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December 2, 2020

Joseph J. Simmons, Chairman  
 Federal Trade Commission  
 600 Pennsylvania Avenue, NW  
 Washington, DC 20580

Dear Chairman Simmons:

During the Medicare and Medicare Advantage annual enrollment period, October 15 - December 7, 2020, there have been television commercials for Medicare Advantage plans that the National Retiree Legislative Network (NRLN) believes are misleading, or at worst misrepresentations of material facts and deceptive. For example, the commercial with former NFL quarterback Joe Namath as the spokesperson for Medicare Coverage Helpline. (The new November 2020 commercial is available on YouTube at: [https://www.youtube.com/watch?v=eFeiAj\\_G0hY](https://www.youtube.com/watch?v=eFeiAj_G0hY))

Mr. Namath begins by stating that “before the deadline you are eligible to eliminate premiums and co-pays. This is misleading. Whether in original Medicare or Medicare Advantage enrollees, in 2020, pay the Medicare Part B premium of \$144.60 per month. This applies to all enrollees, though costs are higher for individual taxpayers in income brackets above \$87,000. Copays and are paid for with federal subsidies, insurance companies pay for neither of these out of their pocket.

Mr. Namath touts that Medicare Advantage participants “get dental care, dentures, eyeglasses, in home aides, prescription coverage, unlimited transportation, and home delivered meals at no additional cost. Plus, your zip code may have coverage with a give-back benefit that adds money back to your Social Security check every month.” He closes with an emphatic “call now, its free!”

The 1-800-874-5700 phone number appears on the screen and a voice over cites the phone number and says, “call now!”.

The commercial does not substantiate how or why one could expect that enrolling in a Medicare Advantage plan would add back to one’s Social Security check, but It is clear to those of us who have studied this misrepresentation that this could only mean that he is promising that subsidies (federal rebates) would be used to pay a part of one’s \$144.60 per month Medicare Part B premium that is deducted from Social Security checks. Over 72% of Medicare Part B revenue comes from general revenue.

The enrollee is paying the premium twice - \$144.60 a month for Medicare Part B plus his portion of general revenue to pay for the subsidy.

Consumers, in this case vulnerable seniors, get baited into “free” offers easily and could face huge financial losses. If one enrolls in Medicare Advantage at age 65 or is induced to switch from original Medicare and a Medigap supplemental plan to a Medicare Advantage plan and encounters a pre-existing condition they cannot switch back and are at risk to be declined Medigap coverage or to pay extremely high premiums after a 12-month period elapses. Those affected are trapped and obligated to pay maximum out of pocket costs every year thereafter or as long as a pre-existing condition exists.

Here are facts to show that Medicare Advantage is not free. The information is from an NRLN whitepaper: *A 23-Year Attempt to Privatize Medicare Has Failed; Medicare Advantage Quality Bonus Plan Is a House of Cards*. (The whitepaper can be accessed at [www.nrln.org](http://www.nrln.org). Click on the Legislative Agenda tap and select whitepapers. Scroll down to the Healthcare section and click on the title.)

Over the 23-year period from 1997 to 2020, a generation of members of Congress and four presidents have spent over \$400 billion in taxpayer rebates to insurance companies to subsidize Medicare privatization. In 2020 rebates are forecast to be \$122 a month, \$1,464 a year per Medicare Advantage plan enrollees. This is \$38 billion in taxpayer rebates for 26 million enrollees in 2020. This is what pays for Medicare Advantage prescription drug plans and the litany of “free benefits” cited in paragraph three above, Should these subsidies be discontinued as they were in the 2010 Affordable Care Act (ACA), Medicare Advantage plan premium, deductible, copay and coinsurance costs per enrollees would experience significant increases. This is untold political risk not disclosed in commercials, instead insurance companies’ ads lead seniors to believe these benefits are courtesy of them, a falsehood.

Unlike what Mr. Namath says, this is evidence that Medicare Advantage is not free – it’s paid for by every U.S. taxpayer, including those who are led to think the benefits are free. The Medicare Coverage Helpline television commercial is one of many similar commercials with questionable claims.

The NRLN urges the FTC to immediately investigate the claims in Medicare Advantage commercials and eliminate false and intentionally misleading statements that bait prospective American enrollees turning age 65 and those over age 65 who are enticed into switching coverages to a Medicare Advantage plan. They need accurate information and full disclosure of inherent risks in order to make informed decisions

Sincerely,



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