



# Module 3: Medigap (Medicare Supplement Insurance) Policies

 **National Medicare  
TRAINING PROGRAM**

...helping people with Medicare make  
informed health care decisions



**Centers for Medicare & Medicaid Services**  
**National Train-the-Trainer Workshops**  
**Instructor Information Sheet**  
**Module 3**

***Medigap (Medicare Supplement Insurance) Policies***

**Module Description**

Original Medicare pays for many health care services and supplies, but it doesn't pay for all of your health care costs. You must pay for deductibles, coinsurances and copayments. These costs are sometimes called "gaps" in Medicare coverage. Medigap insurance is private health insurance that is sold by private insurance companies to supplement Original Medicare and cover the "gaps." This module provides an overview of Medigap benefits, plans, and costs.

The materials—up-to-date and ready-to-use—are designed for information givers/trainers that are familiar with the Medicare program, and would like to have prepared information for their presentations. Where applicable, updates from recent legislation are included.

The following sections are included in this module:

Slides	Topics
2	Session Objectives
4-5	What is a Medigap Policy?
6-13	Original Medicare Coverage
14-21	Medigap Basics
22-28	Special Types of Medigap Plans
29-41	Buying a Medigap Policy
42-50	Medigap Rights and Protections
51	Resources

**Objectives**

- Explain what Medigap policies are
- Relate steps needed to buy a Medigap policy
- Define the best time to buy a Medigap policy
- Recognize Medigap rights and protection

**Target Audience**

This module is designed for presentation to trainers and other information givers. It is suitable for presentation to groups of beneficiaries and other partners.

**Learning Activities**

This module contains 8 interactive learning questions that give participants the opportunity to apply the module concepts in a real-world setting. There is also a scenario to prompt discussion.

**Handouts**

There are 3 full size appendices in this workbook. You may want to refer to these during your training if you provide copies of the workbooks to attendees. Or, you may wish to make copies of the handouts and distribute them as learning aids.

**Time Considerations**

The module consists of 52 PowerPoint slides with corresponding speaker's notes. It can be presented in 1 hour. Allow approximately 30 more minutes for discussion, questions and answers.

**References**

- *2012 Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare, CMS Product No. 02110 available at [medicare.gov/ Publications/Pubs/pdf/02110.pdf](http://medicare.gov/Publications/Pubs/pdf/02110.pdf).*



Module 3 explains Medigap (Medicare Supplement Insurance) policies.

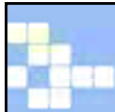
This training module was developed and approved by the Centers for Medicare & Medicaid Services (CMS), the Federal agency that administers Medicare, Medicaid, the Children's Health Insurance Program (CHIP), and Preexisting Condition Insurance Plans (PCIP). The information in this module was correct as of April 2012.

To check for updates on the new health care legislation, visit [www.healthcare.gov](http://www.healthcare.gov).

To read the Affordable Care Act visit [www.healthcare.gov/law/full/index.html](http://www.healthcare.gov/law/full/index.html)

To check for an updated version of this training module, visit <http://www.cms.gov/Outreach-and-Education/Training/NationalMedicareProgTrain/Training-Library.html> on the web.

This set of National Medicare Training Program materials is not a legal document. The official Medicare program provisions are contained in the relevant laws, regulations, and rulings.



## Session Objectives

This session should help you to

- Explain what Medigap policies are
- Relate steps needed to buy a Medigap policy
- Define the best time to buy a Medigap policy
- Recognize Medigap rights and protections

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This session should help you to

- Explain what Medigap policies are
- Relate steps needed to buy a Medigap policy
- Define the best time to buy a Medigap policy
- Recognize Medigap rights and protections




## Lessons

1. What is a Medigap policy?
2. Original Medicare Coverage
3. Medigap Basics
4. Special Types of Medigap Plans
5. Buying a Medigap Policy
6. Medigap Rights and Protections

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This module includes the following lessons:

1. What is a Medigap policy?
2. Original Medicare Coverage
3. Medigap Basics
4. Special Types of Medigap Plans
5. Buying a Medigap Policy
6. Medigap Rights and Protections



## 1. What is a Medigap policy?

- A Brief Introduction to Medigap Policies

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This brief lesson gives you basic information on Medigap policies.

## What is a Medigap Policy?

- Private health insurance for individuals
- Sold by private insurance companies
  - Licensed by your state
- Supplements Original Medicare
  - Pays share of Medicare-covered services
  - Some plans may cover extras
- Follow Federal/state laws that protect you
- Often called “Supplemental” policies

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What is a Medigap policy?

Medigap policies are private insurance policies that cover only the policyholder. Spouses must purchase their own separate Medigap policy.

They are sold by private health insurance companies licensed by your state.

They supplement Original Medicare (help pay for “gaps” in Original Medicare coverage, like deductibles, coinsurance and copayments).

- Medigap policies pay for Medicare-covered services provided by any doctor, hospital, or provider that accepts Medicare (the exception is Medigap SELECT policies that require you use specific hospitals, and in some cases, specific doctors to get full benefits).
- Some may cover some things Medicare doesn’t, depending on the Medigap plan.

All Medigap policies must follow Federal and state laws that protect people with Medicare.

People with Medicare often refer to Medigap as their “supplemental policy.”

More detailed information about Medicare coverage, is available in the publication *Your Medicare Benefits*, CMS Product No. 10116, and in the National Medicare Training Program Module 1 – *Understanding Medicare*.



## 2. Original Medicare Coverage

- Two Ways to Get Medicare
- Gaps in Original Medicare Coverage
- What is Covered in Original Medicare
  - Part A
  - Part B
- What is Not Covered

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This lesson explains

- The two ways you can get your Medicare coverage
- Gaps in Original Medicare Coverage
- What is Covered in Original Medicare
  - Part A
  - Part B
- What is Not Covered



## Two Ways to Get Medicare

### 1. Original Medicare

- Part A (Hospital Insurance)
- Part B (Medical Insurance)
- Can choose to buy Part D (Rx coverage)
- *Can choose to buy Medigap Policy*

### 2. Medicare Advantage Plans (Part C)

- Include Part A and Part B
- Sometimes include Part D (Rx coverage)
- *Medigap doesn't work with these plans*

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There are two main ways to get your Medicare coverage. You decide which way to get your coverage:

1. Original Medicare includes Part A (Hospital Insurance) and Part B (Medical Insurance). You can choose to buy Medicare prescription drug coverage (Part D) from a Medicare Prescription Drug Plan. You can also choose to buy a Medigap policy to help cover costs not covered by Original Medicare.
2. Medicare Advantage Plans (Part C) like a Health Maintenance Organization or a Preferred Provider Organization, cover Part A and Part B services and supplies. They also may include Medicare prescription drug coverage (Part D). Medigap policies don't work with these plans.

A chart that shows how you can get your Medicare coverage, and the decisions you need to make, appears on page 57 of *Medicare & You* 2012, CMS Product No. 10050. A copy of this chart is provided in the corresponding workbook. See Appendix A.

