



## **FAQs on the Illinois Medicare-Medicaid Alignment Initiative (MMAI) and Medigap**

CMS has received a number of questions about how private Medicare Supplement Insurance (Medigap) policies relate to Illinois' Medicare-Medicaid Alignment Initiative (MMAI). MMAI does not change any existing Medigap rules. This FAQ document clarifies how Medigap rules apply to dual eligible individuals participating in MMAI.

### **Can someone sell a Medigap policy to a dual eligible individual?**

No. Longstanding federal law prohibits the sale of a Medigap policy to someone who has both Medicare and Medicaid. The only exceptions are: 1) if the state Medicaid program opts to pay the cost of the individual's Medigap premiums, which Illinois does NOT; or 2) if the beneficiary only has Medicaid to pay for Medicare premiums (i.e. a Specified Low-Income Medicare Beneficiary (SLMB) or Qualified Individual (QI) Program beneficiary). Violation of federal Medigap law can result in criminal fines and/or imprisonment for up to five years, as well as civil monetary penalties as high as \$25,000 per violation.

### **How can I report an inappropriate sale of a Medigap policy to a dual eligible individual?**

Inappropriate sales of Medigap policies to dual eligible individuals should be reported to the U.S. HHS Office of Inspector General (<https://forms.oig.hhs.gov/hotlineoperations/>) and the state Department of Insurance (<http://insurance.illinois.gov/>) for investigation.

### **Can dual eligible individuals keep a Medigap policy they already purchased before they were Medicaid-eligible?**

Yes. There is nothing in federal law that prohibits a beneficiary with Medicare and Medicaid from retaining their Medigap policy that they purchased when they only had Medicare, as long as their premiums are paid. However, it is generally not financially prudent to do so, because dual eligible beneficiaries' Medicare Part A and B cost-sharing is already covered by Medicaid.

### **What happens if a beneficiary with a Medigap policy enrolls in MMAI?**

As noted above, there is nothing in federal law that requires a beneficiary to give up a Medigap policy. However, the Medigap policy cannot pay for any MMAI services. This is true for two reasons:

1. Medigap plans cover Medicare Part A and B cost-sharing. There is no Medicare cost-sharing in MMAI (except for Part D co-payments, which are not covered by Medigap). Therefore, there is nothing for the Medigap policy to pay.
2. Under longstanding CMS policy, Medigap plans cannot cover beneficiary costs incurred under Part C (Medicare Advantage). Therefore, even if there were any Medicare cost-sharing in MMAI, it would fall under Medicare Part C and not be coverable by a Medigap policy.



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### **Can an MMAI enrollee use a Medigap policy to pay for services from an out-of-network provider?**

No. Medigap policies can only cover cost-sharing incurred under Medicare Part A or B. If an MMAI beneficiary sees an out-of-network provider, that provider must bill the MMAI plan. As noted above, there should not be any beneficiary cost-sharing under MMAI. Even if there were any Medicare beneficiary cost-sharing in this situation, it would be considered Part C cost-sharing and therefore not coverable by a Medigap policy.

### **Should MMAI enrollees drop their Medigap policy if they have one?**

This is an individual decision. As noted above, Medigap policies cannot pay for anything while the policyholder is enrolled in MMAI. However, beneficiaries who drop their Medigap policies may have difficulties obtaining new policies in the future if they lose Medicaid eligibility, because they may be subject to underwriting or face substantially higher premiums. Dual eligible individuals have an option under federal law to suspend their Medigap policy for up to 24 months, with the policy being reinstated if the beneficiary loses Medicaid eligibility. However, a dual eligible who left MMAI to return to traditional Medicare and whose Medicaid eligibility did not change would not be able to use this reinstatement option.

### **Where can I find more information about Medigap and MMAI?**

For general information about Medigap, visit <http://www.medicare.gov/supplement-other-insurance/medigap/whats-medigap.html>.

For more information for Illinois residents about Medigap, the Illinois Department of Insurance provides this fact sheet: <http://insurance.illinois.gov/HealthInsurance/MedicareSupplement.pdf>. To file a complaint, write the Office of Consumer Health Insurance (OCHI) at the Illinois Department of Insurance, 320 West Washington Street, Springfield, Illinois 62767-0001 or call 1-877-527-9431 or submit a complaint online at <https://mc.insurance.illinois.gov/messagecenter.nsf>.

For more information about Medicare coverage options, contact the Illinois Senior Health Insurance Program by calling 1-800-252-8966 or emailing [AGING.SHIP@illinois.gov](mailto:AGING.SHIP@illinois.gov) or visit their website at <https://www.illinois.gov/aging/ship/Pages/default.aspx>.

For more information about MMAI, visit <http://www2.illinois.gov/hfs/PublicInvolvement/cc/mmai/Pages/default.aspx>.