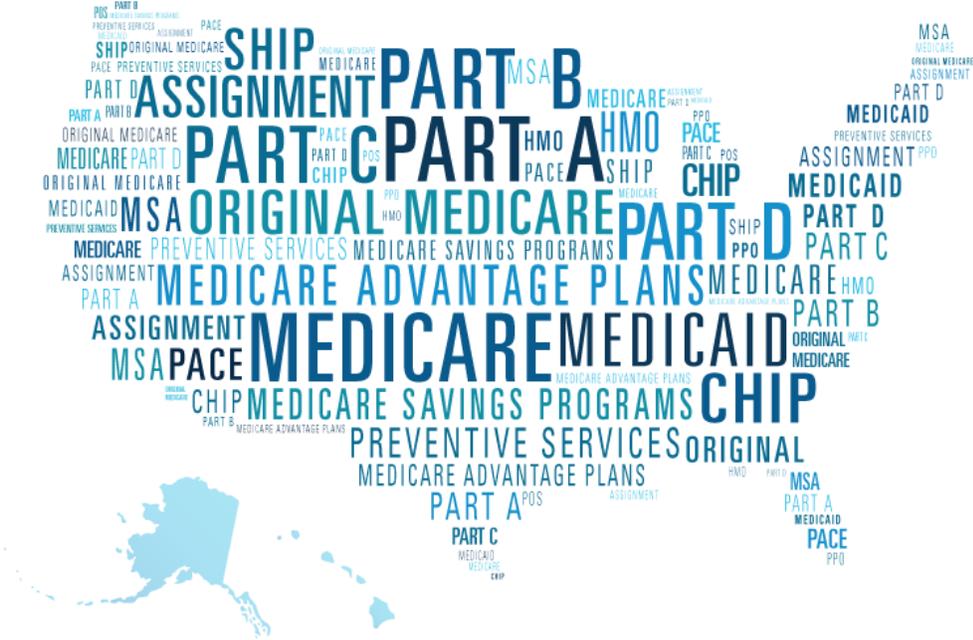


# 2014 National Training Program

# Workbook

## Module: 3 Medigap (Medicare Supplement Insurance)



**Centers for Medicare & Medicaid Services  
National Training Program  
Instructor Information Sheet**

**Module 3 - Medigap (Medicare Supplement Insurance)**

**Module Description**

The lessons in this module, Medigap (Medicare Supplement Insurance), explain what Medigap policies are and how they work with Medicare, describe the steps to purchase a Medigap policy, define the best time to buy a Medigap policy, and introduce key terms associated with Medigap insurance.

The materials—up-to-date and ready-to-use—are designed for information givers/trainers who are familiar with the Medicare program, and would like to have prepared information for their presentations.

**Objectives**

- Explain what Medigap policies are
- Understand key Medigap terms
- Relate steps needed to buy a Medigap policy
- Define the best time to buy a Medigap policy
- Explain guaranteed issue rights
- Know where to get information on Medigap rights and protections

**Target Audience**

This module is designed for presentation to trainers and other information givers.

**Time Considerations**

The module consists of 49 PowerPoint slides with corresponding speaker's notes, knowledge check activities, and scenarios. It can be presented in 50 minutes. Allow approximately 30 more minutes for discussion, questions, and answers. Additional time may be added for add-on activities.

**Course Materials**

Most materials are self-contained within the module. Medigap laws vary by state, and not all plans are available in all states. Presenters should review the presentation and hide any slides that are not applicable to their audience.

## Module 3: Medigap (Medicare Supplement Insurance)

### Contents

Introduction .....	<a href="#">1</a>
Session Objectives.....	<a href="#">2</a>
Lesson 1—Introduction to Medigap .....	<a href="#">3</a>
Your Medicare Coverage Choices .....	<a href="#">4</a>
Medigap Policies .....	<a href="#">5</a>
Gaps in Original Medicare Coverage .....	<a href="#">6</a>
Part A—What You Pay in Original Medicare—2014.....	<a href="#">7</a>
Part B—What You Pay in Original Medicare—2014.....	<a href="#">8</a>
Lesson 2—Medigap Plans .....	<a href="#">11</a>
Medigap Plan Types .....	<a href="#">12</a>
Special Types of Medigap Plans .....	<a href="#">14</a>
Massachusetts, Minnesota, Wisconsin.....	<a href="#">15</a>
Medicare SELECT Policies.....	<a href="#">16</a>
Medigap Costs.....	<a href="#">17</a>
Medigap Pricing Based on Age .....	<a href="#">18</a>
Lesson 3—Buying a Medigap Policy .....	<a href="#">21</a>
The Best Time to Buy a Medigap Policy.....	<a href="#">22</a>
Delayed Medigap Open Enrollment Period (OEP) .....	<a href="#">23</a>
Pre-existing Conditions and Medigap.....	<a href="#">24</a>
Medigap for People With a Disability or End-Stage Renal Disease .....	<a href="#">25</a>
Steps to Buy a Medigap Policy .....	<a href="#">26</a>
Why Switch Medigap Policies? .....	<a href="#">27</a>
When Can You Switch Medigap Policies?.....	<a href="#">28</a>
Lesson 4—Medigap Rights and Protections .....	<a href="#">31</a>
Guaranteed Issue Rights .....	<a href="#">32</a>
Examples of Guaranteed Issue Rights.....	<a href="#">33</a>
Guaranteed Renewable Plans.....	<a href="#">35</a>
Right to Suspend Medigap for People With Medicaid .....	<a href="#">36</a>

## Contents (continued)

Right to Suspend Medigap.....	<a href="#">37</a>
Right to Suspend Medigap for People Under Age 65 .....	<a href="#">38</a>
Review Scenario 1 .....	<a href="#">40</a>
Review Scenario 2 .....	<a href="#">42</a>
Key Points .....	<a href="#">44</a>
Medigap Resource Guide.....	<a href="#">45</a>
CMS National Training Program Contact Information.....	<a href="#">46</a>
Appendix A.....	<a href="#">47</a>
Appendix B.....	<a href="#">48</a>
Appendix C.....	<a href="#">51</a>
Check Your Knowledge Answer Key .....	<a href="#">53</a>
Acronyms .....	<a href="#">55</a>
Index.....	<a href="#">56</a>



## 2014 National Training Program

Module 3  
Medigap  
(Medicare Supplement Insurance)

Module 3 explains Medigap (Medicare Supplement Insurance) policies.

This training module was developed and approved by the Centers for Medicare & Medicaid Services, the federal agency that administers Medicare, Medicaid, the Children’s Health Insurance Program (CHIP), and the Federally-facilitated Health Insurance Marketplace. The information in this module was correct as of May 2014.

