Why millions of seniors have suddenly lost health care coverage

The privatized version of Medicare — Medicare Advantage — grew rapidly with perks like vision and dental care. In some regions options are dwindling.

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By Christopher Rowland – The Washington Post

At 70, landscape artist Anthony J. Petchkis lives with a host of health problems. There was the heart attack that sent him on an ambulance ride from his home in the mountains of New Hampshire to Portland, Maine, for an arterial stent. His cholesterol is stubbornly high. He has diabetes, gout and rheumatoid arthritis. He takes eight medications a day.

Until this year, he at least felt confident insurance would fully cover his medical bills, which he estimates run to several thousands of dollars a year. Then his Medicare Advantage plan dropped him.

“How am I going to pay all these things going into the future?” said Petchkis, who lives on about $24,000 a year from Social Security and the sale of the White Mountain landscapes he paints in his Conway studio. “Now I seem okay, but six months or a year from now, something really catastrophic could happen.”

Petchkis and thousands of other elderly people in New Hampshire lost their insurance and were forced to scramble for alternatives this year, part of a broader phenomenon as Medicare Advantage companies abandoned communities where their plans threatened profits or lost money. Hardest hit were a half-dozen rural states from New England to Idaho.

Medicare Advantage plans — the privatized version of Medicare — surged in popularity in the last two decades as companies enticed enrollees with things like zero-premium plans, gym memberships, allowances for over-the-counter medical supplies and vision and dental coverage.

But over the last year, insurers sharply retreated from the plans in some regions, saying rising health care costs and reduced government reimbursements have hurt profitability. That left Petchkis and millions of other elderly people scrambling to find alternatives.

The shift highlights one of the risks for Medicare Advantage beneficiaries, especially in rural areas where options tend to be meager: plans are under no obligation to offer coverage year-to-year. When profit margins are threatened, insurance companies can suddenly withdraw coverage. This year the churn reached a peak.

In all, almost 3 million people were forced off Medicare Advantage plans because their carriers pulled out of their counties, according to a recent analysis in the medical journal JAMA. Most affected seniors nationally had other Medicare Advantage options to choose from, but around 30,000 did not, according to a new analysis by KFF, a health research organization.

Petchkis was one of about 77,000 in New Hampshire forced off Medicare Advantage and among a subset who had no viable alternatives. He was forced to enroll in traditional Medicare, which only covers 80 percent of doctor and outpatient services. Because he said he can't afford a supplemental "medigap" insurance plan to make up the other 20 percent, which would have cost about $200 a month, he worries he will face thousands of dollars in bills if he becomes seriously ill — money he does not have.

Besides leaving elderly patients like Petchkis in the lurch, the sudden withdrawal of Medicare Advantage plans in rural areas shows how the privatized Medicare option — which covers roughly half of all Medicare beneficiaries in the United States — is fraying in some places.

Seniors on the these plans must deal with cost-containment strategies of private insurance companies; carriers restrict what doctors and hospitals you can see and often require prior authorization before expensive care or drugs are provided. Now odds are increasing that older people also will have to shop for another plan each year.

Rising costs, shrinking profits

Medicare Advantage plans jumped in popularity beginning with legislative changes in 2003 that gave private insurers companies more taxpayer money for each Medicare enrollee they covered. Most plans also include drug coverage, which means seniors don't have to shop for a separate Medicare Part D drug plan. The idea was that encouraging robust competition between private plans would reduce the government's costs, but it has not worked that way, according to annual government advisory reports.

In 2026, Medicare advisers estimate that Medicare Advantage will cost taxpayers $76 billion in overpayments, when compared to the cost of covering beneficiaries under traditional Medicare. The Centers for Medicare and Medicaid Services, which regulates the program, has slowed annual reimbursement growth in a bid to shrink that overpayment gap. At the same time, the insurance industry says aging boomers are seeking out more costly care — putting a squeeze on profit margins.

The nearly 3 million people forced to find new plans for 2026 represents 10 percent of Medicare Advantage beneficiaries in individual plans, according to the study published in JAMA. That's a big jump from 2018 to 2024, when the rate of involuntary terminations was below 2 percent each year.

“Medicare Advantage has been growing without stop for the last two decades. A large part of that is it has been extremely profitable for insurers,” said Mark Meiselbach, an assistant professor at the Johns Hopkins Bloomberg School of Public Health and co-author of the published analysis. “That story of profitability and growth has kind of shifted.”

UnitedHealthcare — the nation’s largest Medicare Advantage carrier — said last year it would exit counties where it had 600,000 beneficiaries, the largest single reduction among the private plans, citing a desire to reinvigorate profit.

The insurance industry has said that government reimbursements have not kept pace with costs, which are rising sharply through higher prices and greater use of medical services. It says government cost comparisons of Medicare Advantage and traditional Medicare are inaccurate because they fail to account for the full value of Medicare Advantage.

“Health plans are focused on shielding seniors from the full impact of those costs and protecting the affordability, benefits and comprehensive coverage 35 million Americans count on through Medicare Advantage,” said Conner Coles, spokesperson for the insurance industry’s Washington lobbying group, AHIP.

