

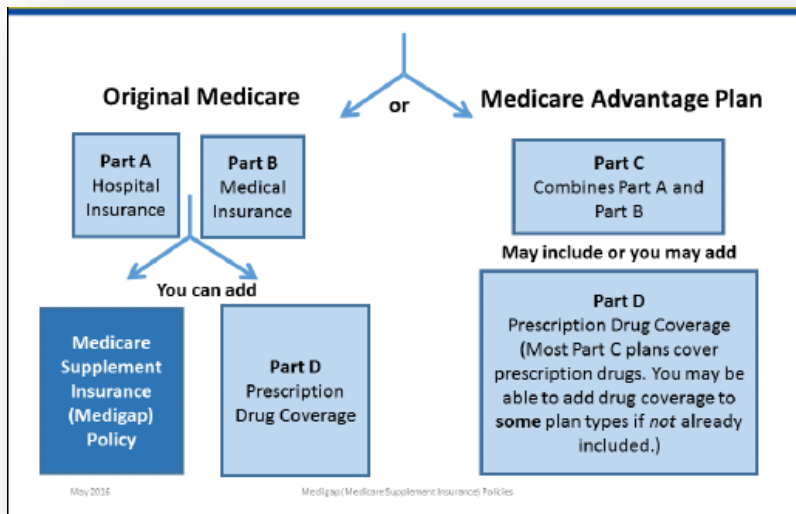
Module 3 –Medicare Supplement Insurance (Medigap) Policies

Section Objectives

- Explain what Medigap policies are
- Recognize key Medigap terms
- Provide steps to buying a Medigap policy
- Define the best time to buy a Medigap policy
- Explain guaranteed issue rights
- Learn where to get information on Medigap rights and protections

Lesson 1: Introduction to Medigap

Your Medicare Coverage Choices



There are 2 main ways to get your Medicare coverage, Original Medicare, or Medicare Advantage (MA) Plans. You can decide which way to get your coverage.

- Original Medicare includes Part A (Hospital

Insurance) and Part B (Medical Insurance). You can choose to buy a Medigap policy to help cover some costs not covered by Original Medicare. You can also choose to buy Medicare prescription drug coverage (Part D) from a Medicare Prescription Drug Plan (PDP).

- MA Plans (Part C), like a Health Maintenance Organization (HMO) or a Preferred Provider Organization (PPO), cover Part A and Part B services and supplies. They also may include Medicare prescription drug coverage (MA-PD). You can add a Medicare Prescription Drug Plan to a Medicare Private Fee-for-Service Plan or Cost Plan if it doesn't provide Part D coverage, and you can add it to a Medicare Medical Savings Account (MSA) Plans. You can't add a Part D plan to a Medicare HMO or PPO plan without drug coverage.

Medigap policies don't work with these plans. If you join a Medicare Advantage Plan, you can't use a Medicare Supplement Insurance (Medigap) Policy to pay for out-of-pocket costs while you are enrolled in an MA plan.

Medicare Supplement Insurance

A Medicare Supplement Insurance policy (often 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.

Medigap policies cover only one person. If you and your spouse both want Medigap coverage, you'll need to have separate Medigap policies.

Medigap policies only supplement Original Medicare.

How Are Medigap Policies and Medicare Advantage Plans Different?

	Medicare Supplement (Medigap) Insurance	Medicare Advantage Plans (Part C)
Offered by	Private companies	Private companies
Government oversight	State, but must also follow federal laws	Federal (plans must be approved by Medicare)
Works with	Original Medicare	N/A
Covers	Gaps in Original Medicare coverage, like deductibles, coinsurance, and copayments for Medicare-covered services.	All Part A and Part B covered services and supplies. May also cover things not covered by Original Medicare, like vision and dental coverage. Most plans include Medicare prescription drug coverage.
You must have	Part A and Part B	Part A and Part B
Do you pay a premium	Yes. You pay a premium for the policy and you pay the Part B premium.	Yes. In most cases you pay a premium for the plan and you pay the Part B premium.