To check for an updated version of this training module, visit [cms.gov/outreach-and-education/training/cmsnationaltrainingprogram/index.html](https://www.cms.gov/outreach-and-education/training/cmsnationaltrainingprogram/index.html).

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

## Session Objectives

This session will help you

- Explain what Medigap policies are
- Understand key Medigap terms
- Relate steps needed to buy a Medigap policy
- Define the best time to buy a Medigap policy
- Explain guaranteed issue rights
- Know where to get information on Medigap rights and protections

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

This session will help you:

- Explain what Medigap policies are
- Understand key Medigap terms
- Relate steps needed to buy a Medigap policy
- Define the best time to buy a Medigap policy
- Explain guaranteed issue rights
- Know where to get information on Medigap rights and protections

## Lesson 1—Introduction to Medigap

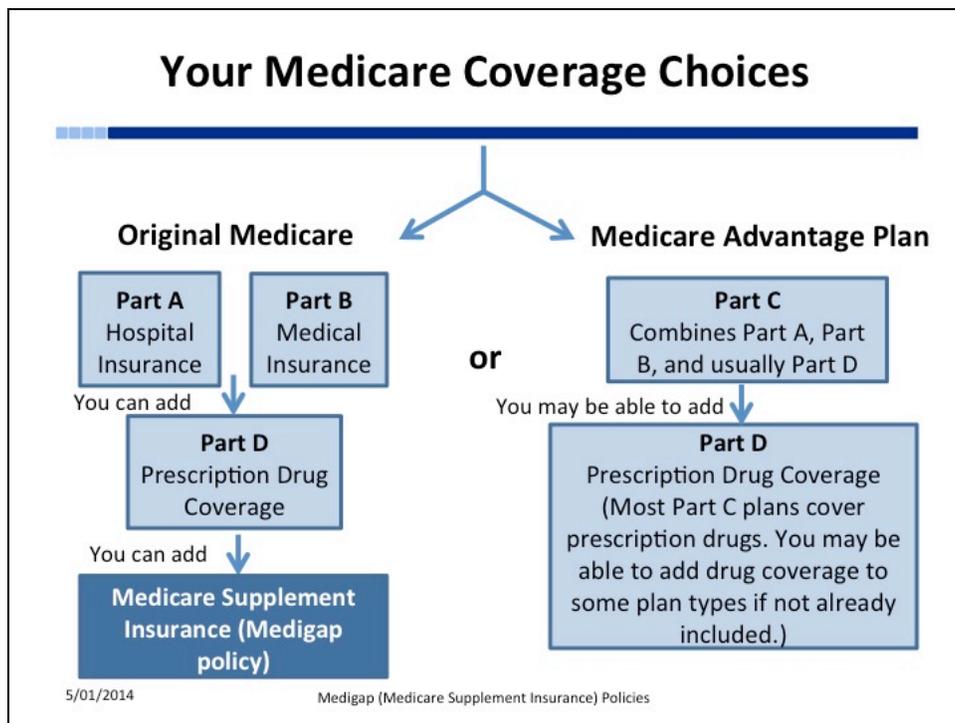
### Introduction to Medigap Policies

- Medicare Program Overview
- Medigap Overview

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

This brief lesson gives you basic information on Medigap policies. It discusses how they work with Medicare, and what Medigap plans cover.



There are two main ways to get your Medicare coverage, Original Medicare, and Medicare Advantage (MA) Plans. You can 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 some costs not covered by Original Medicare.
2. MA 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.

Medicare Part A helps cover inpatient care in hospitals, skilled nursing facility, hospice, and home health care.

Medicare Part B helps cover doctors' and other health care providers' services, hospital outpatient care, durable medical equipment, home health care, and preventive services.

Medicare Part C includes all benefits and services covered under Part A and Part B. Part C plans are run by Medicare-approved private insurance companies and usually include Medicare prescription drug coverage (Part D) as part of the plan. It may include extra benefits and services for an extra cost.

Medicare Part D helps cover the cost of prescription drugs. Part D plans are offered by Medicare-approved private insurance companies.

## Medigap Policies

- Medicare Supplement Insurance policy (also called Medigap)
  - Private health insurance
  - Supplements Original Medicare
    - Helps pay some health care costs that Original Medicare doesn't cover (coverage "gaps")
    - Medicare will pay its share of the Medicare-approved amounts for covered health care costs
    - Then your Medigap policy pays its share

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

A Medicare Supplement Insurance policy (also called Medigap) is private health insurance that's designed to supplement Original Medicare. This means it helps pay some of the health care costs that Original Medicare doesn't cover (like copayments, coinsurance, and deductibles). These are "gaps" in Medicare coverage. If you have Original Medicare and a Medigap policy, Medicare will pay its share of the Medicare-approved amounts for covered health care costs. Then your Medigap policy pays its share.

## Gaps in Original Medicare Coverage

- Original Medicare doesn't cover everything
  - Original Medicare pays a share
  - You pay a share
    - Deductibles
    - Coinsurance/Copayments
    - Monthly premiums
- Medigap policies
  - Pay all or part of your share
  - Coverage depends on which Medigap plan you buy

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

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.

Generally, you pay a set amount for your health care (deductible) before Medicare pays its share.

Then, Medicare begins to pay its share, and you pay your share (coinsurance/ copayment) for covered services and supplies. There's no yearly limit for what you pay out-of-pocket.

You usually pay a monthly premium for Part B.

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

Coverage depends on which Medigap plan you buy.

## Part A—What You Pay in Original Medicare—2014

Hospital Inpatient Stay	<ul style="list-style-type: none"> <li>▪ \$1,216 deductible and no coinsurance for days 1–60 each benefit period</li> <li>▪ \$304 per day for days 61–90 each benefit period</li> <li>▪ \$608 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 Care	<ul style="list-style-type: none"> <li>▪ \$0 for the first 20 days of each benefit period</li> <li>▪ \$152 per day for days 21–100 of each benefit period</li> <li>▪ All costs for each day after day 100 in a benefit period</li> </ul>
Home Health Care Services	<ul style="list-style-type: none"> <li>▪ \$0 for home health care services</li> <li>▪ 20 percent of the Medicare-approved amount for durable medical equipment</li> </ul>

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

There are costs you pay in Original Medicare. Some of these costs may be covered by a Medigap policy. This is what you pay per benefit period in 2014 for Part A–covered medically-necessary services:

- Hospital Inpatient Stay
  - \$1,216 deductible for days 1–60
  - \$304 coinsurance per day for days 61–90
  - \$608 per “lifetime reserve day” after day 90 of each benefit period (up to 60 days over your lifetime)
  - All costs for each day after the lifetime reserve days
  - Inpatient mental health care in a psychiatric hospital limited to 190 days in a lifetime
- Skilled Nursing Facility Care
  - \$0 for first 20 days of each benefit period
  - Up to \$152 coinsurance per day for days 21–100 of each benefit period
  - All costs after day 100
- Home Health Care Services
  - \$0 for home health care services
  - 20 percent of the Medicare-approved amount (coinsurance) for durable medical equipment for providers accepting assignment (must use a contract provider if in a Competitive Bidding Area)

## Part B—What You Pay in Original Medicare—2014

Monthly Premium	\$104.90 in 2014*
Yearly Deductible	\$147.00
Coinsurance for Part B Services	<ul style="list-style-type: none"> <li>▪ 20 percent 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>▪ 20 percent coinsurance for outpatient mental health services, and copayments for hospital outpatient services</li> </ul>

\*May be higher based on income.

