



# MEDICARE SUPPLEMENTS

## USERS GUIDE

**This guide contains key information about:**

MEDICARE SUPPLEMENT INSURANCE (MEDIGAP) PLANS

WHAT MEDIGAP POLICIES COVER

HOW TO BUY A POLICY

Call with additional questions (714) 475-7433

[MedicareInASnap.com](http://MedicareInASnap.com)



## WHO SHOULD VIEW THIS GUIDE?

This guide can be helpful if you're considering buying a Medigap policy or already have one. It'll help you know how Medicare Supplement plans work.

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## MEDIGAP BASICS

### **What Is a Medigap Policy?**

It's an insurance policy that helps "supplement", or add to, Original Medicare. Medigap plans are sold by private insurance companies and can help cover some of the things that Original Medicare doesn't cover, such as copayments, deductibles, and coinsurance.

While Original Medicare covers many health care services and supplies, it doesn't pay for everything. These are otherwise called gaps in Medicare coverage. If you have Parts A and B and a supplement policy, Medicare will pay its portion of the approved amounts for covered medical expenses. Then, your supplement plan pays its portion.

A Medigap policy is not the same as a Medicare Advantage Plan (like a PPO or an HMO). Medicare Advantage is a way to get Medicare benefits, but a Medigap plan only enhances the costs of your Original Medicare benefits.

**Note:** Medicare doesn't cover any of your expenses for a Medigap policy. All Medigap plans must adhere to federal and state laws intended to protect you, and they must be overtly identified as "Medicare Supplement Insurance." Each standardized Medigap plan has to offer the same basic benefits, regardless of which insurance company sells it.

**Cost is typically the only difference between Medicare Supplements with the same letter that are sold by different companies.**



## WHAT MEDIGAP PLANS COVER

The chart on page 5 gives you a look at the standardized Medicare Supplement plans available. When you need help comparing and choosing a policy, **give us a call at (714) 475-7433.**

- Medigap insurance companies must make Plan A available. If they offer any other Medicare Supplement, they must also offer Plan C or Plan F to people who are not new to Medicare, and either Plan D or Plan G to people who are new to Medicare.
- Not all kinds of Medigap policies may be available in your area. Medigap insurers also don't have to offer every plan.
- Plans E, H, I, and J are not sold anymore. But if you already have one of these plans, you can usually keep it.
- Plans C and F are no longer available to folks who are new to Medicare after January 1, 2020. If you already have either of these plans, you can keep your plan.
- Medigap policies are standardized differently in Massachusetts, Minnesota, and Wisconsin.
- In certain states, you might be able to purchase another kind of Medigap policy, called Medicare SELECT. These standardized plans may be cheaper than other Medigap policies, although you may be limited to hospitals and doctors within the network.



## BENEFITS CHART

This chart displays basic information about the different benefits covered by Medigap policies. When a percentage appears, the Medigap plan covers that portion of the benefit, and you must pay the rest.

2024

	Medicare Supplement Insurance (Medigap) Plans									
Benefits	A	B	C	D	F*	G*	K	L	M	N
<b>Part A</b> 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%
<b>Part B</b> coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100% ***
<b>Blood</b> (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
<b>Part A</b> hospice care coinsurance /copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
<b>Skilled nursing</b> facility coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
<b>Part A deductible</b>	100%	100%	100%	100%	100%	100%	50%	75%	50%	100%
<b>Part B deductible</b>			100%		100%					
<b>Part B excess charge</b>					100%	100%				
<b>Foreign travel</b> (up to plan limits)			80%	80%	80%	80%			80%	80%
Out-of-pocket max limit**	N/A	N/A	N/A	N/A	N/A	N/A	\$7,060	\$3,530	N/A	N/A

\* Plans F and G also offer a high-deductible plan in some states. With this option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,800 in 2024 before your policy pays benefits. (Plans C and F are not available to people who were newly eligible for Medicare on or after January 1, 2020.)



\*\* For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible, the Medigap plan pays 100% of covered services for the rest of the calendar year. The Plan G max out-of-pocket (MOOP) is equal to the Medicare Part B deductible. The Plan N MOOP is equal to the Part B deductible plus visit copays when you avoid excess charges. The High Deductible Plan MOOP is equal to the Medigap deductible.

\*\*\* 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 do not result in inpatient admission.

## **What Isn't Covered By Medigap Policies?**

In general, Medigap plans don't cover long-term (non-skilled nursing home) care, hearing aids, eyeglasses, vision or dental care, or private-duty nursing.