## Gaps in Original Medicare Coverage

- Original Medicare doesn't cover everything
  - Original Medicare pays a share
  - You pay a share
- Medigap policies
  - Pay all or part of your share
  - Coverage depends on the Medigap plan you buy

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There are gaps in Original Medicare coverage, which means Original Medicare doesn't cover everything.

- Original Medicare pays a share of your Medicare-covered, medically-necessary services and supplies.
- People with Original Medicare are responsible for a share of their Medicare-covered services and supplies.

Medigap policies help cover the gaps in Original Medicare coverage. Medigap, in most cases, only pays a share towards Medicare-covered services and supplies.

Coverage depends on the Medigap plan you buy.

More detailed information about Medicare coverage is available in the publication *Your Medicare Benefits*, CMS Product No. 10116.

Part A – What You Pay in Original Medicare – 2012	
Hospital Inpatient Stay	<ul style="list-style-type: none"> <li>▪ \$1,156 deductible and no coinsurance for days 1–60 each benefit period</li> <li>▪ \$289 per day for days 61–90 each benefit period</li> <li>▪ \$578 per “lifetime reserve day” after day 90 of each benefit period (up to 60 days over your lifetime)</li> <li>▪ All costs for each day after the lifetime reserve days</li> <li>▪ Inpatient mental health care in a psychiatric hospital limited to 190 days in a lifetime</li> </ul>
Skilled Nursing Facility Stay	<ul style="list-style-type: none"> <li>▪ \$0 for the first 20 days each benefit period</li> <li>▪ \$144.50 per day for days 21–100 each benefit period</li> <li>▪ All costs for each day after day 100 in a benefit period</li> </ul>

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This is what you pay in 2012 for Part A covered medically-necessary services.

- Hospital Stays
  - \$1,156 deductible for days 1 – 60
  - \$289 per day for days 61 – 90
  - \$578 per day for days 91 – 150
  - All costs after day 150
  - Inpatient mental health care in a psychiatric hospital limited to 190 days in a lifetime
- Skilled Nursing Facility Stay
  - \$0 for first 20 days
  - Up to \$144.50 per day for days 21 – 100
  - 100% after day 100

Again, Medigap policies helps cover the gaps in Original Medicare coverage (your out-of-pocket expenses). Medigap coverage depends on the plan you choose.

Part A – What You Pay in Original Medicare – 2012	
Home Health Care	<ul style="list-style-type: none"> <li>▪ \$0 for home health care services</li> <li>▪ 20% of the Medicare-approved amount for durable medical equipment</li> </ul>

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#### What you pay in 2012 – Part A covered medically-necessary services

- Home Health Care
  - \$0 for home health care services
  - 20% for durable medical equipment for providers accepting assignment (must use a contract provider if in a Competitive Bidding Area\*)

\* Only contract suppliers will be able to provide certain durable medical equipment, prosthetics, orthotics, and supply items or file claims with Medicare for payment in certain parts of the following states:

- California
- Florida
- Indiana
- Kansas
- Kentucky
- Missouri
- North Carolina
- Ohio
- Pennsylvania
- South Carolina
- Indiana
- Texas

For more information on the Competitive Bidding program visit [http://www.cms.gov/dmeposcompetitivebid/01\\_overview.asp?](http://www.cms.gov/dmeposcompetitivebid/01_overview.asp?)

## Part A – What You Pay in Original Medicare – 2012

Hospice Care	<ul style="list-style-type: none"> <li>▪ \$0 for hospice care</li> <li>▪ A copayment of up to \$5 per prescription for covered outpatient prescription drugs for symptom control or pain relief</li> <li>▪ 5% of the Medicare-approved amount for inpatient respite care (short-term care given by another caregiver so the usual caregiver can rest)</li> <li>▪ All costs for room and board for hospice care in your home or another facility where you live (like a nursing home).</li> </ul>
Blood	If the hospital buys the blood, you must either pay the hospital costs for the first 3 units you get in a calendar year or have the blood donated. Otherwise, no cost.

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What you pay in 2012 - Part A covered medically-necessary services

### Hospice Care

- 5% for inpatient respite care
- Room and board, in some cases
- \$5 for outpatient prescription drugs for symptom control or pain relief.

### Blood

- If you are an inpatient, need blood, and the hospital has to buy blood for you, each calendar year you would pay for the first 3 pints (the deductible) and 20% for any additional pints, unless you or someone else donates blood to replace what you use. In most cases, the hospital gets blood from a blood bank at no charge and you won't have to pay for it or replace it.

### Part B – What You Pay in Original Medicare – 2012

Monthly Premium	\$99.90 if new to Medicare in 2012*
Yearly Deductible	\$140

\*May be higher based on income.

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Additional gaps or out-of-pocket Part B expenses in Original Medicare include the following:

- The Part B monthly premium. The standard Medicare Part B monthly premium will be \$99.90 in 2012.
- The Part B deductible is \$140 per year in 2012.

Part B – What You Pay in Original Medicare – 2012	
Coinsurance for Part B Services	<ul style="list-style-type: none"> <li>▪ 20% coinsurance for most covered services, like doctor's services and some preventive services, if provider accepts assignment</li> <li>▪ \$0 for some preventive services</li> <li>▪ 40% coinsurance for outpatient mental health (35% in 2013, and 20% in 2014)</li> <li>▪ Copayments for hospital outpatient services</li> </ul>

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Additional gaps or out-of-pocket Part B expenses in Original Medicare include

- Coinsurance for Part B services
  - In general, 20% for most covered services for providers accepting assignment. (Covered services include medically-necessary doctor's services; outpatient therapy such as physical therapy, speech therapy, and occupational therapy subject to limits; most preventive services; durable medical equipment; and blood received as an outpatient that was not replaced after the first 3 pints).
- Some preventive services have no coinsurance and the Part B deductible doesn't apply as long as the provider accepts assignment.
- You pay 40% for outpatient mental health services for providers accepting assignment. The percentage will be changing in 2013 to 35%, and in 2014 to 20%.

### Medicare Dictionary

**Assignment** – An agreement between Medicare and health care providers and suppliers to accept the Medicare-approved amount as payment in full. You pay the deductibles and coinsurance (usually 20% of the approved amount). If assignment is not accepted, providers can charge you up to 15% above the approved amount (called the "limiting charge") and you may have to pay the entire amount up front.



### 3. Medigap Basics

- Standardized Plans
- Benefits by Plan
  - Special Plans
- What is not covered?

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Medigap Basics explains

- Standardized Plans
- Benefits by Plan
  - Including special plans
- What is not covered?



## What are Standardized Plans?

- Plans identified by a letter
  - Plans A, B, C, D, F, G, K, L, M, N are currently sold
  - Companies don't have to sell all plans
  - Plans E, H, I, J exist but are no longer sold
- Waiver states have non-standardized plans
  - Massachusetts
  - Minnesota
  - Wisconsin

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### Standardized Medigap plans

Medigap insurance companies in most states can only sell you a “standardized” Medigap policy.