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

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 is \$104.90 in 2014. This may be higher, based on your income.
- The annual Part B deductible is \$147 in 2014.
- Coinsurance for Part B services. In general, it’s 20 percent for most covered services for providers accepting assignment.
- Assignment is 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 percent of the approved amount). If assignment isn’t accepted, providers can charge you up to 15 percent above the approved amount (called the “limiting charge”), and you may have to pay the entire amount up front. 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 wasn’t 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 20 percent for outpatient mental health services (visits to a doctor or other health care provider to diagnose your condition or monitor or change your prescriptions, or outpatient treatment of your condition [like counseling or psychotherapy] for providers accepting assignment).

## Check Your Knowledge—Question 1



Medigap policies are sold by

- a. The Centers for Medicare & Medicaid Services
- b. Private insurance companies
- c. State governments
- d. None of the above



Refer to page 55 to check your answers.

## Check Your Knowledge—Question 2



Medigap plans work with all types of Medicare plans.

- a. True
- b. False



Refer to page 55 to check your answers.

## Lesson 2—Medigap Plans

- Medigap Plan Types
  - Standardized Plans
  - Waiver States
- Benefits by Plan
- Medigap Costs

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

Lesson 2 will cover Medigap Plans, how they are structured, benefits by plan type, coverage details, and plan costs.

## Medigap Plans

- Standardized plans identified by a letter
  - Plans A, B, C, D, F, G, K, L, M, and N are currently sold
  - Companies don't have to sell all plans
  - Plans E, H, I, and J exist but are no longer sold
  - Plans with the same letter must offer the same basic benefits
    - Only the policy cost will vary between companies
- Waiver states (Massachusetts, Minnesota, and Wisconsin) standardize in a different way

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

12

In most states, Medigap insurance companies can only sell you a standardized Medigap policy identified by letters A through N. Plans D and G with an effective date on or after June 1, 2010, have different benefits than Plans D and G bought before June 1, 2010. Plans E, H, I, and J are no longer sold, but, if you already have one, you can generally keep it. Plan F has a high-deductible option.

Each standardized Medigap plan must offer the same basic benefits, no matter which insurance company sells it. The benefits in any Medigap plan identified with the same letter are the same regardless of which insurance company you purchase your policy from. Cost is usually the only difference between Medigap policies with the same letter sold by different insurance companies. People are encouraged to shop carefully for their Medigap policies.

Insurance companies selling Medigap policies are required to make Plan A available. If they offer any other Medigap plan, they must also offer either Medigap Plan C or Plan F. Not all types of Medigap policies may be available in your state. If you need more information, call your State Insurance Department or State Health Insurance Assistance Program.

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

Medigap policies are standardized in a different way in Massachusetts, Minnesota, and Wisconsin. These are called waiver states.

## Medigap Plan Types

Benefits	Medicare Supplement Insurance (Medigap) Plans									
	A	B	C	D	F*	G	K**	L**	M	N
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100% ***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Medicare Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Medicare Part B deductible			100%		100%					
Medicare Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			100%	100%	100%	100%			100%	100%
* Plan F also offers a high-deductible plan in some states. If you choose this option, this means you must pay for Medicare-covered costs (coinsurance, copayments, deductibles) up to the deductible amount of \$2,140 in 2014 before your policy pays anything.							Out-of-pocket limit in 2014			
**For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$147 in 2014), the Medigap plan pays 100% of covered services for the rest of the calendar year.							\$4,940	\$2,470		
*** Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.										

All Medigap policies cover a basic set of benefits, including the following:

- 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

In addition, each Medigap Plan covers different benefits:

- The skilled nursing facility care coinsurance is covered by Medigap Plans C, D, F, G, M, and N (at 100 percent), L (at 75 percent), and K (at 50 percent)
- The Medicare Part A deductible is covered by Medigap Plans B, C, D, F, G, and N (at 100 percent), L (at 75 percent) and K (at 50 percent)
- The Medicare Part B deductible is covered by Medigap Plans C and F
- The Medicare Part B excess charges are covered by Medigap Plans F and G
- Foreign travel emergency costs up to the plan's limits are covered by Medigap Plans C, D, F, G, M, and N

\*Plan F also offers a high-deductible plan in some states.

\*\*Plans K and L have out-of-pocket limits of \$4,940 and \$2,470, respectively, in 2014.

This chart is also included full size as Appendix A (page 49).

## Special Types of Medigap Plans

- Massachusetts, Minnesota, and Wisconsin (waiver states)
- Medicare SELECT (network plans)

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

There are special types of Medigap plans that include:

- Massachusetts, Minnesota, and Wisconsin (waiver states)
- Medicare SELECT (network plans)

## Massachusetts, Minnesota, Wisconsin

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

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

Massachusetts, Minnesota, 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

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

### Need more information?

“2014 Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare,” CMS Product No. 02110, will provide help if you’re thinking about buying a Medigap Policy or already own one:

[medicare.gov/pubs/pdf/02110.pdf](http://medicare.gov/pubs/pdf/02110.pdf).



## 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
- Not available in all states

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

Medicare SELECT is a type of Medigap policy sold in some states that requires you to use hospitals and, in some cases, doctors within its network to be eligible for full insurance benefits (except in an emergency). Medicare SELECT can be any of the standardized Medigap Plans.

These policies generally cost less than other Medigap policies. However, if you don't use a Medicare SELECT hospital or doctor for non-emergency services, you'll have to pay some or all of what Medicare doesn't pay. Medicare will pay its share of approved charges no matter which hospital or doctor you choose.

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.

If you have a Medicare SELECT policy and you move out of the policy's area, you:

- Can buy a standardized Medigap policy from your current Medigap policy insurance company that offers the same or fewer benefits than your current Medicare SELECT policy. If you've had your Medicare SELECT policy for more than 6 months, you won't have to answer any medical questions.
- Have a guaranteed issue right to buy any Medigap Plan A, B, C, F, K, or L that's available for sale in most states by any insurance company.

Medicare SELECT policies aren't available in all states.