## **Coverage That Is NOT Medigap**

- Medicaid
- TRICARE
- Veterans' benefits
- Employer or union plans
- Indian Health Service plans
- Long-term care insurance policies
- Medicare Part D (Prescription Drug) Plans
- Medicare Advantage Plans (Part C), like a PPO or an HMO
- Qualified Health Plans sold in the Health Insurance Marketplace



## **What Medigap Policies Can Insurance Companies Sell?**

Most of the time, Medigap insurers can sell you only a standardized Medicare Supplement plan. All policies must have the same benefits, so it's easy to compare them.

Each insurer determines which Medigap policy it wants to sell. However, state laws can impact which plans they offer.

Sometimes, a carrier is required to sell you a policy if you want one - even if you have health issues. Here is when you're guaranteed the right to purchase a Medigap plan:

- During your Medigap Open Enrollment Period
- If you have a guaranteed issue right

You might be able to purchase a Medigap plan at other times, but the carrier can deny you based on your health. Also, the carriers cannot legally sell you a Medigap plan if you already have a Medicare Advantage plan.

## **NEED MEDICARE HELP?**

We are ready to answer questions about your Medicare or health insurance and put together a comprehensive plan to fit your needs.

**(714) 475-7433**



## WHAT YOU SHOULD KNOW BEFORE BUYING A MEDIGAP POLICY

**If you want to purchase a policy, there are some key things to know first:**

- You must have Medicare Parts A and B.
- If you have a Medicare Advantage Plan (like a PPO or an HMO) but plan to go back to Original Medicare, you can apply for Medigap before your coverage ends.
- You pay the private carrier a premium for your policy - besides the monthly Part B premium you pay to Medicare.
- A Medigap policy just covers one person. If you and your spouse both desire Medigap coverage, you each will need to buy separate policies.
- During your Medigap Open Enrollment Period, you can purchase a policy from any insurance carrier licensed in your state.
- Any standardized policy is guaranteed renewable - even if you have health issues. So, the carrier can't cancel your policy as long as you pay the premium and stay enrolled.
- Unfortunately, Medigap policies cannot include prescription drug coverage. If you need insurance for your medications, you can join a Medicare Part D plan offered by private, Medicare-approved companies.





## WHEN YOU SHOULD BUY A MEDIGAP POLICY

It's best to buy a policy during your Medigap Open Enrollment Period (OEP). This window lasts for six months and starts on the first day of the month when you're both 65 or older, and enrolled in Medicare Part B. Some states have extra Open Enrollment Periods, including those for folks under 65.

During your Medigap open enrollment, you usually get better rates and have more options among policies. Also, a carrier can't use medical underwriting to determine whether to take your application. In other words, the carrier can't do any of these things because of your health issues:

- Refuse to sell you any policy they offer.
- Charge you more for a policy than they charge someone with zero health problems.
- Force you to wait for coverage to begin (except as we explain below).

The insurance carrier might make you wait for coverage affiliated with a pre-existing condition. Sometimes, the carrier can say no for up to six months, which is called a pre-existing waiting period. After six months, the policy will cover the pre-existing condition.

Coverage for a pre-existing health problem can only be rejected if the condition was treated or diagnosed within six months before the Medigap coverage begins - called the "look-back period."

**Remember:** For Medicare-covered services, Original Medicare still covers the condition, even if the Medigap policy refuses. However, you must pay the Medicare coinsurance or copayment.



## **Creditable Coverage**

You can shorten or avoid your waiting period for a pre-existing health problem if:

- You purchase a policy during your Medicare open enrollment period.
- You're replacing certain types of coverage that counts as "creditable coverage".

Prior creditable coverage is usually any other health coverage you had (recently) before you applied for a Medigap policy. If you've had at least six months of ongoing, prior creditable coverage, the Medigap carrier can't have you wait before it covers your pre-existing conditions.

An advisor at Medicare In A Snap can tell you if your prior coverage will count as creditable coverage. Also, if you purchase a policy when you have a guaranteed issue right, the carrier can't use a pre-existing condition waiting period.

## **Can You Buy a Policy If You're Under 65?**

It depends. If you're under 65 and have Medicare because of ESRD or a disability, you may not be able to purchase a Medigap policy until you turn 65. But some states require Medigap carriers to sell you a policy, even if you're not 65.

## **Medicare Part B Enrollment**

Your Medigap rights may depend on when you decide to enroll in Medicare Part B. If you're age 65 or older, your Medigap OEP starts when you enroll in Part B, and it cannot be repeated or changed. It's smart to enroll in Part B and purchase a Medigap plan when you're first eligible for Medicare. Otherwise, you may have to pay a late enrollment fee and could miss your six-month Medigap OEP. However, exceptions apply if you get employer coverage.