As of June 1, 2010, the standardized policies being sold include Plans A, B, C, D, F, G, K, L, M, and N. The insurance companies don't have to sell all plans. Plan F has a high-deductible option.

Companies must offer Medigap Plan A if they offer any other Medigap policy. If a company sells additional plans other than Plan A, it must also offer Plan C or Plan F.

Prior to June 1, 2010, 4 other standardized plans were sold in most states, plans E, H, I, and J. These plans are still in existence but are not being sold.

Some people may still have a Medigap policy they purchased before the plans were standardized.

### Non-standardized policies (waiver states)

- Medigap policies are standardized in a different way in Massachusetts, Minnesota, and Wisconsin.

## Rules for Standardized Plans

- Each plan with the same letter must offer same basic benefits
  - For instance, all Medigap Plan A policies
    - Offer the same benefits
    - Only the policy cost will vary between companies
- You pay the Medigap premium
- You must still pay Part B premium

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The benefits in any Medigap plan identified with the same letter are the same regardless of which insurance company you purchase your policy from. So for instance, all Medigap Plan A policies offer the same benefits.

The costs may vary, so it's important to check with different companies licensed to sell Medigap policies in your state.

When you buy a Medigap policy, you pay a **premium** to the insurance company.

You must still pay your monthly Medicare Part B premium.

Medigap Benefits	Medigap Plans									
	A	B	C	D	F*	G	K**	L**	M	N
Part A Coinsurance up to an additional 365 days	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Blood	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Hospice Care Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled Nursing Coinsurance			✓	✓	✓	✓	50%	75%	✓	✓
Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B Deductible			✓		✓					
Part B Excess Charges					✓	✓				
Foreign Travel Emergency (Up to Plan Limits)			✓	✓	✓	✓			✓	✓
*Plan F has a high-deductible plan						Out-of-Pocket Limit**				
*** Plan N pays 100% Part B coinsurance with copay up to \$20/\$50 for emergency room visits not resulting in inpatient						\$4,660		\$2,330		

Basic benefits are covered by all Medigap plans. They include

- Medicare Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up
- Medicare Part B coinsurance or copayment
- Blood (First 3 Pints)
- Part A Hospice care coinsurance or copayment

**NOTE:** Plan N pays 100% of the Part B coinsurance, except for a copay of up to \$20 for some office visits and up to \$50 for emergency room visits that don't result in an inpatient admission.

Each Medigap plan covers different additional benefits.

- Skilled Nursing Facility care coinsurance - Medigap Plans C, D, F, G, K (at 50%), L (at 75%), M, and N
- Medicare Part A deductible - Medigap Plans B, C, D, F, G, K (at 50%), L (at 75%), M (at 50%) and N
- Medicare Part B deductible - Medigap Plans C and F
- Medicare Part B excess charges (the amount a health care provider is legally permitted to charge that is higher than the Medicare-approved amount) - Medigap Plans F and G
- Foreign Travel Emergency costs up to the Plan's limits - Medigap Plans C, D, F, G, M and N

**NOTE:** A full size version of this chart is in the corresponding workbook. See Appendix B.

## Exercise

**Which is *not* covered as a Medigap basic benefit?**

1. Medicare Part A coinsurance
2. Hospice coinsurance or copayment
3. Medicare Part A deductible
4. First 3 pints of blood

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### Exercise

Which is not covered as a Medigap basic benefit?

1. Medicare Part A coinsurance
2. Hospice coinsurance or copayment
3. Medicare Part A deductible
4. First 3 pints of blood

Answer: 3. Medicare Part A deductible

Coverage of the Medicare Part A deductible is not a basic benefit.

## Exercise

**Standardized plans are only available in 3 states.**

1. True
2. False

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Exercise

Standard plans are only available in 3 states.

1. True
2. False

Answer: 2. False

Most states have standardized plans.

## Scenario

Elaine has Original Medicare and a Medigap Plan F (not the high-deductible option). She has met her yearly Part B deductible.

Elaine spent 7 days in the hospital, before she went to a Skilled Nursing Facility for 2 weeks. After she was released from the SNF, she went to a doctor who doesn't accept assignment and charged the excess charge.



How much does Elaine have to pay out of pocket for these services?

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Elaine has Original Medicare and a Medigap Plan F (not the high deductible option). She has met her Medicare Part B yearly deductible. Elaine spent 7 days in the hospital, before she went to a Skilled Nursing Facility for 2 weeks. After she was released from the SNF, she went to a doctor who doesn't accept assignment and charged the excess charge. How much does Elaine have to pay out of pocket?

Medigap Benefits	Medigap Plans									
	A	B	C	D	F*	G	K**	L**	M	N
Part A Coinsurance	✓	✓	✓	✓	✓	<b>Plan F covers Elaine's share for the services she received. She pays nothing out of pocket.</b>				
Part B Coinsurance	✓	✓	✓	✓	✓					
Skilled Nursing Coinsurance			✓	✓	✓					
Part A Deductible		✓	✓	✓	✓					
Part B Deductible			✓		✓					
Part B Excess Charges					✓					

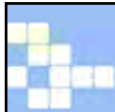
\*Plan F has a high-deductible option.

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Elaine has Medigap Plan F. Plan F covers the Part A coinsurance, the Skilled Nursing coinsurance, the Part B deductible and coinsurance, and the excess charge. Elaine pays nothing out of pocket for these services as Medicare will pay its share, and her Medigap policy will pay her share.



## 4. Special Types of Medigap Plans

- High-deductible Plan F
- Plans K and L
- Massachusetts, Minnesota, and Wisconsin (waiver states)
- Medicare SELECT (network plans)

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There are special types of Medigap plans that include

- High-deductible Plan F
- Plans K and L
- Massachusetts, Minnesota, and Wisconsin (waiver states)
- Medicare SELECT (network plans)



## High-Deductible Option – Plan F

- \$2,070 deductible for 2012
  - Amount can go up each year
- Often have lower premiums
- Out-of-pocket costs may be higher
- May not be able to change plans
- Additional deductibles
- Not available in all states

NOTE: High-deductible Plan J - No longer sold after June 1, 2010.  
If you have one you can keep it.

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Insurance companies are allowed to offer a “high-deductible option” on Plan F.

- With this option, you must pay a \$2,070 deductible in 2012 before the plan pays anything (amount can go up each year).
- High-deductible policies often have lower premiums.
- Your out-of-pocket costs may be higher.
- You may not be able to change plans. It’s the insurer’s option to allow a change in plans, e.g., some plans may not allow a change from a regular Plan F to a high-deductible Plan F.
- In addition to paying the deductible for the high-deductible option on Plan F, you must also pay a deductible for foreign travel emergencies (\$250 per year for Plans F).
- High-deductible Plan F is not available in all states.
- Plan J is no longer sold as of June 1, 2010, and was not available in all states. However, if you have one, you can keep it.

