medicare-advantage-ads/>

85 percent of all airings¹² during the open enrollment period last year. And who pays for these ads? It's still by these plans overbilling the CMS.

These commercials often show an image of a government-issued Medicare card and even a Social Security check. Their marketing does whatever it can to obscure the fact that people buying them are opting out of the government program and instead are getting into a private health insurance replacement that just like all the bad insurance they didn't like before they turned 65.¹³



These ads always encourage viewers to call a “Medicare hotline”, but you know it’s not the government’s hotline where they get unbiased information, it’s a *sales* line, where agents are compensated to sell them a private policy. These agents are often paid bonuses for doing a health risk assessment of those customers. That enables the Advantage Plans to cherry pick the

¹² **How Health Insurers and Brokers Are Marketing Medicare”**

<https://www.kff.org/report-section/how-health-insurers-and-brokers-are-marketing-medicare-report/>

¹³ **Privately insured face worse access, higher costs than those in public plans: JAMA report**

<https://www.healthcarediver.com/news/privately-insured-face-worse-access-higher-costs-than-those-in-public-plan/600957/>

healthiest¹⁴ — i.e. most profitable customers – and then direct the less healthy customers over to traditional Medicare. Most seniors don’t know the difference between Medicare with a supplement and a private-alternative Advantage Plan. *They aren’t dumb.* They are being intentionally misled by a for-profit insurance industry.¹⁵



Twenty U.S. Representatives have offered the “Save Medicare Act”¹⁶ to take the word “Medicare” out of the marketing of these products and to accurately describe them as a private alternative.

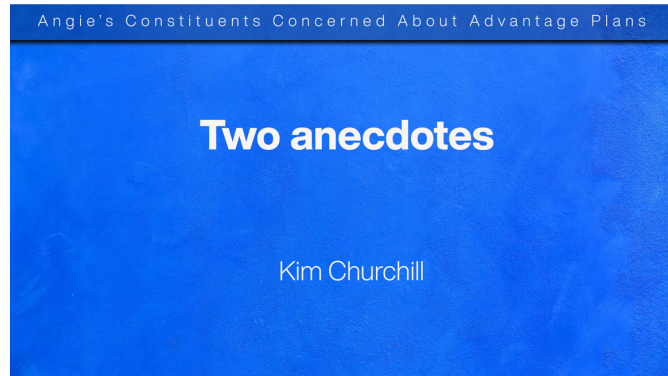
That would be a great start.

¹⁴ **Medicare Advantage Enrolls Lower-Spending People, Leading to Large Overpayments**
<https://healthpolicy.usc.edu/research/ma-enrolls-lower-spending-people-leading-to-large-overpayments/>

¹⁵ **Medicare Advantage and Deceptive Marketing**
<https://cepr.net/report/medicare-advantage-and-deceptive-marketing/>

¹⁶ **“Summary: H.R.732 — 118th Congress (2023-2024)”**
<https://www.congress.gov/bill/118th-congress/house-bill/732?s=1&r=12>

Two anecdotes



Kim Churchill: I have two short anecdotes to present.

One, my mother looked into Advantage Plans and decided to sign up for one after hearing the sales pitch about the added benefits and lower premium cost. As a snowbird, she needs coverage in both Minnesota and Arizona.

She was not aware that her Advantage plan would not cover her costs in Arizona until she went to the doctor and had to pay the full 20 percent of her uncovered part B benefit. She was lucky as she is very healthy for an 80-year-old, and she has the means to cover any unexpected health issues that may have come up. Many people that are duped into an Advantage plan do not have that luxury.



Two, I am a social worker I work with people who have Medicaid and Medicare as a care coordinator. I have had many clients signed up for advantage plans without their knowledge or consent. I had one client who was non-verbal He was disenrolled from his current part D plan and enrolled into an Advantage Plan unbeknownst to his sister/caregiver/guardian. As a person with a seizure disorder, he needs his medication every day. He was down to 2 pills when I was called in to help facilitate getting emergency medication because the sister was not aware that he was enrolled in advantaged Plan until I was able to look into the issue.



