



May 14, 2025

TO: House Committee on Behavioral Health and Health Care

**RE: Senate Bill 1181 (Campos) – Medigap Access & Protections - SUPPORT**

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Dear Chair Nosse and members of the committee:

On behalf of those living with or in remission from blood cancer, we write in support of Senate Bill 1181 (SB 1181). We urge you to support this critical legislation, which establishes a right for all Medicare beneficiaries to access the healthcare they need. **Pre-existing conditions should not be used against Medicare beneficiaries when they purchase a Medigap.**

The Leukemia & Lymphoma Society® (LLS) is a global leader in the fight against cancer. The LLS mission: Cure leukemia, lymphoma, Hodgkin's disease and myeloma, and improve the quality of life of patients and their families. LLS funds lifesaving blood cancer research around the world, provides free information and support services, and is the voice for all blood cancer patients seeking access to quality, affordable, coordinated care.

Medicare supplement insurance, also called Medigap, helps cover out-of-pocket costs that traditional or “fee for service” Medicare does not pay for. People with Medigap pay a monthly premium to help with costs like deductibles, co-pays, and co-insurance. It also lets them see almost any doctor in Oregon. This is especially important for people with serious health needs who might have high medical bills or need specialized care.

Right now, insurance companies in Oregon can deny Medigap coverage or charge more if someone has a pre-existing condition—unless they sign up when they first become eligible for Medicare. This means many people may not be able to get the extra coverage they need, leading to high medical bills. These are unacceptable outcomes for patients who are living or newly diagnosed with a chronic condition like cancer. Nationally, 1 in 2 patients feel trapped by their medical debt.<sup>1</sup>

Imagine a healthy 65-year-old who chooses to enroll in traditional Medicare or a Medicare Advantage plan at age 65 and then is diagnosed with blood cancer two years later. Because Medicare Advantage plans can use provider networks, patients may find that their plan does not cover the specialists they need to see. A patient enrolled in traditional fee-for-service Medicare may face a surge in out-of-pocket costs, leaving them financially devastated.<sup>2</sup> To make matters worse, many people do not know that after their initial guaranteed issue window, right when they turn 65, they may be unable to switch to the plan that works for their needs.

SB 1181 can address these concerns. First, it creates an annual open enrollment period so patients can review their coverage options yearly. Second, it stops insurance companies from

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<sup>1</sup> (2023, October 30). *Impacts of Medical Debt Findings from a National Survey*. The Leukemia & Lymphoma Society. Retrieved March 19, 2024, from <https://www.lls.org/news/nearly-1-2-patients-medical-debt-feel-trapped-new-poll-leading-healthcare-orgs-finds>

<sup>2</sup> (16 October 2019) *The Cost Burden of Blood Cancer Care in Medicare*. Milliman Inc. Retrieved March 20, 2024 from <https://us.milliman.com/en/insight/the-cost-burden-of-blood-cancer-care-in-medicare>



using a person's medical history to decide their coverage or costs. This would make Medigap fairer and align it with other health insurance plans, which can't deny coverage based on pre-existing conditions. These common-sense policies give patients options and freedom to find health coverage that best suits their health needs.

By basing the premium charged to beneficiaries and including age as a rating factor, Medicare beneficiaries will be incentivized to enroll when they are younger or face higher rates. This will reduce the amount of adverse selection (for example, waiting to buy insurance when someone plans to use it) while expanding coverage.

A California actuarial estimated that their bill (similar to the introduced version of SB 1181) would increase premiums by 14% on average for plan G, which is about \$20 to \$40 per person per month.<sup>3</sup> That increase is primarily driven by adverse selection because it assumed an influx of higher-cost enrollees due to the open enrollment and community rating provisions. Overall enrollment will decrease by 1% (6,400 individuals), while 84,300 individuals will enter the market. 58,400 of those enrollees will be from Medicare Advantage plans alone. With the amended bills, the overall premium increase will be reduced as older individuals who are issued a Medigap may pay higher rates.

People on Medicare should be able to change their healthcare plans when needed and have access to the care they need. SB 1181 gives them that choice. We hope you support Oregonians today by supporting SB 1181. Thank you in advance for your consideration.

Sincerely,

Adam Zarrin  
Director, State Government Affairs

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<sup>3</sup> (2025, April 20). *California Senate Bill 242 Medicare Supplement Insurance Coverage: Open Enrollment Periods, Report to the 2025-2026 California State Legislature*. California Health Benefits Review Program (CHBRP), University of California, Berkeley. Retrieved May 14, 2025 from: <https://www.chbrp.org/sites/default/files/bill-documents/SB242/SB%20242%20Abbreviated%20Report%20Analysis%20Final%20to%20Legislature%2004202025.pdf>