## Medigap Plans K and L

- Pay only partial costs after Medicare pays
- Have annual out-of-pocket maximum

	Plan K	Plan L
Percent Plan Pays for Most Services	50%	75%
2012 Out-of-Pocket Limit	\$4,660	\$2,330

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The Medicare Modernization Act of 2003 created two new Medigap plans, Plans K and L (which also can be sold as Medicare SELECT).

- Plans K and L must include the basic benefits.
- Plans K and L only pay partial costs after Medicare pays.
  - Plan K pays 50% of your deductible and coinsurance or copayment for most services.
  - Plan L pays 75% of your deductible and coinsurance or copayment for most services.
- Plans K and L have annual out-of-pocket maximums.
  - In 2012, Medigap Plan K has a \$4,660 out-of-pocket annual limit, and Plan L has a \$2,330 out-of-pocket annual limit.
  - The out-of-pocket annual limits can increase each year because of inflation.
- Once you meet the annual limit, the plan pays 100% of the Medicare Part A and Part B copayments and coinsurance for the rest of the calendar year, as well as the Part B deductible if it has not already been paid.

Charges from a doctor who doesn't accept assignment that exceed Medicare-approved amounts, called "excess charges," aren't covered and don't count toward the out-of-pocket limit. You will have to pay these excess charges. Excess charges are generally limited to 15% above the Medicare-approved amount.

## Minnesota, Massachusetts, Wisconsin

- Waiver states
- Different kinds of Medigap policies
- NOT labeled with letters
- Benefits comparable to standardized plans
  - Basic and optional benefits
- For information
  - Call State Insurance Department

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Minnesota, Massachusetts, and Wisconsin are waiver states. This means they

- Provide different kinds of Medigap policies NOT labeled with letters
- Provide comparable benefits to standardized plans
- Have a different system that includes basic (“core”) and optional (“rider”) benefits

**Note to instructor:** *If you don't work with people who live in one of these three states, you may want to hide this slide.*

Information on the coverage provided in these states is available in the *2012 Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare, CMS Product No. 02110*.

Call your State Health Insurance Assistance Program (SHIP) or your State Insurance Department for more information.

## Medicare SELECT Policies

- A type of Medigap policy with a network
- To get full benefits (except in emergency)
  - Must use specific hospitals and
  - May have to see specific doctors
- Can be any of the standardized plans
- Generally cost less than non-network plans
- Can switch to plan with equal or lesser value

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Another type of Medigap policy is Medicare SELECT.

- Medicare SELECT can be any of the standardized Medigap Plans. You need to use specific hospitals and, in some cases, network doctors to get full insurance benefits (except in an emergency).
- For this reason, Medicare SELECT policies generally cost less.
- If you do not use a Medicare SELECT provider for non-emergency services, you may have to pay what Medicare does not pay. Medicare will pay its share of approved charges as long as your provider participates.

If you currently have a Medicare SELECT policy, you also have the right to switch, at any time, to any regular Medigap policy being sold by the same company. The Medigap policy you switch to must have equal or less coverage than the Medicare SELECT policy you currently have. At the present time, some Medicare SELECT plans in some states resemble Preferred Provider Organizations (PPOs).

## Exercise

### Medigap Plans E, H, I and J

1. Are no longer sold
2. Are sold only in Massachusetts
3. Provide less coverage than Plan A
4. All of the above

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## Exercise

### Medigap Plans E, H, I and J

1. Are no longer sold
2. Are sold only in Massachusetts
3. Provide less coverage than Plan A
4. All of the above

Answer: 1. Are no longer sold

Medigap Plans E, H, I and J are no longer sold.

## Exercise

### Medicare SELECT Policies

1. Can only be Plan A or C
2. Have networks
3. Are more expensive
4. All of the above

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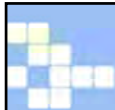
Exercise

Medicare SELECT Policies

1. Can only be Plan A or C
2. Have networks
3. Are more expensive
4. All of the above

Answer: 2. Have networks

Medicare SELECT Policies have networks (except in an emergency). You must use specific hospitals and you may have to see specific doctors.



## 5. Buying a Medigap Policy

- Medigap Key Points
- Who Can Buy a Medigap Policy
- Open Enrollment Period
- When To Buy a Medigap Policy
- Switching Medigap Policies
- Buying a Medigap Policy Under Age 65
- How Much a Medigap Policy Costs
- Steps to Buy a Medigap Policy

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Buying a Medigap Policy explains

- Medigap Key Points
- Who Can Buy a Medigap Policy
- Open Enrollment Period
- When To Buy a Medigap Policy
- Switching Medigap Policies
- Buying a Medigap Policy Under Age 65
- How Much a Medigap Policy Costs
- Steps to Buy a Medigap Policy

## Medigap Key Points

- Generally must have Medicare Parts A and B
- You pay a monthly premium for Medigap
- You pay the Medicare Part B premium
- Spouses must buy a separate policy
- Costs vary by plan and by company
- Do not work with Medicare Advantage Plans

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Medigap (Medicare Supplement Insurance) Policies

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There are some key points you should know about Medigap. To buy a Medigap policy, you generally must have Medicare Part A **and** Part B.

If you buy a Medigap policy you must continue to pay your Medicare Part B premium. You pay the insurance company a monthly premium for your Medigap policy.

Medigap policies only cover individuals. Your spouse would not be covered by your policy. Therefore, your spouse would have to purchase his or her own individual policy if he or she wants Medigap coverage.

The costs for a Medigap policy can vary by the plan you choose, and by the company from which it is purchased.

Medigap policies do not work with Medicare Advantage Plans.



## When to Buy a Medigap Policy

- May be able to buy a Medigap policy any time
  - If insurance company will sell you one
- Medigap open enrollment period (OEP)
  - 6-months when insurance company must sell
  - **Your one OEP begins when you are 65 or older and enrolled in Part B**
    - Can't be changed or replaced
  - Some states have more generous rules

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You may buy a Medigap policy any time an insurance company sells you one, but some times are better than others. The best time to buy is during your 6-month Medigap open enrollment period.

- Under Federal law, your Medigap open enrollment period lasts for 6 months. It starts on the first day of the month in which you are both age 65 or older **and** are enrolled in Medicare Part B. Laws may be more generous in some states. For instance in some states there is a continuous open enrollment period.
- Your open enrollment period can't be changed or replaced although some states have more generous rules.

Situations where you have the right to buy a Medigap policy outside of your Medigap open enrollment period are explained on slides 43-45.

## Open Enrollment Period (OEP)

- Best time to buy because companies can't
  - Refuse to sell any Medigap policy they sell
  - Delay coverage (exception below)
  - Charge more for past/present health problem
- Companies can delay coverage for
  - Pre-existing condition w/o creditable coverage
- Policies sold after 1992 guaranteed renewable

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Medigap (Medicare Supplement Insurance) Policies

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You may buy a Medigap policy any time an insurance company will sell you one, but some times are better than others to ensure your best choice, coverage, and cost.