A salesperson will call and offer a free iPad or other benefits. I had one client say yes and she was enrolled in a Plan that was only good in the state of California. I was able to get the client back on the correct plan within a few months (she never got her iPad). Another client has had his part D benefits switched multiple times in the past year, due to his significant dementia he does not remember which plan is currently active and does not get his medications refilled accurately.

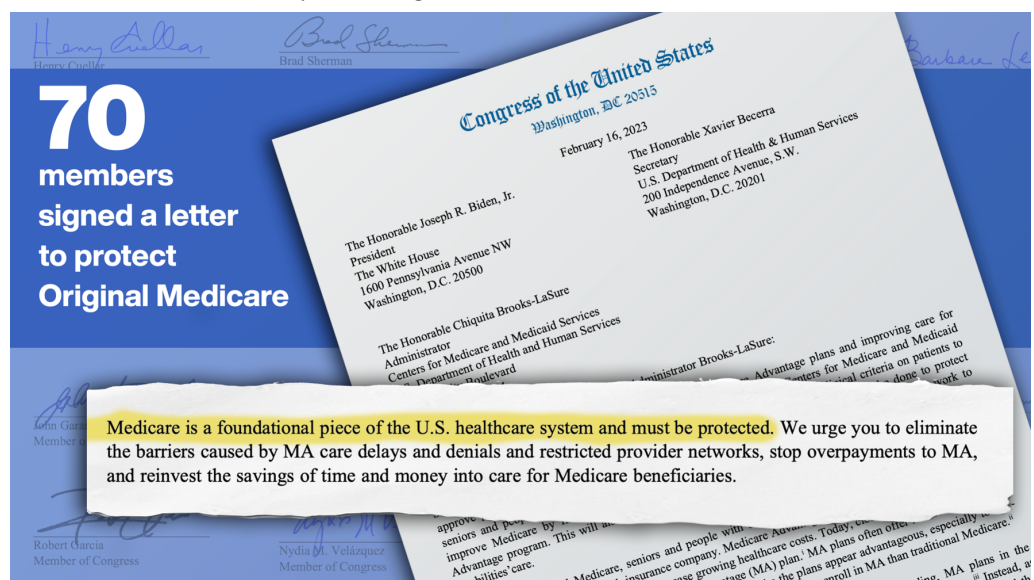
Our Ask



Jean Forman: This has been a Reader's Digest, or perhaps a back-of-the-napkin, explanation of a very huge and complex topic. There are areas that we have not touched on today that are also of great importance. This brings us up to our ask of Rep. Craig.

There are opposing letters regarding Advantage Plans which members of Congress are asked at this time of year to sign:

We are referring first to the letter that 70 House members sent to President Biden, Secretary Becerra and CMS Administrator Brooks-LaSure last year. It goes into more detail



and documentation that we were able to get to today. We don't

see Rep. Craig's name on this letter but would love it if she would at least consider signing it this year.

But that's not our most urgent ask. It is this: Please don't sign the other letter that comes from the Insurance industry.



That's the letter that intimates that Advantage Plans as they now stand have the blind support of Congress and seeks even more money from the Medicare Trust Fund.

Can we count on Angie to be a champion for Medicare reform and refrain from signing the industry letter? Can we count on her to support important reforms that would keep Advantage plans accountable and fiscally equal to Traditional Medicare?

That's our most pressing need, but we would also like to meet with Rep Craig and/or you all — maybe quarterly (?)— to continue to discuss Medicare challenges and possible solutions.

A different possibility would be to have one of the monthly town halls dedicated to the topic of Medicare and Advantage issues. This would be a great way to accommodate the much

larger group that is disappointed that they could not be included today.

I hope you have found our concerns worthy of Rep. Craig's attention. Do you have any questions or feedback for us today?

We will also be emailing to you some documentation on Advantage Plans that illustrate that they are not an advantage for seniors.

We would like to follow up with you and Rep. Craig soon. What is a good time frame for that?

[END]

2026 Addendum: Outcome of the meeting.

Our team did not get any follow-up from Angie Craig or her team, nor did we receive any acknowledgment that the meeting occurred.

When the congresswoman was later questioned about whether she had seen the video of our beloved mutual friend, the late Caren Gallagher, she did not respond.