## **Employer Coverage**

If you or your spouse is currently working and you have group health insurance through an employer or union, consider waiting to enroll in Part B. You don't want to pay for Part B before you need it, since the employer benefits often provide similar coverage to Part B. Plus, your Medigap OEP may expire before a policy would be effective.

When the employer coverage concludes, you'll be able to enroll in Part B without a late fee. This means your Medigap OEP will begin when you're ready to make the most of it.

## **HOW DO CARRIERS SET PRICES FOR MEDIGAP POLICIES?**

Each carrier determines how it will set the rate, or premium, for its Medigap policies. The way they dictate the rate influences how much you pay in the present and future. The policies can be priced in these ways:

1. Community-rated ("no-age-rated")
2. Issue-age-rated ("entry-age-rated")
3. Attained-age-rated

The chart below explains more about these types of pricing. It's critical to analyze how much the policy will cost you now and in the future.

**Note:** Other factors can also impact your premium amount, like where you live, discounts, and medical underwriting.

# MEDICARE

## N A SNAP

Pricing Type	How It's Priced	Potential Implications
<b>Community-rated</b>	Usually the same premium is charged to anyone who has the policy, no matter your age or gender.	Premiums may increase due to inflation and other factors, but not because of your age.
<b>Issue-age-rated</b>	Based on the age you are when you purchase (are issued) the policy.	Premiums are lower for those who buy at a younger age. They may increase due to inflation, but your age is not a factor.
<b>Attained-age-rated</b>	Based on your current age. Your premium increases as you get older.	Premiums are low for younger consumers but they increase as you age. They may be the cheapest at first, but can eventually become the priciest. Premiums may also increase due to inflation and other factors.



## Comparing Medigap Costs

As mentioned, the cost of policies can vary tremendously. Different carriers can charge different premiums for the exact same coverage. When you shop for a Medigap plan, you'll want to compare a Plan N policy from one carrier with a Plan N policy from another carrier.

This process can be hard to navigate on your own, and the advisors at Medicare In A Snap are here to help. **The cost of your policy may also depend on whether the carrier:**

- Offers discounts for women, non-smokers, or married couples; discounts for paying annually; or discounts for multiple policies.
- Offers a "high-deductible option" for Plan For G. If you purchase Plans F or G with a high-deductible option, you have to pay the first \$2,340 of deductibles, copayments, and coinsurance in 2020 for covered services before the policy contributes. You also have to pay a separate deductible of \$250/year for foreign travel emergency services.
- Uses medical underwriting or administers a different premium when you don't have a guaranteed issue right.



## **STEPS TO BUYING A MEDIGAP POLICY**

Buying a Medigap plan is a critical decision. The ball is in your court. Only you can determine if Medigap is the way to add to Original Medicare coverage and which policy to choose.

However, if you need guidance, Medicare In A Snap is your solution. This is a simple step-by-step guide to help you in your decision-making process. Remember that costs can vary between carriers.

### **Step 1: Determine Which Benefits You Want**

Consider your current and future medical needs when deciding the benefits you want. You may be able to change Medigap plans later. Which benefits do you need? The chart on page 5 provides an outline of Medigap benefits.

### **Step 2: Determine Which Policy Meets Your Needs**

Then, identify the Medigap policy that will best suit you. Our website breaks down each of the different Medigap plans lettered A - N.

### **Step 3: Call Medicare In A Snap for Help**

We help our clients choose the right Medigap policy at the right price. Give us a call to see which Medigap plans are available in your state. We represent the top insurance companies and can help you compare the costs among the different policies and carriers.

### **STEP 4: Buy the Policy**

When you're ready, you can purchase the Medigap policy Medicare In A Snap. Our services are also FREE of charge, and we'll provide ongoing support if you need to switch plans in the future.

**Our contact info is:**

**(714) 475-7433**



## **WHAT IF YOU ALREADY HAVE A MEDIGAP POLICY? (INFORMATION ABOUT SWITCHING POLICIES)**

Are you thinking about switching to a new Medigap policy? If so, read on.

### **Switching Medigap Policies**

If you're thinking about switching to a different policy, here is what you should know.

Most of the time, you won't be able to switch policies unless you're within your six-month Medigap open enrollment period, or eligible under a unique situation for guaranteed issue rights.

However, your state may have more lenient requirements, so it's wise to compare premiums and benefits before your switch.

If you choose to switch, don't cancel your first policy until you've chosen to keep the second policy. You have 30 days to choose whether to keep the new policy, which is called your free look period. For one month, you'll have to pay both premiums.

### **Why Might I Want to Switch to a New Policy?**

Some common reasons for switching include:

- You're paying for benefits you really don't need.
- You now need more benefits than before.
- You want to change your insurance company.
- You want to find a cheaper policy.