- Generally, the best time to buy a Medigap policy is during your Medigap open enrollment period because companies can't do the following:
  - Refuse to sell any Medigap policy they sell
  - Make you wait for coverage (exception below)
  - Charge more because of a past/present health problem
- A company can make you wait for coverage if you have a pre-existing condition and haven't had creditable coverage. Prior creditable coverage is generally any other health coverage you recently had before applying for a Medigap policy. If you have had at least 6 months of continuous prior creditable coverage, the Medigap insurance company can't make you wait before it covers your pre-existing conditions.

You may want to apply for a Medigap policy before your Medigap open enrollment period starts, if your current health insurance coverage ends the month you become eligible for Medicare OR you reach age 65 to have continuous coverage without any break.

As long as you pay your Medigap premium, your policy is automatically renewed each year or "guaranteed renewable."

**NOTE:** Policies sold after 1992 are guaranteed renewable.

## Delayed Medigap Open Enrollment Period

- If you delay enrolling in Part B
  - Because you or your spouse is **still** working **and**
  - You have group health coverage
- Medigap open enrollment period is delayed
  - Until you are 65 **and** are enrolled in Part B
  - No late enrollment penalty
- Notify Social Security to delay Part B

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Medigap (Medicare Supplement Insurance) Policies

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You may want to delay enrolling in Medicare Part B if you or your spouse are working and you have group health coverage through an employer or union based on your or your spouse's **current active employment**.

Your Medigap open enrollment period won't start until after you sign up for Medicare Part B and you won't have to pay a late enrollment penalty.

If you delay Part B you delay your open enrollment period. Remember, once you're age 65 or older **and** are enrolled in Medicare Part B, the Medigap open enrollment period starts and cannot be changed. Some states have more generous rules, such as continuous open enrollment periods.

If you are **not** going to enroll in Part B due to current employment, it is important that you notify Social Security that you do not want Part B of Medicare.

Your Medigap open enrollment period starts after you sign up for Part B.

**NOTE:** Remember, if you took Part B while you had employer coverage, you don't get another open enrollment period when your employer coverage ends.

## How Much does Medigap Cost?

- Cost (monthly premium) depends on
  - Your age (in some states)
  - Where you live (e.g., urban, rural, or ZIP Code)
  - Company selling the policy
  - Discounts (female, non-smokers, married couples)
  - Medical underwriting
- Premiums vary greatly for same Medigap plan

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Medigap (Medicare Supplement Insurance) Policies

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There can be big differences in the premiums that different insurance companies charge for exactly the same coverage.

Cost depends on

- Your age (in some states)
- Where you live (e.g., urban, rural, or ZIP Code)
- Company selling the policy

Premiums vary greatly for the same coverage.

Compare the same Medigap plan sold by different companies.

- Some companies offer discounts for females, non-smokers, and/or married couples.
- Medical underwriting can also affect cost since some plans may charge more if you have a pre-existing medical condition.

### Medicare Dictionary:

**Medical Underwriting** – The process insurance companies use to review your health and medical history to decide whether to accept your application for insurance, how much to charge you, and/or whether to delay your coverage. Fill out any application you receive carefully and completely, including medical information, or your policy could be invalid. Some companies may want to review your medical records before they sell you a policy.

## Medigap Pricing Based on Age

Not all states allow all three types of rating

No-age-rated (community-rated)	<ul style="list-style-type: none"> <li>Everyone pays same regardless of age if 65 or older</li> <li>Generally least expensive over lifetime</li> </ul>
Issue-age-rated	<ul style="list-style-type: none"> <li>Based on age when purchased</li> <li>Doesn't go up automatically as you get older</li> </ul>
Attained-age-rated	<ul style="list-style-type: none"> <li>Premium based on current age</li> <li>Goes up automatically as you get older</li> <li>Costs less when you are 65</li> <li>Cost goes up each year as you get older</li> </ul>

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Medigap (Medicare Supplement Insurance) Policies

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Insurance companies have three ways to price policies based on your age. Not all states allow all three types of rating.

1. **No-age-rated** (also called community-rated) **policies**—These policies charge everyone the same rate no matter how old they are. In general, no-age-rated Medigap policies are the least expensive over your lifetime. If those under 65 have the right to buy a policy, premiums can be rated differently and they may be charged more.
2. **Issue-age-rated policies**—The premium for these policies is based on your age when you first buy the policy. The cost does not go up automatically as you get older, but may go up because of inflation.
3. **Attained-age-rated policies**—The premiums for these policies are based on your age each year. These policies are generally cheaper at age 65, but their premiums go up automatically as you get older. In general, attained-age-rated policies cost less when you are 65 than issue-age-rated or no-age-rated policies. However, when you reach the ages of 70 to 75, attained-age-rated policies usually begin to cost more than other types of policies.

When you compare premiums, be sure you are comparing the same Medigap Plan A-N. Remember, all premiums may change and go up each year because of inflation and rising health care costs.

## Buying a Medigap Policy Under Age 65

- May not be able to buy Medigap
  - People with a disability
  - People with End-Stage Renal Disease
- If available may cost more
- Some states require selling to under age 65
- New Medigap OEP at age 65

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Medigap (Medicare Supplement Insurance) Policies

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Federal law doesn't require insurance companies to sell Medigap policies to people under age 65.

The following states do require Medigap insurance companies sell to people under 65:

- Colorado, Connecticut, Florida, Georgia, Hawaii, Illinois, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, and Wisconsin
  - Medigap is not available to people with ESRD under age 65 in California, Massachusetts and Vermont
  - Medigap is only available to people under age 65 with ESRD in Delaware

Even if your state isn't on the list above, here are some things you need to know:

- Some insurance companies may voluntarily sell Medigap policies to some people under age 65.
- Some states require that people under age 65 who are buying a Medigap policy be given the best price available.
- Generally, Medigap policies sold to people under age 65 may cost more than policies sold to people over age 65.

If you live in a state that has a Medigap open enrollment period for people under age 65, you will still get another Medigap open enrollment period when you reach age 65, and you will be able to buy **any** Medigap policy sold in your state.

## Switching Medigap Policies

- You might switch policies if
  - You're paying for benefits you don't need
  - You need more benefits now
  - You want to change your insurance company
  - You find a cheaper policy
- If not in your Medigap open enrollment period
  - You may pay more for the new policy
  - There might be medical underwriting
  - Could have delay in coverage for pre-existing condition

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Medigap (Medicare Supplement Insurance) Policies

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Why might you switch policies?

- You're paying for benefits you don't need.
- You need more benefits now.
- You want to change your insurance company.
- You find a cheaper policy.
  - If you bought your Medigap policy before you were 65 (because you have a disability), you get a Medigap open enrollment period when you turn 65 as long as you are enrolled in Part B.

**NOTE:**

Medigap policies sold before 1992 may not be guaranteed renewable.

Check to see if there would be a delay in coverage for pre-existing conditions, or a waiting period for certain benefits.

You may have to pay more for your new Medigap policy and undergo medical underwriting (see next slide) if you are not in your Medicare open enrollment period.