## Medigap Costs

- 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 (women, non-smokers, married couples)
  - Medical underwriting
    - Process insurance companies use to decide, based on your medical history, whether to accept your application for insurance, whether to add a waiting period for pre-existing conditions, and how much to charge you
- Premiums may vary greatly for same Medigap plan

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

There can be big differences in the premiums that different insurance companies charge for exactly the same coverage. Costs depend on your age (in some states), where you live (e.g., urban, rural, or ZIP Code), and the company selling the policy. The cost of your Medigap policy may also depend on whether the insurance company does any of the following:

- Offers discounts (such as discounts for women, non-smokers, or people who are married; discounts for paying yearly; discounts for paying your premiums using electronic funds transfer; or discounts for multiple policies).
- Uses medical underwriting (reviews your medical history to decide whether to accept your application, add a waiting period for a pre-existing condition, if your state law allows it) or charges you more, or applies a different premium when you don't have a guaranteed issue right, or aren't in a Medigap open enrollment period.
- Sells Medicare SELECT policies that may require you to use certain providers. If you buy this type of Medigap policy, your premium may be less.
- Offers a high-deductible option for Medigap Plan F.

## 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>▪ Costs less when you are 65</li><li>▪ Cost goes up each year as you get older</li></ul>

Premiums may go up due to inflation and other factors.

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

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. Premiums may go up because of inflation and other factors, but not because of your age.
2. **Issue-age-rated policies**—The premium for these policies is based on your age when you first buy the policy. Premiums are lower for people who buy at a younger age. Premiums may go up because of inflation and other factors, but not because of your age.
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 become the most expensive. Premiums may also go up because of inflation and other factors.

When you compare premiums, be sure you are comparing the same Medigap Plan A–N.

## Check Your Knowledge—Question 3



Standardized plans are only available in three states.

- a. True
- b. False



Refer to page 55 to check your answers.

## Check Your Knowledge—Question 4



Which words make the following statement true?

“Each Medigap plan with the same letter must offer the same \_\_\_\_\_ may vary between insurance companies.”

- a. deductibles, but the policy costs
- b. policy benefits, but the coverage options
- c. benefit costs, but the coverage options
- d. basic benefits, but the policy costs



Refer to page 55 to check your answers.

## Lesson 3—Buying a Medigap Policy

- The Best Time to Buy a Medigap Policy
- Switching Medigap Policies
- Steps to Buy a Medigap Policy

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

Lesson 3 will cover

- The Best Time to Buy a Medigap Policy
- Switching Medigap Policies
- Steps to Buy a Medigap Policy

## The Best Time to Buy a Medigap Policy

- Medigap open enrollment period (OEP)
  - Six months when insurance company must sell
  - Guaranteed issue period without medical underwriting
  - 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
- May be able to buy a Medigap policy any time an insurance company will sell you one

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

It's very important to understand your Medigap open enrollment period (OEP). The best time to buy a Medigap policy is during your Medigap OEP. This period lasts for 6 months and begins on the first day of the month in which you're both 65 or older and enrolled in Medicare Part B. If you apply during your Medigap OEP, you can buy any Medigap policy the company sells, even if you have health problems, for the same price as people with good health. If you apply for Medigap coverage **after** your OEP, there's no guarantee that an insurance company will sell you a Medigap policy if you don't meet the medical underwriting requirements, **unless** you're eligible due to limited situations we will discuss later.

It's also important to understand that your Medigap rights may depend on when you choose to enroll in Medicare Part B. If you're 65 or older, your Medigap OEP begins when you enroll in Part B, and it can't be changed or repeated. In most cases, it makes sense to enroll in Part B and purchase a Medigap policy when you're first eligible for Medicare, because you might otherwise have to pay a Part B late enrollment penalty, and you might miss your Medigap OEP. However, there are exceptions if you have employer coverage.

While the insurance company can't make you wait for your coverage to start, it may be able to make you wait for coverage related to a pre-existing condition (see slide 24).

Remember, for Medicare-covered services, Original Medicare will still cover the condition, even if the Medigap policy won't cover your out-of-pocket expenses. You may buy a Medigap policy any time an insurance company will sell you one.

**NOTE:** Some states have additional OEPs, including those for people under age 65.

## Delayed Medigap Open Enrollment Period (OEP)

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

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

If you have group health coverage through an employer or union, because either you or your spouse is currently actively working, you may want to wait to enroll in Medicare Part B. This is because benefits based on current employment often provide coverage similar to Part B, and you would be paying for Part B before you need it, and your Medigap open enrollment period (OEP) might expire before a Medigap policy would be useful.

When the employer coverage ends, you'll get a chance to enroll in Part B without a late enrollment penalty, which means your Medigap OEP will start when you're ready to take advantage of it. If you enroll in Part B while you still have current employer coverage, your Medigap OEP will start, and unless you buy a Medigap policy before you need it, you will miss your OEP entirely. If you or your spouse is still working and you have coverage through an employer, contact your employer or union benefits administrator to find out how your insurance works with Medicare.

If you aren't going to enroll in Part B due to current employment, it's important that you notify Social Security that you don't want Medicare Part B.

**NOTE:** Remember, if you took Part B while you had employer coverage, you don't get another Medigap OEP when your employer coverage ends. You must have both Medicare Part A and Medicare Part B to purchase a Medigap policy.

See slide 25 for Medigap enrollment information for people with End-Stage Renal Disease.

## Pre-Existing Conditions and Medigap

- Health problem you had before the new insurance policy starts
  - Treated or diagnosed 6 months before coverage start date
- Pre-Existing Condition Waiting Period
  - Insurance companies can refuse to cover out-of-pocket costs for excluded condition for up to 6 months (“look back period”)
    - Without 6 months of prior creditable coverage
      - With no break in coverage more than 63 days

The Affordable Care Act doesn't impact the pre-existing condition waiting period for Medigap coverage.

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

The insurance company may be able to make you wait for coverage related to a pre-existing condition (i.e., a health problem you have before the date a new insurance policy starts) for up to 6 months. This is called a “pre-existing condition waiting period.” After 6 months, the Medigap policy will cover the pre-existing condition.

Coverage for a pre-existing condition can only be excluded in a Medigap policy if the condition was treated or diagnosed within 6 months before the date the coverage starts under the Medigap policy. This is called the “look-back period.” Original Medicare will still cover the condition, even if the Medigap policy won't cover your out-of-pocket costs, but you're responsible for the Medicare coinsurance or copayment.

If you buy a Medigap policy during your Medigap open enrollment period and you're replacing certain kinds of health coverage that count as “creditable coverage” (generally any other health coverage you recently had before applying for a Medigap policy), it's possible to avoid or shorten this waiting period. If you have had at least 6 months of continuous prior creditable coverage (with no break in coverage for more than 63 days), the Medigap insurance company can't make you wait before it covers your pre-existing conditions.