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Original Medicare Costs in 2017 – Part A & Part B

Medicare Cost	Amount You Pay
Part A deductible	\$1,316 for each benefit period
Inpatient hospital stay	No coinsurance for days 1–60 \$329 per day for days 61–90 \$658 per day for days 91–150 (60 lifetime reserve days) All costs for days after 150
Skilled nursing facility care	No coinsurance for days 1–20 \$164.50 per day for days 21–100 All cost for days after 100
Hospice care	5% of the Medicare-approved amount for inpatient respite care (coinsurance). A copayment of up to \$5 per prescription for outpatient prescription drugs for pain and symptom management.

Medicare Cost	Amount You Pay
Annual Part B deductible	\$183
Coinsurance and copayment for Part B services	20% coinsurance for most covered services, like doctor’s services and some preventive services, if provider accepts assignment \$0 for some preventive services 20% coinsurance for outpatient mental health services, and copayments for hospital outpatient services
Part B premium	\$134 per month is the standard premium <ul style="list-style-type: none"> ▪ Higher for those with higher incomes \$109 is the average premium if you get Social Security benefits

Visit [medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html](https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html) for detailed Medicare cost information.

About Medigap Policies

There are a few key points to remember about Medigap policies:

- You must have both Medicare Parts A and Part B to get a Medigap policy
- You pay the private insurance company a monthly premium for your Medigap policy in addition to your monthly Part B premium

Lesson 2: Medigap Plans

Medigap Plans

In most states, Medigap insurance companies can only sell you a standardized Medigap policy identified by letters A, B, C, D, F, G, K, L, M, and 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. You're encouraged to shop carefully for a Medigap policy.

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. Call your State Health Insurance Assistance Program (SHIP) (1-877-839-2675) or visit shiptacenter.org/ for more information and to locate the SHIP in your state.

Some people may still have a Medigap policy they purchased before the plans were standardized. If they do, they can keep them. If they drop them, they may not be able to get them back.

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

Medigap Plan Types

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%	50%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	100%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
Out-of-Pocket Limit in 2017**							\$5,120	\$2,560		

*Plan F is also offered as a high-deductible plan by some insurance companies 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 \$2,200 in 2017 before your policy pays anything.

**For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$183 in 2017), the Medigap plan pays 100% of covered services for the rest of the calendar year.

***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.

Special Types of Medigap Plans

There are special types of Medigap policies that include

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

Waiver States

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 policies
- Have a different system that includes basic (“core”) and optional (“rider”) benefits

Call your State Health Insurance Assistance Program (SHIP) (1-877-839-2675) or visit shiptacenter.org/ for more information, and to locate the SHIP in your state. Contact your State Department of Insurance at Medicare.gov/Contacts/#resources/sids.

Information on the coverage provided in these states is available in the “Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare,” CMS Product No. 02110, Medicare.gov/Pubs/pdf/02110-Medicare-Medigap.guide.pdf.

Medicare SELECT 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 policies.

These policies generally cost less than other Medigap policies. However, if you don't use a Medicare SELECT network 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 value than the Medicare SELECT policy you currently have.

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 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. To see what's available in your state, call your State Insurance Department.

Visit [Medicare.gov/Pubs/pdf/02110-Medicare-Medigap.guide.pdf](https://www.medicare.gov/Pubs/pdf/02110-Medicare-Medigap.guide.pdf). to get your state's contact information. You can also call your State Health Insurance Assistance Program (SHIP) (1-877-839-2675) or visit shiptacenter.org/ for more information, and to locate the SHIP in your state.

Lesson 3: Buying a Medigap Policy

Medigap Costs

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, and adds 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 your 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

Type of Rating	Description
No-age-rated (community-rated)	<ul style="list-style-type: none">Everyone pays same regardless of age if 65 or olderGenerally least expensive over lifetime
Issue-age-rated	<ul style="list-style-type: none">Based on age when purchasedDoesn't go up automatically as you get older
Attained-age-rated	<ul style="list-style-type: none">Premium based on current ageCosts less when you're 65Cost goes up each year as you get older

Premiums may go up due to inflation and other factors.
Not all states allow all 3 types of ratings.

