

*Israel, Bishop, Schumer Address Long-term Disparity in Premium Paid by Seniors in Nassau and Suffolk Counties for Medicare Advantage Plans*

North Babylon, NY (Long Island)—On Tuesday, U.S. Representatives Steve Israel (D-Huntington), Tim Bishop (D-Southampton) and U.S. Senator Chuck Schumer (D-NY) announced a plan to lower premiums for Suffolk County seniors enrolled in the Medicare Advantage program. Israel, Bishop and Schumer will address a longstanding disparity in premiums paid by seniors in Suffolk and Nassau counties that is believed to be impacted by the presence of a VA hospital in Suffolk County.

“Whether or not someone needs health care isn’t based on whether or not they live in Nassau or Suffolk so neither should whether or not they can actually get the health care they need,” said Senator Schumer. “This ridiculous inequity is literally taking money out of the pockets of tens of thousands of Suffolk County seniors and making it harder for them to get the care they need and deserve. Medicare Advantage was created to provide affordable coverage for seniors but the feds aren’t doing their job when so many seniors are left behind. We are lucky there is a quick and easy fix to this needless problem and I am going to fight tooth and nail to make sure that premiums come back down.”

“To go from Exit 48 to 49 on the Long Island Expressway, you only need to travel a half a mile,” said Congressman Israel. “But the difference between Medicare premiums paid by seniors living near each stop is much greater. Only in Washington could we design a system in which one senior could live less than a mile from another and pay twice as much in monthly medical fees. It’s time to plow through the bureaucratic roadblocks and fix this disparity once and for all for Long Island seniors. That’s why I’m proud to stand with my colleagues today as we plan for a permanent solution to this problem and true parity for Suffolk County seniors.”

“Suffolk County seniors are not asking for more than they deserve, but they will not settle for less,” Congressman Bishop said. “Medicare’s unequal treatment of Suffolk County seniors cannot continue. This is a simple problem with a simple solution. I will go back to Washington with my colleagues and we will fight as hard as we can to ensure that all seniors are treated fairly by the federal government.”

Under the current system, Medicare pays health insurers and managed care plans to provide health coverage for services such as doctor’s visits, hospitalizations, and prescription drugs. Medicare Advantage plans are private health plans that contract with Medicare to provide covered services. The Medicare Advantage payments are calculated on a county-by-county basis using a formula that takes into account the Medicare population and the number and

value of health care providers and facilities serving those Medicare beneficiaries. Medicare pays the private insurer a fixed amount each month for each beneficiary. MA plans must cover, at a minimum, all Part A and Part B services. Plans may charge a premium in addition to the monthly Part B premium. Premiums vary by county and are determined in part by the reimbursement from Medicare that a private insurer receives for providing services in that county.

Although Nassau and Suffolk counties are contiguous, there are significant disparities in premiums paid by Medicare recipient in each county. Although premiums went down for Suffolk seniors dramatically as a result of the Medicare Modernization Act of 2003, a significant disparity continues to exist today.

In 2008, HIP and Mediblu (formerly Empire Blue Cross), two of the most popular Medicare Advantage plans on Long Island, offer plans in Nassau County that charge no additional premium for health and drug coverage. In Suffolk however, HIP and Mediblu charge \$99.50 and \$69.00 per month, respectively. According to Association of Health Insurance Plans (AHIP), the difference in the monthly reimbursement rate between Nassau and Suffolk Counties is approximately \$54.00.

Insurers in Suffolk County are reimbursed at a rate that is 6% less than insurers providing the same services in Nassau County. This is partially due to the fact that Medicare does not account for health care provided at the Northport Veterans Administration Medical Center (located in Suffolk County) when determining reimbursements, even though it is required by law to take VA services and patients into account. The lower payments mean that Medicare Advantage plans have had to raise premiums dramatically in Suffolk above what they charge in Nassau for the same or similar coverage.

On Monday, Representatives Bishop and Israel joined Senator Schumer to call on the Centers for Medicare and Medicaid Services (CMS) to immediately recalculate Suffolk's allocation to include patients and services provided by the Northport VA in order to allow insurers to reduce Suffolk County premiums to be on par with Nassau. Bishop and Israel will also be introducing House legislation that creates a payment adjustment for Suffolk County. The legislation equalizes reimbursements to the higher of two in the case of two contiguous counties when one has a VA Medical Center in its boundaries and the other does not.