If you buy a Medigap policy when you have a guaranteed issue right (also called “Medigap protection,”) the insurance company can't use a pre-existing condition waiting period.

## Medigap for People With a Disability or End-Stage Renal Disease (ESRD)

- People with a disability or ESRD may not be able to buy a policy until they turn 65
  - Some states require insurers to sell Medigap policies to people with a disability or ESRD
- Companies may voluntarily sell Medigap policies
  - May cost more than policies sold to people over 65
  - Can use medical underwriting
- Get a Medigap open enrollment period at age 65

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

If you're under 65 and have Medicare because of a disability or End-Stage Renal Disease (ESRD), you might not be able to buy the Medigap policy you want, or any Medigap policy, until you turn 65. Federal law doesn't require insurance companies to sell Medigap policies to people under 65. However, the following states require Medigap insurance companies to sell you a Medigap policy, even if you're under 65:

- California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Vermont, and Wisconsin

However, Medigap isn't available to people with ESRD under age 65 in California, Massachusetts, or Vermont. In Delaware, Medigap is only available to people under age 65 with ESRD.

Even if your state isn't on the list above, some insurance companies may voluntarily sell Medigap policies to people under 65, although they'll probably cost you more than Medigap policies sold to people over 65, and they can use medical underwriting. Check with your State Insurance Department about what rights you might have under state law.

Remember, if you're already enrolled in Medicare Part B, you'll get a Medigap open enrollment period (OEP) when you turn 65. You will probably have a wider choice of Medigap policies and be able to get a lower premium at that time. During the Medigap OEP, insurance companies can't refuse to sell you any Medigap policy due to a disability or other health problem, or charge you a higher premium (based on health status) than they charge other people who are 65.

Because Medicare (Part A and/or Part B) is creditable coverage, if you had Medicare for more than 6 months before you turned 65, you may not have a pre-existing condition waiting period.

## Steps to Buy a Medigap Policy

- STEP 1:** Decide which benefits you want, then decide which of the standardized Medigap Plans meets your needs
- STEP 2:** Find out which insurance companies sell Medigap policies in your state
- STEP 3:** Call the insurance companies that sell the Medigap policies you're interested in and compare costs
- STEP 4:** Buy the Medigap policy

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

**STEP 1: Decide which benefits you want, and then decide which of the Medigap Plans meets your needs.** Think about your current and future health care needs when deciding which benefits you want, because you might not be able to switch Medigap policies later.

**STEP 2: Find out which insurance companies sell Medigap policies in your state.** Call your State Health Insurance Assistance Program. Ask if they have a Medigap rate comparison shopping guide for your state. This guide usually lists companies that sell Medigap policies in your state and their costs. Or, call your State Insurance Department or visit [medicare.gov/find-a-plan/questions/medigap-home.aspx](http://medicare.gov/find-a-plan/questions/medigap-home.aspx). If you don't have a computer, your local library or senior center may be able to help you look at this information. You can also call 1-800-MEDICARE (1-800-633-4227). A customer service representative will help you. TTY users should call 1-877-486-2048.

**STEP 3: Call the insurance companies that sell the Medigap policies you're interested in and compare costs.** Use the checklist on page 28 of the "2014 Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare," CMS Product No. 02110, to help compare.

**STEP 4: Buy the Medigap policy.** Once you decide on the insurance company and the Medigap policy you want, you should apply. The insurance company must give you a clearly worded summary of your Medigap policy.

### Need more information?

These steps are described in greater detail on pages 25–30 of the "2014 Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare," CMS Product No. 02110: [medicare.gov/pubs/pdf/02110.pdf](http://medicare.gov/pubs/pdf/02110.pdf).



## Why Switch 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

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

You may want to switch Medigap policies if you're paying for benefits you don't need, you need more benefits now, you want to change your insurance company, or 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.

If you had your old policy for less than 6 months, the insurance company may be able to make you wait and delay coverage of a pre-existing condition for up to 6 months. If your old policy had the same benefits, and you had it for 6 months or more, the new insurance company can't exclude your pre-existing condition. If you had your policy less than 6 months, the number of months you had your current Medigap policy must be subtracted from the time you must wait before your new policy covers your pre-existing condition.

If the new Medigap policy has a benefit that isn't in your current policy, that benefit coverage may still be delayed up to 6 months, regardless of how long you've had your current Medigap policy.

If you've had your current Medigap policy longer than 6 months and want to replace it with a new one with the same benefits and the insurance company agrees to issue the new policy, they can't write pre-existing conditions, waiting periods, elimination periods, or probationary periods into the replacement policy.

## When Can You Switch Medigap Policies?

- A 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
- 30-day *free-look* period – pay both premiums
- Anytime insurance company will sell you one

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

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 is a right 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.

**NOTE:** If you move out of your Medicare 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 1 month.

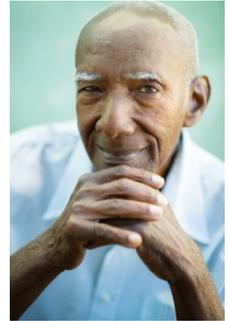
You can switch anytime an insurance company is willing to sell you a Medigap policy.

## Check Your Knowledge—Question 5



The best place for a person who has Medicare due to a disability or End-Stage Renal Disease to learn about rights to purchase a Medigap policy in their state is

- a. Medicare.gov
- b. Insurance companies that offer Medigap policies
- c. State Insurance Department
- d. The Internet



Refer to page 56 to check your answers.

## Check Your Knowledge—Question 6



The best time to buy a Medigap policy is

- a. When your Medicare expenses increase substantially
- b. Whenever it's convenient for you
- c. During the Medicare annual enrollment period
- d. During your Medigap open enrollment period



Refer to page 56 to check your answers.

## Lesson 4—Medigap Rights and Protections

- Medigap Guaranteed Issue Rights
- Guaranteed Renewable Plans
- Right to Suspend a Medigap Policy

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

Lesson 4 explains guaranteed rights to buy a Medigap policy, which plans are guaranteed renewable, and when you may be able to suspend a Medigap policy.

## Guaranteed Issue Rights

- Federal protections in certain situations
  - You have the right to buy a Medigap policy
  - Companies must sell you a Medigap policy
  - All pre-existing conditions must be covered
  - Can't be charged more
  - Must apply within 63 days of date other coverage ends
- See Appendix C for all situations

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

Guaranteed issue rights are federal protections 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 Medigap policy, or place conditions on a Medigap policy, such as exclusions for pre-existing conditions, and can't charge you more for a Medigap policy because of a past or present health problem.

In many cases, you have a guaranteed issue right when you have other health coverage that changes in some way, such as when you lose or drop the other health care coverage. In other cases you have a "Trial Right" to try a Medicare Advantage Plan and still buy a Medigap policy if you change your mind.

Some states have additional protections.