## Switching Medigap Policies

- Right under Federal law to switch **only**
  - During your Medigap open enrollment period
  - If you have a guaranteed issue right
  - If your state has more generous requirements
  - If you move out of your Medigap SELECT service area
- 30-day *free look* period – pay both premiums
- Any time insurance company will sell you one

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Medigap (Medicare Supplement Insurance) Policies

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In most cases you won't have a right under Federal law to switch Medigap policies unless one of the following is true.

- You are within your Medigap open enrollment period.
- You have a guaranteed issue right. This means rights you have in certain situations when insurance companies are required by law to sell or offer you a Medigap policy. In these situations, an insurance company can't deny you a policy, or place conditions on a policy, such as exclusions for pre-existing conditions, and can't charge you more for a policy because of past or present health problems.
- You live in a state that has more generous requirements.
- You had a Medigap SELECT plan and moved out of the service area. If you move out of your Medigap SELECT policy's area, you can buy a standardized policy with the same or fewer benefits than your current plan, or buy Plan A, B, C, F, K, or L sold in most states by any insurance company.
  - If you switch, you don't have to cancel your first Medigap policy until you've decided to keep the second policy. You have a 30-day "free look" period to decide if you want to keep the new policy. It starts when you get your new policy. You have to pay both premiums for one month.
  - You can switch any time an insurance company is willing to sell you a Medigap policy.



## Buying a Medigap Policy

- An important decision – shop carefully
- Four steps
  1. Decide which Plan A – N meets your needs
  2. Locate companies selling Medigap in your state
  3. Call the companies and compare costs
  4. Buy the Medigap policy

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Medigap (Medicare Supplement Insurance) Policies

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To buy a Medigap policy, follow these four steps.

1. Decide which Medigap Plan A – N has the benefits you need.
2. Find out which insurance companies sell Medigap policies in your state by calling your State Health Insurance Assistance Program, your State Insurance Department, or visit [www.medicare.gov](http://www.medicare.gov) and select “Compare Health Plans and Medigap Policies in Your Area.”
3. Call the insurance companies and shop around for the best policy at a price you can afford. Page 28 of the *2012 Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare* provides a checklist to help compare Medigap policies.
4. Buy the Medigap policy. Once you choose the insurance company and the Medigap policy, apply for the policy. The insurance company must give you a clearly worded summary of your Medigap policy when you apply.

These four steps are described in greater detail on pages 25 – 30 of the *2012 Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare*, CMS Product No. 02110.

## Exercise

**An insurance company may delay Medigap coverage for a pre-existing condition if you**

1. Have Medicaid
2. Joined a Medicare Advantage Plan
3. Had a diagnosed or treated pre-existing condition and did not have creditable coverage
4. Had an undiagnosed or untreated pre-existing condition

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Medigap (Medicare Supplement Insurance) Policies

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### Exercise

An insurance company may delay Medigap coverage for a pre-existing condition if you

1. Have Medicaid
2. Joined a Medicare Advantage Plan
3. Had a diagnosed or treated pre-existing condition and did not have creditable coverage
4. Had an undiagnosed or untreated pre-existing condition

Answer: 3. Had a diagnosed or treated pre-existing condition and did not have creditable coverage

An insurance company may refuse to cover a health problem you had for up to 6 months if you were diagnosed or treated during the 6 months before your Medigap policy starts. Coverage can't be delayed just because they think you should have known to see a doctor.

If you buy a Medigap policy during your Medigap open enrollment period and if you recently had certain kinds of health coverage called "creditable coverage," it's possible to avoid or shorten waiting periods for pre-existing conditions. Prior creditable coverage is generally any other health coverage you recently had before applying for a Medigap policy. If you have had at least 6 months of continuous prior creditable coverage, the Medigap insurance company can't make you wait before it covers your pre-existing conditions. If you were without coverage for more than 63 days, you can only count creditable coverage you had after that break in coverage.

## Exercise

### If you buy a Medicare SELECT Policy...

1. Your policy is more expensive
2. You can switch to a regular policy any time
3. You can go to any doctor that accepts Medicare
4. The plan replaces your Medicare coverage

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## Exercise

### If you buy a Medicare SELECT Policy...

1. Your policy is more expensive
2. You can switch to a regular policy any time
3. You can go to any doctor that accepts Medicare
4. The plan replaces your Medicare coverage

Answer: 2. You can switch to a regular policy any time

If you currently have a Medicare SELECT policy, you also have the right to switch, at any time, to any regular Medigap policy sold by the same company. The Medigap policy you switch to must have equal or less coverage than the Medicare SELECT policy you currently have. At the present time, some Medicare SELECT plans in some states resemble Preferred Provider Organizations (PPOs).



## 6. Medigap Rights and Protections

- Guaranteed Rights
  - To Buy a Medigap Policy
  - To Suspend a Medigap Policy

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Medigap (Medicare Supplement Insurance) Policies

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Medigap Rights and Protections explains guaranteed rights to buy and to suspend a Medigap policy.

## Guaranteed Issue Rights to Buy Medigap

- Federal protections
  - You have the right to buy a Medigap policy
  - Companies must sell you a Medigap policy
  - Must cover all pre-existing conditions
  - Can't charge more
  - Apply within 63 days of date other coverage ends
- See Appendix C for all situations

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Guaranteed issue rights apply when insurance companies are required by law to sell or offer you a Medigap policy.

These are Federal protections.

Some states have additional protections.

**NOTE:** A chart of all the situations is available at [www.medicare.gov/find-a-plan/staticpages/learn/rights-and-protections.aspx](http://www.medicare.gov/find-a-plan/staticpages/learn/rights-and-protections.aspx).

## Examples of Guaranteed Issue Rights

- John is in a **Medicare Advantage** Plan. He will have a Medigap guaranteed issue right if...

He joined when first eligible at 65 and in the first year wants to change to Original Medicare

or

His plan leaves Medicare

or

His plan stops giving care in his area

or

He moves out of the plan's service area

See Appendix C for all Guaranteed Issue Rights

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Examples of situations where you have a guaranteed issue right include a Trial Right. If you joined a Medicare Advantage Plan or Programs of All-inclusive Care for the Elderly (PACE) when you were first eligible for Medicare Part A at 65, and within the first year of joining, you decide you want to switch to Original Medicare. You would have the right to buy any Medigap policy that is sold in your state by any insurance company.

Other guaranteed issue rights include if you are in a Medicare Advantage (MA) Plan, and your plan is leaving Medicare, stops giving care in your area, or if you move out of the plan's service area.

**NOTE:** A chart of all the situations is provided as a handout in the corresponding workbook. See Appendix C.

## Examples of Guaranteed Issue Rights

- Mary is in **Original Medicare**. She will have a Medigap guaranteed issue right if...

