

Medigap

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Gaps in Original Medicare Coverage

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

What is a Medigap policy?

- Private health insurance for individuals
- Sold by private insurance companies
 - Licensed by your state
- Supplements Original Medicare
- Follow Federal/state laws that protect you
- Must state “Medicare Supplement Insurance”

What is a Medigap policy? (continued)

- A Medigap policy may help you
 - Lower your out-of-pocket costs
 - Get more health insurance coverage
- Considerations include
 - Your other coverage and health needs
 - If your doctor accepts assignment

What are Standardized Plans?

- Standardized plans in most states
 - Identified by a letter
 - Plans currently sold
 - A, B, C, D, F, G, K, L, M, N
 - Companies don't have to sell all plans
 - Plans existing but no longer sold
 - E, H, I, J
 - Non-Standard plans sold before 1992

What are Standardized Plans?

- Each standardized plan in a state
 - Must offer the same basic benefits
 - No matter which company sells it
- Costs (monthly premiums) may vary by
 - Plan
 - Company
 - Where you live
 - Age

Cost Example

	Acme Insurance Company - Plan C	DT Insurance Company - Plan C
Benefits	Same	Same
Monthly Cost	\$100	\$120

Important Medigap Terms to Know

- Pre-existing condition (up to 6 months before Medigap)
 - Could delay Medigap coverage up to 6 months
- Creditable coverage (certain health coverage)
 - Could shorten waiting period

Important Medigap Terms to Know

- Medical underwriting (review of your health)
 - Could affect acceptance, cost, and coverage date
- Guaranteed issue rights
 - Certain situations when insurance companies must
 - Sell you a Medigap policy
 - Cover all your pre-existing health conditions
 - Can't charge you more for a Medigap policy because of past or present health problems

Who Can Buy Medigap?

- Generally must have Medicare Parts A and B
- May not be able to buy Medigap under 65
 - People with a disability
 - People with End-Stage Renal Disease
- Guaranteed right to buy a Medigap policy
 - In your Medigap Open Enrollment Period
 - Covered under a guaranteed issue right

When to Buy a Medigap Policy

- May be able to buy a Medigap policy any time
- 6-month Medigap Open Enrollment Period
 - Begins when you
 - Are both age 65 and
 - Enrolled in Part B
 - Can't be changed or repeated

Open Enrollment Period (OEP)

- OEP may be best time to buy
 - Companies cannot:
 - Refuse to sell any Medigap policy they sell
 - Make you wait for coverage (exception below)
 - Charge more because of a past/present health problem
 - Companies can:
 - Make you wait for pre-existing condition without creditable coverage
- Policies sold after 1990 are guaranteed renewable

Open Enrollment Examples

- Mary is turning 65 in January. She plans to go on Part B at the same time. She would have January through June to get any Medicare Supplement plan with no health questions.
- Fred is 70 but is still working, so he delayed Part B. He is retiring in July and picking up Part B then. He would have July through December to take advantage of his Medicare Supplement Open Enrollment Period.

Buying a Medigap Policy Under Age 65

- People with Medicare 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
- New Medigap Open Enrollment Period at age 65

Switching Medigap Policies

- Usually no right under Federal law to switch
- When can you switch policies?
 - During your Medigap Open Enrollment Period
 - If you have a guaranteed issue right
 - If your state has more generous requirements
 - You move from your Medigap SELECT service area
 - Can switch to plan with same or fewer benefits
- 30-day “free look” period

How Much Does Medigap Cost?

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

Medigap Pricing Based on Age

No-age-rated (community-rated)	<ul style="list-style-type: none">▪ Everyone pays same regardless of age if 65 or older▪ Generally least expensive over lifetime
Issue-age-rated	<ul style="list-style-type: none">▪ Based on age when purchased▪ Doesn't go up automatically as you get older
Attained-age-rated	<ul style="list-style-type: none">▪ Premium based on current age▪ Goes up automatically as you get older▪ Costs less when you are 65▪ Costs more at age 70 or 75