### **What If I Have a Policy That Is No Longer Sold?**

In this case, you don't have to switch policies. However, you can only have one Medigap policy. If you buy a new one, you must forgo your old policy.



### **What If I Join a Medicare Advantage Plan?**

Medigap policies can't collaborate with Medicare Advantage plans. If you join a Medicare Advantage plan, consider dropping your Medigap policy. You can call Medicare In A Snap to learn how to disenroll.

### **Can My Insurance Company Drop Me?**

If you purchased your Medigap policy after 1992, the insurance company cannot drop you in most cases. The policy is guaranteed renewable, meaning your company can't drop you unless:

- You quit paying your premium.
- You were dishonest on the policy application.
- The insurance company goes bankrupt or insolvent.

### **Medigap Policies and Medicare Part D**

Prescription drug coverage (Part D) is offered to everyone with Medicare. If you have a Medigap policy with Part D, that means you opted not to enroll in a prescription drug plan when you were first eligible.

But you may still join a Part D plan. Perhaps your situation has changed, and a stand-alone drug plan is better for you than your Medigap policy's drug coverage. It makes sense to review your coverage during the annual enrollment period (AEP) - October 15 to December 7. You can join a Medicare prescription drug plan, and your new insurance will take effect on January 1.





## Other Considerations and Questions to Ask

Whether you speak with one of our advisors or call a carrier directly, these are some of the talking points and questions to ask:

- Is medical underwriting used for this policy?
- Am I likely to qualify for the Medigap policy?
- Is there a waiting period for pre-existing conditions? If so, how long is it?
- Is the policy priced using community-rating, issue-age-rating, or attained-age-rating?

## GLOSSARY/DEFINITIONS

**Assignment** - An agreement by your physician, provider, or supplier to be paid by Medicare, to accept the payment amount that Medicare approves for the service. They agree not to bill you for any more than the deductible and coinsurance.

**Coinsurance** - An amount you may have to pay as your portion of the cost for services after you pay deductibles. It's usually a percentage, like 20%.

**Copayment** - An amount you may have to pay as your portion of the cost for a health service or supply, such as a hospital outpatient visit, a doctor's visit, or a prescription drug.

**Deductible** - The amount you must pay for health care or prescriptions before traditional Medicare, your Part D plan, or your other insurance starts to pay.

**Excess Charge** - If you have Original Medicare, this is the difference when the amount a provider is legally allowed to charge is more than Medicare-approved amount.

**Guaranteed issue rights (aka Medigap protections)** - Rights you have in specific situations when insurers must sell or offer you a Medigap policy. In these cases, a carrier can't charge you more for a policy because of a past or current health issue. They also can't deny you a policy or put conditions on it.



**Guaranteed renewable policy** - An insurance policy that can't be stopped by the carrier unless you commit fraud or don't pay your premiums. All Medicare Supplement policies given since 1992 are guaranteed renewable.

**Medicare-approved amount** - In Original Medicare, this is the amount you can pay a doctor or supplier that accepts assignment. It could be less than the amount a doctor or supplier charges. Medicare handles part of this amount and you must handle the difference.

**Medical underwriting** - The process that a carrier uses to determine, based on medical history, whether to take your insurance application, whether to include a waiting period for pre-existing conditions, and how much to charge you for the insurance.

**Medicare Advantage Plan (Part C)** - A kind of Medicare health plan offered by a private carrier that contracts with Medicare. Medicare Advantage plans include all your Part A and Part B benefits, and most programs offer prescription drug coverage, too. Types of Medicare Advantage Plans include Health Maintenance Organizations (HMO), Preferred Provider Organizations (PPO), Private Fee-for-Service Plans (PFFS), Special Needs Plans (SNP), and Medicare Medical Savings Account Plans (MSA).

**Medicare prescription drug plan (Part D)** - Part D adds prescription drug coverage to Original Medicare and some Medicare Advantage plans (PFFS & MSA). Part D plans are offered by private insurers and other private, Medicare-approved companies.

**Medicare Eligible Expenses** - Charges covered by Original Medicare to the degree Medicare perceives them as reasonable and medically necessary.

**Medigap Open Enrollment Period** - A one-time, six-month period when federal law lets you purchase any Medigap policy you want that is sold in your state. It begins in the first month that you are covered under Medicare Part B, and you are 65 or older. During this time, you can't be declined a Medigap policy or charged more because of past or present health issues. Some states may have extra Open Enrollment rights under state law.

**Pre-existing Condition** - A health problem you have before a new insurance policy begins.

**Premium** - The repeated payment to Medicare, an insurance carrier, or a health care plan for medical services or prescription drug coverage.