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

The Best Time to Buy a Medigap Policy

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. It 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 don't buy a plan within your 6-month OEP, insurance companies can deny coverage based on your health condition.

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. This is 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. 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 Medigap rights, including those for people with Medicare under 65.

Delayed Medigap Open Enrollment Period (OEP)

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
- You would be paying for Part B before you need it
- 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'll 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/employer group health coverage, it's important that you notify Social Security that you want to delay 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 buy a Medigap policy. See below for Medigap enrollment information for people with End-Stage Renal Disease.

Pre-existing Conditions and Medigap

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. 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 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.

You can learn more about creditable coverage by reviewing the Code of Federal Regulations, 45 CFR 146.113 at ecfr.gov/cgi-bin/ECFR?page=browse.

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

If you buy a Medigap policy when you have a guaranteed issue right, the insurance company can't use a pre-existing condition waiting period.

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

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 and eligible for Medicare coverage due solely to ESRD.

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 state-specific requirements and 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'll probably have a wider choice of Medigap policies and be able to get a lower premium at that time. During your 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, and then decide which Medigap policy 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](https://www.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). TTY: 1-877-486-2048. 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 in the "Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare," CMS Product No. 02110 (see link below), 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.

These steps are described in greater detail in the "Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare," CMS Product No. 02110 at [Medicare.gov/Pubs/pdf/02110-Medicare-Medigap.guide.pdf](https://www.Medicare.gov/Pubs/pdf/02110-Medicare-Medigap.guide.pdf).

Why Switch Medigap 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 if you're 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?

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.

If your live in a state that has more generous requirements, or the insurance company is willing to sell you a Medigap policy, make sure you compare benefits and premiums before switching. If you switch, you don't have to cancel your first Medigap policy until you've decided to keep the second policy. You have a 30-day "free-look" period to decide if you want to keep the new policy. It starts when you get your new policy. You have to pay both premiums for one month.

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

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 that's sold by any insurance company in your state or the state to which you're moving.

Lesson 4: Medigap Rights and Protections

Guaranteed Issue Rights

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. It also 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. More detail about Guaranteed Issue Rights is contained at ssa.gov/OP_Home/ssact/title18/1882.html (1882(s)(3)(A) of the Social Security Act).

NOTE: See Appendix for all situations.

Examples of Guaranteed Issue Rights

- John is in a **Medicare Advantage Plan**. He'll 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

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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's sold in your state by any insurance company.

Other guaranteed issue rights include if you're 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.

- Mary has **Original Medicare**. She'll 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

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You have the right to buy a Medigap policy if you have Original Medicare and an employer group health plan (including retiree or Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage) or union coverage that pays after Medicare pays and that plan coverage ends. You also have the right to buy a Medigap policy if you have a Medicare SELECT policy and you move out of the policy's service area.

Guaranteed Renewable Plans

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 or insolvent.

Right to Suspend Medigap for People With Medicaid

If you have both Medicare and Medicaid, most of your health care costs are covered. Medicaid is a joint federal and state program. 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. There are a few things you should know if you have a Medigap policy and then become eligible for Medicaid:

- 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

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. You may suspend your Medigap policy if you get Medicaid. However, you may not want to do this if you want to see doctors who don't accept Medicaid.

Call your State Health Insurance Assistance Program (SHIP), (1-877-839-2675) or visit shiptacenter.org/ to help you with this decision. More detail about the right for people with Medicaid to suspend a Medigap policy is contained at ssa.gov/OP_Home/ssact/title18/1882.html 1882(q) (5)(A) of the Social Security Act.

Right to Suspend Medigap for People Under Age 65

If you're under 65, have Medicare, and have a Medigap policy, you have a right to suspend your Medigap policy benefits and premiums without penalty while you're enrolled in your or your spouse's employer group health plan (EGHP). 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's 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 Insurance Department.