Her secondary EGHP  
or union coverage  
ends

or

She leaves her  
Medicare SELECT  
policy's service area

See Appendix C for all Guaranteed Issue Rights

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Medigap (Medicare Supplement Insurance) Policies

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You have the right to buy a Medigap policy if you have Original Medicare and an employer group health plan (including retiree or COBRA coverage) or union coverage that pays after Medicare pays, and that plan coverage ends.

You also have the right to buy a Medigap policy if you have a Medicare SELECT policy and you move out of the policy's service area.

**NOTE:** A chart of all the situations is provided as a handout in the corresponding workbook. See Appendix C.

## Right to Suspend Medigap (Group Health Plan)

- Can suspend policy if under 65
  - While enrolled in your/spouse's employer group health plan
- Get your Medigap policy back at any time
  - Notify insurer within 90 days of losing employer plan
  - No waiting period

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If you are **under** 65, have Medicare, and have a Medigap policy, you have a right to suspend your Medigap policy benefits and premiums, without penalty, while you are enrolled in your or your spouse's employer group health plan. You can enjoy the benefits of your employer's insurance without giving up your ability to get your Medigap policy back when you lose your employer coverage. States may choose to offer this right to people over 65 as well. Check with your state.

If, for any reason, you lose your employer group health plan coverage, you can get your Medigap policy back. The following is true if you notify your Medigap insurance company that you want your Medigap policy back within 90 days of losing your employer group health plan coverage.

- Your Medigap benefits and premiums will start again on the day your employer group health plan coverage stops.
- The Medigap policy must have the same benefits and premiums it would have had if you had never suspended your coverage.
- Your Medigap insurance company can't refuse to cover care for any pre-existing conditions you have.



## Right to Suspend Medigap (Medicaid)

- If you have both Medicare and Medicaid
  - You generally can't buy a Medigap policy
- You can suspend your Medigap policy
  - Within 90 days of getting Medicaid (for up to 2 years)
- You can start it up again
  - No new medical underwriting or waiting periods

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If you have both Medicare and Medicaid, most of your health care costs are covered. Medicaid is a joint Federal and state program, and coverage varies from state to state. People with Medicaid may get coverage for things that aren't covered by Medicare, like some nursing home care and home care.

If you already have Medicaid, an insurance company can't legally sell you a Medigap policy unless one of the following is true.

- Medicaid pays your Medigap premium.
- Medicaid only pays all or part of your Medicare Part B premium.
- Remember, the insurance company may use medical underwriting, which could affect acceptance, cost, and coverage date.

If you have a Medigap policy and then become eligible for Medicaid, there are a few things you should know:

- You can put your Medigap policy on hold ("suspend" it) within 90 days of getting Medicaid.
- You can suspend your Medigap policy for up to 2 years. However, you may choose to keep your Medigap policy active so you can see doctors that don't accept Medicaid or if you no longer meet Medicaid spend-down requirements.
- At the end of the suspension, you can restart the Medigap policy without new medical underwriting or waiting periods for pre-existing conditions.

**NOTE:** If you suspend a Medigap policy you bought before January 2006, and it included prescription drug coverage, you can get the same Medigap policy back, but without the prescription drug coverage.

## Right to Suspend Medigap (Medicaid)

- If you suspend your Medigap policy
  - You do not pay Medigap premiums
  - The Medigap policy will not pay benefits
- You may not want to suspend your policy
  - To see doctors who don't accept Medicaid
- Call your state Medicaid office or SHIP for help

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There are advantages to suspending your Medigap policy rather than dropping it. If you put your Medigap policy on hold (suspend it)

- You won't have to pay your Medigap policy premiums while it is suspended
- Your Medigap policy won't pay benefits while it is suspended.

In some cases, it may **not** be a good idea to suspend your Medigap policy so you may choose to see doctors who don't accept Medicaid.

Call your State Medicaid office or State Health Insurance Assistance Program (SHIP) to help you with this decision. To get their phone number, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. For questions about suspending a Medigap policy, call your Medigap insurance company.

## Exercise

**Al dropped his Medigap policy to join a Medicare Advantage Plan for the first time. He has been in the MA Plan for less than a year and wants to switch back to Original Medicare. What can he do?**

1. He can get any Medigap policy sold in his state.
2. He can get his old policy back from the same company if they still sell it.
3. He can only buy Medigap Plan C or F.
4. He can get Medigap Rx coverage if he had it before.

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### Exercise

Al dropped his Medigap policy to join a Medicare Advantage Plan for the first time. He has been in the MA Plan for less than a year and wants to switch back to Original Medicare. What can he do?

1. He can get any Medigap policy sold in his state.
2. He can get his old policy back from the same company if they still sell it.
3. He can only buy Medigap Plan C or F.
4. He can get Medigap Rx coverage if he had it before.

Answer: 2. He can get his old policy back from the same company if they still sell it.

Al can get the Medigap policy he had before he joined the Medicare Advantage Plan if the same insurance company he had before still sells it. If it included drug coverage, he can get the same policy, but without the drug coverage. If his former Medigap policy isn't available, he can buy Medigap Plan A, B, C, F, K or L that is sold in his state by any insurance company.

## Exercise

**You may have a guaranteed issue right to buy a Medigap policy if...**

1. Your employer coverage ends
2. You leave your Medicare SELECT policy's service area
3. Your Medicare Advantage Plan leaves Medicare
4. All the above

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Medigap (Medicare Supplement Insurance) Policies

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### Exercise

You may have a guaranteed issue right to buy a Medigap policy if...

1. Your employer coverage ends
2. You leave your Medicare SELECT policy's service area
3. Your Medicare Advantage Plan leaves Medicare
4. All the above

Answer: 4. All the above

You have a guaranteed issue right to buy a Medigap policy under certain conditions, including if your employer coverage ends, you leave your Medicare SELECT policy's service area, or your Medicare Advantage Plan leaves Medicare.

Medigap Resource Guide		
Information Resources	Medicare Products	
<p><b>Centers for Medicare &amp; Medicaid Services (CMS)</b> 1-800-MEDICARE (1-800-633-4227) (TTY 1-877-486-2048)</p> <p><b>Beneficiary Information</b> <a href="http://www.Medicare.gov">www.Medicare.gov</a></p> <p><b>Compare Medigap policies</b> <a href="http://www.Medicare.gov/find-a-plan/questions/medigap-home.aspx">www.Medicare.gov/find-a-plan/questions/medigap-home.aspx</a></p> <p><b>Partner Information</b> <a href="http://www.CMS.gov/Medigap/">www.CMS.gov/Medigap/</a></p>	<p><b>State Health Insurance Assistance Programs (SHIPs)*</b></p> <p><b>State Insurance Department*</b></p> <p>*For telephone numbers call CMS 1-800-MEDICARE (1-800-633-4227) 1-877-486-2048 for TTY users</p> <p><b>View the Affordable Care Act</b> <a href="http://www.healthcare.gov/law/full/index.html">www.healthcare.gov/law/full/index.html</a></p> <p><b>National Association of Insurance Commissioners</b> <a href="http://www.naic.org/">http://www.naic.org/</a></p>	<p><i>Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare</i> CMS Product No. 02110</p> <p><i>Medicare &amp; You Handbook</i> CMS Product No. 10050)</p> <p><i>Your Medicare Benefits</i> CMS Product No. 10116</p> <p><b>To access these products:</b></p> <p>View and order single copies at Medicare.gov</p> <p>Order multiple copies (partners only) at <a href="http://www.productordering.cms.hhs.gov">www.productordering.cms.hhs.gov</a></p> <p>You must register your organization.</p>



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## Your Medicare Coverage Choices

There are two main choices for how you get your Medicare coverage. Use these steps to help you decide.