Medicare Supplement Plan Benefits

Medicare Supplement Insurance (Medigap) Plans										
Benefits	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%
<p>* Plan F also offers a high-deductible plan. If you choose this option, this means you must pay for Medicare-covered costs (coinsurance, copayments, deductibles) up to the deductible amount of \$2,180 in 2016 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 (\$166 in 2016), 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 \$50 copayment for emergency room visits that don't result in an inpatient admission.</p>							Out-of-pocket limit in 2016			
							\$4,960	\$2,480		



Medicare SELECT Policies

- A type of Medigap policy
- To get full benefits (except in emergency)
 - Must use specific hospitals
 - May have to see specific doctors
- Generally cost less than non-network plans
- Can switch to plan with equal or lesser value
- May not be offered in your state

Guaranteed Rights to Buy a MedSup Policy

- Called “guaranteed issue rights”
- Situations with special rights to buy MedSup
 - After MedSup Open Enrollment Period
 - Companies must sell you a Medigap policy within 63 days of the date your coverage ends
 - Must cover all pre-existing conditions
 - Cannot charge more
- These are Federal protections
 - Some states have additional protections

MedSup Guaranteed Issue Rights

- MedSup protections apply to people with Medicare who face certain situations.
- When a person is in one of the eight situations as explained below, the person has what is known as a “guaranteed issue opportunity.”
- There may be times when more than one situation applies — when this happens the person may choose the protection that gives the best choice of policies.
- These situations apply to both MedSup and Medicare Select policies.

Guaranteed Issue Opportunities

SITUATION	Protects you if...	MedSup Plan Choices
Situation 1	Your Medicare Advantage Plan or PACE program coverage ends because the plan is leaving the Medicare program.	A, B, C, F, K, L
Situation 2	Your coverage through your group health plan ends.	A, B, C, F, K, L
Situation 3	You have to end your health coverage because you move out of the plan's service area.	A, B, C, F, K, L
Situation 4 (trial right)	You joined a Medicare Advantage Plan or PACE program when you were first eligible for Medicare at age 65. Within the first year of joining, you decided you want to leave.	A — N
Situation 5 (trial right)	You dropped a MedSup policy to join a Medicare Advantage Plan, Medicare SELECT policy or PACE program for the first time and now you want to leave after less than a year in the plan.	A, B, C, F, K, L
Situation 6	You lose your MedSup coverage when your insurance company goes bankrupt or your MedSup coverage ends through no fault of your own.	A, B, C, F, K, L
Situation 7	You leave your plan because your Medicare Advantage Plan, Medicare SELECT policy, or MedSup company has misled you or hasn't followed the rules. For example, the marketing materials were not true or quality standards were not met.	A, B, C, F, K, L



Right to Suspend Medigap (Group Health Plan)

- Suspend up to 2 years 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 group plan
 - No waiting period

Right to Suspend Medigap (Medicaid)

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

Where are Medicare Supplements sold?

- A) www.medicare.gov
- B) The Ohio Department of Insurance
- C) Private insurance companies
- D) 1-800-MEDICARE

Medicare Supplements pay for out-of-pocket expenses associated with a Medicare Part D or Medicare Advantage Plan.

A) True

B) False

What triggers someone's initial Open Enrollment Period for a Medicare Supplement?

- A) Being on Medicare Part A
- B) Being enrolled in Medicare Part B
- C) Being aged 65 or older
- D) Both B & C must be in place

Medicare Supplements are sold as both individual and family plans

A) True

B) False

How many days from a life changing event does someone have to take advantage of a Guaranteed Issue Opportunity?

- A) 45 Days
- B) 30 Days
- C) 63 Days
- D) 14 Days



Medicare Supplements are required to take all Medicare beneficiaries regardless of age, disability, or health concern.

A) True

B) False

Medicare Supplements are guaranteed renewable as long as the beneficiary continues to pay their premium on time.

A) True

B) False

Medicare Supplement plans are standardized, which means what?

- A) All companies sell the same plans (A,B,C,D,F,G,K,L,M,N)
- B) All plans have the same price
- C) Prices are not based on age or health
- D) Every company asks the same health questions

Medicare Supplements are also called Medigap Plans

- A) True
- B) False

Medigap plans have an annual Open Enrollment Period

- A) True
- B) False