**NOTE:** See Appendix C for all situations (pages 53–54).

## 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 for Part A at 65, and in the first year wants to change to Original Medicare (Trial Right)

or

His plan leaves Medicare

or

His plan stops giving care in his area

or

He moves out of the plan's service area

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

These are examples of situations where you have a guaranteed issue right that includes a Trial Right. If you joined a Medicare Advantage (MA) Plan or Programs of All-inclusive Care for the Elderly 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 an 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.

## Examples of Guaranteed Issue Rights

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

Her employer group health plan or union coverage that pays after Medicare pays is ending

or

She has a Medicare SELECT policy and moves out of her Medicare SELECT policy's service area

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

You have the right to buy a Medigap policy if you have Original Medicare and an employer group health plan (including retiree or Consolidated Omnibus Budget Reconciliation Act 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.

## Guaranteed Renewable Plans

- Medigap policies purchased after 1992 are guaranteed renewable
- Your insurance company can't drop you unless one of the following happens
  - You stop paying your premium
  - You weren't truthful on the Medigap policy application
  - The insurance company becomes bankrupt or insolvent

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

Medigap policies issued after 1992 are guaranteed renewable. The insurance company that issued your plan can't drop your Medigap coverage unless you stop paying your premium, you weren't truthful about something on the Medigap policy application, or if the insurance company goes bankrupt.

## Right to Suspend Medigap for People With 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

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

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 health 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 the date of coverage.

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 who 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

- If you suspend your Medigap policy
  - You don't pay Medigap premiums
  - The Medigap policy won't pay benefits
- You may not want to suspend your policy
  - To see doctors who don't accept Medicaid
- Call your state Medicaid office or State Health Insurance Program for help

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

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 premiums while it's suspended. Keep in mind that your Medigap policy won't pay benefits while it's 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.

### Need more information?

Call your state Medicaid office or State Health Insurance Assistance Program 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.



## Right to Suspend Medigap for People Under Age 65

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

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

If you are **under** age 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. There is no limit to the amount of time that your policy can be suspended.

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.

## Check Your Knowledge—Question 7



If you get your Medigap policy when you have a guaranteed issue right, you aren't covered for up to 6 months for pre-existing conditions.

- a. True
- b. False



Refer to page 56 to check your answers.

## Review Scenario 1

Ted is 64 years old and has had Medicare for 4 years due to a disability. He lives in a state that requires insurance companies to offer a Medigap policy to people with Medicare who are under age 65. He currently has a Medigap policy.



What might change when Ted turns 65 next year?

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

### Review Scenario 1

Ted is 64 years old and has had Medicare for 4 years due to a disability. He was able to purchase a Medigap policy because he lives in a state that requires insurance companies to offer a Medigap policy to people with Medicare who are under age 65. What might change when Ted turns 65 next year?

## Review Scenario 1 Considerations



Cost



Enrollment



Plan Choices



Pre-existing Condition Waiting  
Period

### Review Scenario 1 Considerations

What might change when Ted turns 65 next year?

- Ted will get a Medigap open enrollment period (OEP) when he turns 65.
- He'll probably have a wider choice of Medigap policies, and he will probably be able to get a lower Medigap premium.
- Since Ted is signing up during the Medigap OEP, insurance companies can't refuse to sell him any Medigap policy due to his disability, or charge him a higher premium than they charge other people of the same age.

You can avoid waiting periods for pre-existing conditions if you have had continuous qualifying coverage, or have not gone without health care coverage for a period of more than 63 days, prior to the effective date of the Medigap policy. Because Medicare (Part A and/or Part B) is qualified coverage and Ted had Medicare for more than 6 months before he turned 65, he will not have a pre-existing condition waiting period.

Suppose Ted only had Medicare for 3 months before he turned 65, and no other health insurance for more than 63 days prior to getting Medicare, and got his Medigap policy in his Medigap OEP. In this instance, Ted might have a 3-month pre-existing condition waiting period. During this time the Medigap insurance company can refuse to cover Ted's out-of-pocket costs for his pre-existing health problems. Medicare will still cover the Medicare-covered services associated with Ted's condition, and Ted will be responsible for the coinsurance and copayments. After the 6-month pre-existing condition waiting period ends, the Medigap policy will cover the condition that was excluded.

## Review Scenario 2

Sophie is 67 and healthy. She retired last month and ended her employer-sponsored health coverage. She is enrolled in Original Medicare. She's interested in purchasing a Medigap policy to help her with her out-of-pocket costs.

What does Sophie need to consider?



5/01/2014

Medigap (Medicare Supplement Insurance) Policies

### Review Scenario 2

Sophie is a healthy 67-year-old woman. She retired last month and ended her employer-sponsored health coverage. She is enrolled in Original Medicare. She's interested in purchasing a Medigap policy to help her with her out-of-pocket costs. What does Sophie need to consider?

## Review Scenario 2 Considerations



Best Time to Buy



Finding the Right Policy/Plan



Enrollment



Pre-existing Condition Waiting Period?

### Review Scenario 2 Considerations

The best time for Sophie to buy a Medigap policy is during her Medigap open enrollment period (OEP). This period lasts for 6 months, and begins on the first day of the month in which she was both 65 or older and enrolled in Medicare Part B. During this period, Sophie has guaranteed issue rights. Insurance companies must sell her a Medigap policy, cover all of her pre-existing conditions, and can't charge her more for a Medigap policy based upon her past or present health problems.

What would have happened if Sophie waited a year to purchase a Medigap policy?

After the Medigap OEP, Medigap insurance companies are generally allowed to use medical underwriting to decide whether to accept an application and how much to charge. There is no guarantee that an insurance company will sell Sophie a Medigap policy if she doesn't meet the medical underwriting requirements.

## Key Points

- ✓ You must have both Medicare Parts A and B to get a Medigap policy
- ✓ You pay a monthly premium for Medigap
- ✓ You still pay the Medicare Part B premium
- ✓ Medigap policies cover one person
- ✓ Benefits are standardized
- ✓ Costs vary by plan and by company
- ✓ Can only cover costs associated with services covered by Original Medicare

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

### Key Points to Remember

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 wouldn't be covered by your policy. If your spouse wants Medigap coverage, he or she would have to purchase his or her own individual policy.

Medigap insurance companies in most states can only sell you a standardized Medigap policy identified by letters A through N. Each standardized Medigap policy must offer the same basic benefits, no matter which insurance company sells it.

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

Medigap policies cover costs associated with services covered by Original Medicare. Medigap policies don't work with Medicare Advantage Plans.

# Medigap Resource Guide

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

5/01/2014

Medigap (Medicare Supplement Insurance) Policies

This training module is provided by the  
**CMS National Training Program (NTP)**  
For questions about training products email  
[training@cms.hhs.gov](mailto:training@cms.hhs.gov).