If for any reason you lose your EGHP 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 EGHP coverage:

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

More detail about the right for people with Medicaid to suspend a Medigap policy is contained at ssa.gov/OP_Home/ssact/title18/1882.html 1882(q) (5)(A) of the Social Security Act.

Review Scenario 1

Ted is 64 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 65. What might change when Ted turns 65 next year?

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'll 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've had continuous qualifying coverage, or haven't gone without health care coverage 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 won't 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 a healthy 67-year-old woman. She retired last month and ended her employer-sponsored health coverage. She enrolled in Original Medicare. She's interested in buying a Medigap policy to help her with her out-of-pocket costs. What does Sophie need to consider?

Considerations

The best time for Sophie to buy a Medigap policy is during her Medigap Open Enrollment Period (OEP). This period lasts 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 happen if Sophie waited a year to buy 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's no guarantee that an insurance company will sell Sophie a Medigap policy if she doesn't enroll within the time allowed under federal or state laws.

Key Points

- 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, B, C, D, F, G, K, L, M, and 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.
- In general, Medigap policies cover costs associated with services covered by Original Medicare.
- Medigap policies don't work with Medicare Advantage Plans.

Medigap Resource Guide

Resources	State Health Insurance Assistance Programs and State Insurance Departments	Medicare Products
<p>Centers for Medicare & Medicaid Services (CMS)</p> <ul style="list-style-type: none"> • Call 1-800-633-4227. TTY: 1-877-486-2048 • Beneficiary Information Medicare.gov • Compare Medigap policies Medicare.gov/find-a-plan/questions/medigap-home.aspx • Partner Information CMS.gov/medigap/ 	<p>SHIP</p>  <ul style="list-style-type: none"> • shiptacenter.org/ • Call 1-877-839-2675 <p>National Association of Insurance Commissioners</p> <ul style="list-style-type: none"> • Naic.org/ 	<ol style="list-style-type: none"> 1. “Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare” (CMS Product No. 02110) 2. “Your Medicare Benefits” (CMS Product No. 10116) 3. “Medicare Coverage Outside the United States” (CMS Product No. 11037) <p>To access these products:</p> <ul style="list-style-type: none"> • View and order single copies at Medicare.gov/publications • Order multiple copies (partners only) at Productordering.cms.hhs.gov <p><i>You must register your organization.</i></p>

Appendix

This chart describes the situations under federal law that give you a right to buy a policy, the kind of policy you can buy, and when you can or must apply for it. States may provide additional Medigap guaranteed issue rights.

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 (like an HMO or PPO), 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>Note: 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"> 1. Date the coverage ends 2. Date on the notice you get telling you that coverage is ending (if you get one) 3. Date on a claim denial, if this is the only way you know that your coverage ended
<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>

Appendix (continued)

This chart describes the situations under federal law that give you a right to buy a policy, the kind of policy you can buy, and when you can or must apply for it. States may provide additional Medigap guaranteed issued rights.

You have a guaranteed issue right if...	You have the right to buy...	You can/must apply for a Medigap policy...
<p>(Trial right) You joined a Medicare Advantage Plan (like an HMO or PPO) 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.</p> <p>Note: Your rights may last for an extra 12 months under certain circumstances.</p>
<p>(Trial right) You dropped a Medigap policy to join a Medicare Advantage Plan (or to switch to a Medicare SELECT policy) for the first time, you've 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.</p> <p>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.</p> <p>Note: 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>

Acronyms

- **CHIP** Children's Health Insurance Program
- **COBRA** Consolidated Omnibus Budget Reconciliation Act
- **CMS** Centers for Medicare & Medicaid Services
- **EGHP** Employer Group Health Plan
- **ESRD** End-Stage Renal Disease
- **HMO** Health Maintenance Organization
- **MA** Medicare Advantage
- **MA-PD** Medicare Advantage Prescription Drug
- **NTP** National Training Program
- **OEP** Open Enrollment Period
- **PDP** Prescription Drug Plan
- **PPO** Preferred Provider Organization
- **SSA** Social Security Administration
- **SHIP** State Health Insurance Assistance Program
- **TTY** Teletypewriter/Text Telephone