### Step 1

#### Decide If You Want Original Medicare or a Medicare Advantage Plan

##### Original Medicare Includes Part A (Hospital Insurance) and/or Part B (Medical Insurance)

- Medicare provides this coverage directly.
- You have your choice of doctors, hospitals, and other providers that accept Medicare.
- Generally, you or your supplemental coverage pay **deductibles** and **coinsurance**.
- You usually pay a monthly **premium** for Part B.

### Step 2

#### Decide If You Want Prescription Drug Coverage (Part D)

- If you want this coverage, **you must join a Medicare Prescription Drug Plan**. You usually pay a monthly premium.
- These plans are run by private companies approved by Medicare.

### Step 3

- You may want to get coverage that fills gaps in Original Medicare coverage. You can choose to buy a Medicare Supplement Insurance (Medigap) policy from a private company.
- Costs vary by policy and company.
- Employers/unions may offer similar coverage.

##### Medicare Advantage Plan

(like an HMO or PPO)

##### Part C—Includes BOTH Part A (Hospital Insurance) and Part B (Medical Insurance)

- Private insurance companies approved by Medicare provide this coverage.
- In most plans, you need to use plan doctors, hospitals, and other providers or you may pay more or all of the costs.
- You usually pay a monthly premium (in addition to your Part B premium) and a **copayment** or coinsurance for covered services.
- Costs, extra coverage, and rules vary by plan.

### Step 2

#### Decide If You Want Prescription Drug Coverage (Part D)

- If you want prescription drug coverage, and it's offered by your plan, **in most cases you must get it through your plan**.
- In some types of plans that don't offer drug coverage, you can join a Medicare Prescription Drug Plan.

**Note:** If you join a Medicare Advantage Plan, you can't use Medicare Supplement Insurance (Medigap) to pay for out-of-pocket costs you have in the Medicare Advantage Plan. If you already have a Medicare Advantage Plan, you can't be sold a Medigap policy.

Medigap Benefits	Medigap Plans									
	A	B	C	D	F*	G	K**	L**	M	N
Part A Coinsurance up to an addition 365 days	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Blood	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Hospice Care Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled Nursing Coinsurance			✓	✓	✓	✓	50%	75%	✓	✓
Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B Deductible			✓		✓					
Part B Excess Charges					✓	✓				
Foreign Travel Emergency (Up to Plan Limits)			✓	✓	✓	✓			✓	✓
*Plan F has a high-deductible plan	*** Plan N pays 100% Part B coinsurance with copay up to \$20/\$50 for emergency room visits not resulting in inpatient					Out-of-Pocket Limit**				
						\$4,660		\$2,330		



## An insurance company can't refuse to sell you a Medigap policy in the following situations:

You have a guaranteed issue right if...	You have the right to buy...	You can/must apply for a Medigap policy...
<p>You're in a <a href="#">Medicare Advantage Plan</a>, and your plan is leaving Medicare or stops giving care in your area, or you move out of the plan's service area.</p>	<p>Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.</p> <p>You only have this right if you switch to <a href="#">Original Medicare</a> rather than join another Medicare Advantage Plan.</p>	<p>As early as 60 calendar days before the date your health care coverage will end, but no later than 63 calendar days after your health care coverage ends. Medigap coverage can't start until your Medicare Advantage Plan coverage ends.</p>
<p>You have Original Medicare and an employer group health plan (including retiree or COBRA coverage) or union coverage that pays after Medicare pays and that plan is ending.</p> <p><b>Note:</b> In this situation, you may have additional rights under state law.</p>	<p>Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.</p> <p>If you have COBRA coverage, you can either buy a Medigap policy right away or wait until the COBRA coverage ends.</p>	<p>No later than 63 calendar days after the latest of these 3 dates:</p> <ol style="list-style-type: none"> <li>1. Date the coverage ends</li> <li>2. Date on the notice you get telling you that coverage is ending (if you get one)</li> <li>3. Date on a claim denial, if this is the only way you know that your coverage ended</li> </ol>
<p>You have Original Medicare and a <a href="#">Medicare SELECT</a> policy. You move out of the Medicare SELECT policy's service area.</p> <p>Call the Medicare SELECT insurer for more information about your options.</p>	<p>Medigap Plan A, B, C, F, K, or L that's sold by any insurance company in your state or the state you're moving to.</p>	<p>As early as 60 calendar days before the date your Medicare SELECT coverage will end, but no later than 63 calendar days after your Medicare SELECT coverage ends.</p>

An insurance company can't refuse to sell you a Medigap policy in the following situations: (continued)

You have a guaranteed issue right if...	You have the right to buy...	You can/must apply for a Medigap policy...
( <b>Trial Right</b> ) You joined a <a href="#">Medicare Advantage Plan</a> or Programs of All-inclusive Care for the Elderly (PACE) when you were first eligible for Medicare Part A at 65, and within the first year of joining, you decide you want to switch to <a href="#">Original Medicare</a> .	Any Medigap policy that's sold in your state by any insurance company.	As early as 60 calendar days before the date your coverage will end, but no later than 63 calendar days after your coverage ends.  <b>Note:</b> Your rights may last for an extra 12 months under certain circumstances.
( <b>Trial Right</b> ) You dropped a Medigap policy to join a Medicare Advantage Plan (or to switch to a <a href="#">Medicare SELECT</a> policy) for the first time, you have been in the plan less than a year, and you want to switch back.	The Medigap policy you had before you joined the Medicare Advantage Plan or Medicare SELECT policy, if the same insurance company you had before still sells it.  If your former Medigap policy <b>isn't</b> available, you can buy Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.	As early as 60 calendar days before the date your coverage will end, but no later than 63 calendar days after your coverage ends.  <b>Note:</b> Your rights may last for an extra 12 months under certain circumstances.
Your Medigap insurance company goes bankrupt and you lose your coverage, or your Medigap policy coverage otherwise ends through no fault of your own.	Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.	No later than 63 calendar days from the date your coverage ends.
You leave a Medicare Advantage Plan or drop a Medigap policy because the company hasn't followed the rules, or it misled you.	Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.	No later than 63 calendar days from the date your coverage ends.



**E-mail: [NMTP@cms.hhs.gov](mailto:NMTP@cms.hhs.gov)**

**Website: [cms.gov/Outreach-and-Education/Training/NationalMedicareProgTrain/](https://cms.gov/Outreach-and-Education/Training/NationalMedicareProgTrain/)**

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