To view all available NTP materials,  
or to subscribe to our email list, visit  
[cms.gov/outreach-and-education/training/  
cmsnationaltrainingprogram](https://cms.gov/outreach-and-education/training/cmsnationaltrainingprogram).

This training module is provided by the CMS National Training Program (NTP).

For questions about training products, email [training@cms.hhs.gov](mailto:training@cms.hhs.gov).

To view all available CMS NTP materials or to subscribe to our email list, visit [cms.gov/outreach-and-education/training/cmsnationaltrainingprogram](https://cms.gov/outreach-and-education/training/cmsnationaltrainingprogram).

# Appendix A

Benefits	Medicare Supplement Insurance (Medigap) Plans										
	A	B	C	D	F*	G	K**	L**	M	N	
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%	100% ***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%	100%
Medicare Part A deductible		100%	100%	100%	100%	100%	50%	75%			100%
Medicare Part B deductible			100%		100%						
Medicare Part B excess charges					100%	100%					
Foreign travel emergency (up to plan limits)			100%	100%	100%	100%			100%	100%	100%
<p>* Plan F also offers a high-deductible plan in some states. If you choose this option, this means you must pay for Medicare-covered costs (coinsurance, copayments, deductibles) up to the deductible amount of \$2,140 in 2014 before your policy pays anything.</p> <p>** For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$147 in 2014), the Medigap plan pays 100% of covered services for the rest of the calendar year.</p> <p>*** Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.</p>											
											Out-of-pocket limit in 2014
											\$4,940 \$2,470

## Appendix B – page 1

### State Health Insurance Assistance Program and State Insurance Department Contact Information

State	State Health Insurance Assistance Program	State Insurance Department
Alabama	1-800-243-5463	1-800-433-3966
Alaska	1-800-478-6065	1-800-467-8725
American Samoa	Not Available	1-684-633-4116
Arizona	1-800-432-4040	1-800-325-2548
Arkansas	1-800-224-6330	1-800-224-6330
California	1-800-434-0222	1-800-927-4357
Colorado	1-888-696-7213	1-800-930-3745
Connecticut	1-800-994-9422	1-800-203-3447
Delaware	1-800-336-9500	1-800-282-8611
Florida	1-800-963-5337	1-877-693-5236
Georgia	1-800-669-8387	1-800-656-2298
Guam	1-671-735-7388	1-671-635-1835
Hawaii	1-888-875-9229	1-808-586-2790
Idaho	1-800-247-4422	1-800-721-3272
Illinois	1-800-548-9034	1-866-445-5364
Indiana	1-800-452-4800	1-800-622-4461
Iowa	1-800-351-4664	1-877-955-1212
Kansas	1-800-860-5260	1-800-432-2484
Kentucky	1-877-293-7447	1-800-595-6053

## Appendix B – page 2

### State Health Insurance Assistance Program and State Insurance Department Contact Information

State	State Health Insurance Assistance Program	State Insurance Department
Louisiana	1-800-259-5301	1-800-259-5300
Maine	1-877-353-3771	1-800-300-5000
Maryland	1-800-243-3425	1-800-492-6116
Massachusetts	1-800-243-4636	1-877-563-4467
Michigan	1-800-803-7174	1-877-999-6442
Minnesota	1-800-333-2433	1-800-657-3602
Mississippi	1-800-948-3090	1-800-562-2957
Missouri	1-800-390-3330	1-800-726-7390
Montana	1-800-551-3191	1-800-332-6148
Nebraska	1-800-234-7119	1-800-234-7119
Nevada	1-800-307-4444	1-888-872-3234
New Hampshire	1-866-634-9412	1-800-852-3416
New Jersey	1-800-792-8820	1-800-446-7467
New Mexico	1-800-432-2080	1-800-947-4722
New York	1-800-701-0501	1-800-342-3736
North Carolina	1-800-443-9354	1-800-546-5664
North Dakota	1-800-247-0560	1-800-247-0560
Northern Mariana Islands	Not Available	1-670-664-3064
Ohio	1-800-686-1578	1-800-686-1526

## Appendix B – page 3

### State Health Insurance Assistance Program and State Insurance Department Contact Information

State	State Health Insurance Assistance Program	State Insurance Department
Oklahoma	1-800-763-2828	1-800-522-0071
Oregon	1-800-722-4134	1-888-877-4894
Pennsylvania	1-800-783-7067	1-877-881-6388
Puerto Rico	1-877-725-4300	1-888-722-8686
Rhode Island	1-401-462-0530	1-401-462-9520
South Carolina	1-800-868-9095	1-803-737-6160
South Dakota	1-877-331-4834	1-605-773-3563
Tennessee	1-877-801-0044	1-800-342-4029
Texas	1-800-252-9240	1-800-252-3439
Utah	1-877-424-4640	1-800-439-3805
Vermont	1-800-642-5119	1-800-631-7788
Virgin Islands	1-340-772-7368 1-340-714-4354 (St. Thomas)	1-340-774-7166
Virginia	1-800-552-3402	1-877-310-6560
Washington	1-800-562-6900	1-800-562-6900
Washington, DC	1-202-994-6272	1-202-727-8000
West Virginia	1-877-987-4463	1-888-879-9842
Wisconsin	1-800-242-1060	1-800-236-8517
Wyoming	1-800-856-4398	1-800-438-5768

# Appendix C – page 1

## 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 Medicare Advantage Plan, 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 Original Medicare 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 Medicare SELECT 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>

Source: 2014  
*Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare*

# Appendix C – page 2

## 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...
<p><b>(Trial Right)</b> 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.</p>	<p>Any Medigap policy that's sold in your state by any insurance company.</p>	<p>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.</p>
<p><b>(Trial Right)</b> You dropped a Medigap policy to join a Medicare Advantage Plan (or to switch to a Medicare SELECT policy) for the first time, you have been in the plan less than a year, and you want to switch back.</p>	<p>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 isn't available, you can buy Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.</p>	<p>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.</p>
<p>Your Medigap insurance company goes bankrupt and you lose your coverage, or your Medigap policy coverage otherwise ends through no fault of your own.</p>	<p>Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.</p>	<p>No later than 63 calendar days from the date your coverage ends.</p>
<p>You leave a Medicare Advantage Plan or drop a Medigap policy because the company hasn't followed the rules, or it misled you.</p>	<p>Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.</p>	<p>No later than 63 calendar days from the date your coverage ends.</p>

Source: 2014  
*Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare*

# Check Your Knowledge Answer Key



## Question 1 (page 9)

---

---

Medigap policies are sold by

**Answer: b**

Private insurance companies. Medigap policies are offered by private insurance companies.

## Question 2 (page 10)

---

---

Medigap plans work with all types of Medicare plans.