New Hampshire’s Carroll County is populated by many retirees like Petchkis, seeking fresh air and spectacular views of the Presidential Range. The county has the highest median age in the state, at 54. WellSense, a nonprofit carrier, pulled its most popular plan out of the county and dropped Petchkis. Now only one Medicare Advantage option remains, also offered by WellSense, but it is not appropriate for most seniors because it’s designed for residents who also qualify for Medicaid insurance, local brokers and Medicare advisers said.

Elderly residents in the region scrambled last fall to understand their alternatives, which meant comparing supplemental medigap plans and hunting for a separate Medicare prescription drug plan. State Rep. Stephen Woodcock, who represents Conway, said he heard from countless seniors.

“Every single day in my email in box I would get 20 or 30 people, saying ‘Tell me what to do. What can I do?’” Woodcock said. “There’s not a damn thing we could do.”

WellSense, based in Massachusetts, did not respond to requests for comment.

Conway health insurance broker Edward Hollum said Medicare Advantage plans had been offering amazing benefits in recent years as they competed for market share. Some allowed a $1,200 annual fitness allowance to be used for lift tickets at the state’s destination ski areas — plus lessons, he said. Now the plans have mostly pulled out of the state, leaving hardly any options except for the southern tier of counties that border Massachusetts, Hollum said.

“This is a horrible, horrible thing that happened here,” he said.

Mark Hounsell, 74, a retired plumber who has been active for decades in local and state politics, including a stint as state senator, said he rushed to get a pacemaker in November after learning he would no longer be covered by Medicare Advantage. For 2026, he said he could not afford the cost of a supplemental plan.

“An additional $200 a month is not something I can do,” he said.

He’s working at Home Depot part time, at night, to make ends meet. Even so, he said he recently canceled a follow-up cardiologist visit to check on his pacemaker, a trip that can cost hundreds of dollars if it includes tests.

“I called and said I’m not coming,” he said. “I can’t afford 20 percent of what this is going to cost.”

‘Too good to be true’

In Vermont, about 35,000 people lost Medicare Advantage coverage. For residents of the state’s largest urban area, Burlington and neighboring communities, there are no Medicare Advantage plans offered at all.

Larry Mindell, 78, a retired fitness instructor who lives in Winooski, which borders Burlington, loved his Medicare Advantage plans — with zero monthly premium, vision and dental coverage and rewards that could be spent on over-the-counter medications. But his first one, MVP Health, stopped offering plans in 2025. He and his wife, Peg Allen, switched to BlueCross BlueShield of Vermont, but then it withdrew its Vermont Blue Advantage this year, citing millions of dollars in losses.

“The advantage plans, I was incredulous that they were able to do what they were doing — no premiums, small co-pays, all kinds of rewards,” Mindell said. “I guess it turned out to be too good to be true.”

Mindell was among Vermonters cited in local news coverage last fall about widespread disruption. Since then, Mindell has settled on a traditional Medicare plan (he had no other option) with supplemental medigap coverage. He estimated that he and his wife are paying an additional $5,500 a year in premiums.

BlueCross BlueShield of Vermont, a nonprofit, said it lost $50 million on Medicare Advantage plans covering 35,000 Vermont seniors in 2025. It said the unsustainable losses were due to greater use of medical services by seniors and steps by CMS to slow the growth of reimbursements.
“These combined forces made it unsustainable for Vermont Blue Advantage to be able to offer reasonably priced and affordable products to serve as an alternative to traditional Medicare coverage,” said Kristina Massari, a spokeswoman for the nonprofit insurer.

UnitedHealthcare and some other insurance companies further limited exposure to poor-performing counties by throttling new enrollments. In Idaho, United stopped paying brokers commissions and made it difficult for consumers to sign up. Those practices drew fire from Dean Cameron, head of the Idaho Department of Insurance, who accused the company of backing out of commitments.

“They shouldn’t be able to do these inappropriate actions, which are really harmful to our most vulnerable senior citizens,” Cameron said in an interview.

United responded that the plans were still available during open enrollment through Medicare.gov and its own website. It said in an email it ended agent commissions for some plans in Idaho “to help preserve the benefits that matter most to current members while supporting the long-term sustainability of these plans amid increasing regulatory and market pressures.”

CMS, which regulates Medicare, said it is monitoring trends in Medicare Advantage “to protect seniors and preserve long-term stability in the program.”

“While some insurers have chosen to adjust their service areas for 2026, many beneficiaries remain in their current plan, and enrollment continues to grow, albeit at a slower rate than in recent years,” the agency said in an emailed statement.

People who need help finding Medicare Advantage coverage or a medigap supplemental plan can contact a federally funded State Health Insurance Assistance Program (SHIP), which operates in every state plus the District of Columbia. The deadline for people who have an existing Medicare Advantage plan and want to switch or move into traditional Medicare is March 31 .

In New Hampshire, Petchkis, who suffered his heart attack just as covid emerged in 2020, is faithfully taking his medication and hoping he does not get seriously ill. Switching to traditional Medicare meant losing vision and dental coverage. A recent trip to a hearing specialist at Concord Hospital gave him a taste of his new financial reality.

He received a bill for the office visit of $135, plus a $55 bill for the hearing test. When he was covered by Medicare Advantage, the bill for the same procedure was a single $30 co-pay. He is applying for financial aid from Concord Hospital in a bid to get his bills reduced or waived. Navigating this new reality has been difficult, he said.

“It’s wicked confusing,” said Petchkis. “They shouldn’t put old people through this.”