**Answer: b**

False. Medigap policies work with Original Medicare. Medigap policies don't work with Medicare Advantage Plans (Part C), like a Health Maintenance Organization or a Preferred Provider Organization.

## Question 3 (page 19)

---

---

Standardized plans are only available in three states.

**Answer: b.**

False. The three waiver states—Massachusetts, Minnesota, and Wisconsin—don't follow the same standardization as the other states.

## Question 4 (page 20)

---

---

Which words make the following statement true? "Each Medigap plan with the same letter must offer the same \_\_\_\_\_ may vary between insurance companies."

**Answer: d**

Each plan with the same letter must offer the same basic benefits, but the policy costs may vary between insurance companies.

## Question 5 (page 29)

---

The best place for a person who has Medicare due to a disability or End-Stage Renal Disease (ESRD) to learn about rights to purchase a Medigap policy in their state is

**Answer: c**

State Insurance Department Some states provide these rights to all Medicare beneficiaries under age 65, while others only extend them to those who are eligible for Medicare by reason of disability or only to those with ESRD. Check with your State Insurance Department to learn about what rights you might have under state law.

## Question 6 (page 30)

---

The best time to buy a Medigap policy is

**Answer: d**

During your Medigap open enrollment period (OEP) The best time to buy a Medigap policy is during your Medigap OEP. This period lasts for 6 months and begins on the first day of the month in which you're both 65 or older and enrolled in Medicare Part B.

## Question 7 (page 39)

---

If you get your Medigap policy when you have a guaranteed issue right, you aren't covered for up to 6 months for pre-existing conditions.

**Answer: b**

False. Guaranteed issue rights are rights you have in certain situations when insurance companies are required by law to sell or offer you a Medigap policy even if you have health problems (called pre-existing conditions").

In these situations, an insurance company must:

- Sell you a Medigap policy, and
- Cover all your pre-existing conditions and can't charge you more for a Medigap policy because of past or present health problems

## Acronyms

CHIP	Children's Health Insurance Program
CMS	Centers for Medicare & Medicaid Services
ESRD	End-Stage Renal Disease
MA	Medicare Advantage
NTP	National Training Program
OEP	Open Enrollment Period
TTY	Teletypewriter/Text Telephone

## Index

- 1-800-MEDICARE (1-800-633-4227), 26, 37, 47
- Affordable Care Act, 24
- Assignment, 7, 8
- Attained-Age-Rated Policies, 18
- Blood, 8, 13, 49
- CMS National Training Program (NTP), 1, 48
- Consolidated Omnibus Budget Reconciliation Act coverage (COBRA), 34, 53
- Coinsurance (see copayment)
- Competitive Bidding Area, 7
- Copayment/Coinsurance, 5, 6, 7, 8, 13, 24, 41, 49
- Creditable Coverage, 24, 25
- Deductible, 5, 6, 7, 8, 12, 13, 17, 20, 49
- Disability, 25, 27, 29, 40, 41, 56
- Durable Medical Equipment, 4, 7, 8
- Employer Group Health Plan, 23, 34, 38, 42, 53
- End-Stage Renal Disease (ESRD), 23, 25, 29, 55, 56, 57
- Excess Charges, 13, 49
- Foreign Travel Emergency, 13, 49
- Free Look Period, 28
- Guaranteed Issue Rights (Medigap Protection), 2, 16, 17, 24, 28, 31, 32, 33, 34, 39, 43, 44, 53, 54, 56
- Guaranteed Renewable Plans, 31, 35
- High-Deductible Option/Plan, 12, 13, 17, 49
- Home Health Care, 4, 7, 36
- Hospice Care, 4, 13, 49
- Hospital Insurance (see Part A)
- Issue-Age-Rated Policies, 18
- Limiting Charge, 8
- Look-Back Period, 24
- Medicaid, 1, 36, 37
- Medical Insurance (see Part B)
- Medical Underwriting, 17, 22, 25, 27, 36, 43, 45
- Medicare Advantage (MA) Plan, (see Part C)
  - medicare.gov, 26, 29, 47
- Medicare Prescription Drug Coverage (see Part D)
- Medicare SELECT, 14, 16, 17, 28, 34, 53, 54
- Medigap Open Enrollment Period (OEP), 17, 22, 23, 24, 25, 27, 28, 30, 41, 43, 45, 56
- No-Age-Rated (also called Community-Rated) Policies, 18
- Original Medicare, 4, 5, 6, 7, 8, 22, 24, 33, 34, 42, 44, 46, 53, 54, 55
- Part A (Hospital Insurance), 4, 7, 12, 13, 16, 23, 25, 28, 33, 41, 44, 46, 49, 53, 54
- Part B (Medical Insurance), 4, 6, 8, 12, 13, 16, 22, 23, 25, 27, 28, 36, 41, 43, 44, 46, 49, 53, 56
- Part C (Medicare Advantage (MA) Plan), 4, 12, 13, 16, 28, 32, 33, 44, 46, 53, 54, 55
- Part D (Medicare Prescription Drug Coverage) 4, 12, 13
- People Under Age 65, 18, 22, 25, 38, 40, 55
- Plan F, 12, 13, 16, 17, 28, 44, 49, 53, 54
- Plans K and L, 12, 13, 16, 28, 44, 49, 53, 54
- Pre-Existing Condition, 17, 22, 24, 25, 27, 28, 32, 36, 38, 39, 41, 43, 45, 56
- Premium,
  - Medigap, 17, 18, 25, 28, 35, 36, 37, 38, 41, 46
  - Part B, 6, 8, 36, 46
- Preventive Services, 4, 8
- Retiree Coverage, 34
- Rights, 2, 16, 18, 22, 25, 28, 29, 31, 32, 33, 34, 38, 44, 53, 54, 55, 56
- Skilled Nursing Facility, 4, 7, 13, 49
- Social Security, 23
- Standardized Plan/Policy, 11, 12, 15, 16, 19, 26, 28, 46, 55
- State Health Insurance Assistance Program, 12, 15, 26, 37, 47, 50, 51, 52
- State Insurance Department, 12, 15, 25, 26, 29, 47, 50, 51, 52, 55, 56
- Suspend, 31, 36, 37, 38
- Switch Medigap Policies, 6, 16, 21, 26, 27, 28, 45
- Trial Right, 32, 33, 54
- Waiver States,
  - Minnesota, 12, 14, 15, 55
  - Massachusetts 12, 14, 15, 55
  - Wisconsin, 12, 14, 15, 55





Website: [cms.gov/outreach-and-education/training/cmsnationaltrainingprogram](https://www.cms.gov/outreach-and-education/training/cmsnationaltrainingprogram)

Email: [training@cms.hhs.gov](mailto:training@cms.hhs.gov)

Centers for Medicare & Medicaid Services

7500 Security Boulevard

Baltimore, MD 21244