



CMS
NTP
 NATIONAL
 TRAINING PROGRAM
 MODULE 3

Medicare Supplement Insurance (Medigap) Policies

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Contents

Lesson 1—Introduction to Medigap.....	4-11
Lesson 2—Medigap Plans.....	12-19
Lesson 3—Buying a Medigap Policy.....	20-31
Lesson 4—Medigap Rights and Protections.....	32-40
Review Scenarios.....	41-44
Key Points.....	45
Medigap Resource Guide.....	46
Appendix: Guaranteed Issue Rights.....	47-48
Acronyms.....	49



Session Objectives

This session should help you

- 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

- Medicare Program overview
- Medigap overview

Your Medicare Coverage Choices

Option 1: Original Medicare

This includes Part A and/or Part B.



Part A

Hospital Insurance



Part B

Medical Insurance

You can add:



Part D

Medicare prescription drug coverage

You can also add:



Medigap

Medicare Supplement Insurance

Option 2: Medicare Advantage (Part C)

These plans are like HMOs or PPOs and typically include Part D.



Part A

Hospital Insurance



Part B

Medical Insurance



Part D

Medicare prescription drug coverage

Medicare Supplement Insurance (Medigap) Policies



You can add:



Part D

Medicare prescription drug coverage

You can also add:



Medigap

Medicare Supplement Insurance

- Medigap is private health insurance that supplements Original Medicare
 - You must have Part A and Part B
 - Helps pay some health care costs that Original Medicare doesn't cover
 - Medicare will pay its share of the Medicare-approved amounts for covered health care costs
 - Then your Medigap policy pays its share
 - **A Medigap policy covers one person**
- You pay a monthly premium for the Medigap policy
- You pay your Medicare Part B premium



How Are Medigap Policies and Medicare Advantage (MA) Plans Different?

	Medigap Insurance	MA 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 MA 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.

Original Medicare Costs in 2018—Part A

Medicare Cost	Amount You Pay
Part A deductible	\$1,340 for each benefit period
Inpatient hospital stay	No coinsurance for days 1–60 \$335 per day for days 61–90 \$670 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 \$167.50 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.

Original Medicare Costs in 2018—Part B

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 (or higher depending on your income)



Check-Your-Knowledge—Question 1

If you join an MA Plan, you can buy a Medigap policy to pay for out-of-pocket costs.

- a. True
- b. False



Check-Your-Knowledge—Question 2

A Medigap policy
will cover you and
your spouse.

- a. True
- b. False



Lesson 2—Medigap Plans

- Medigap plan types
 - Standardized policies
 - Special types of Medigap policies
- How Medigap plans are structured
- Basic benefits covered by each type of Medigap plan

Medigap Plans



Medigap
Medicare
Supplement
Insurance

- Standardized plans identified by a letter (except in MA, MN, WI (waiver states))
- Plans with the same letter must offer all the same benefits
- Companies don't have to sell all plans

Plans Currently Sold	Plans that Exist, But Are No Longer Sold
A, B, C, D, F, G, K, L, M, and N	E, H, I, and J

- For help, contact your local State Health Insurance Assistance Program or your State Department of Insurance

Medigap Plan Types

Medicare Supplement Insurance (Medigap) Plans

Benefits	A	B	C	D	F*	G	K	L	M	N
Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used up)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
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%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	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 2018**							\$5,240	\$2,620		

*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 \$2,240 in 2018 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 2018), 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 Policies

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



Waiver States

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



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 policies
- Generally cost less than non-network policies
- Can switch to plan with equal or lesser value at any time
- Not available in all states



Check-Your-Knowledge—Question 3

Each standardized Medigap plan (A-M) must offer the same basic benefits, no matter which insurance company sells it.

- a. True
- b. False



Check-Your-Knowledge—Question 4

What are the 3 waiver states?

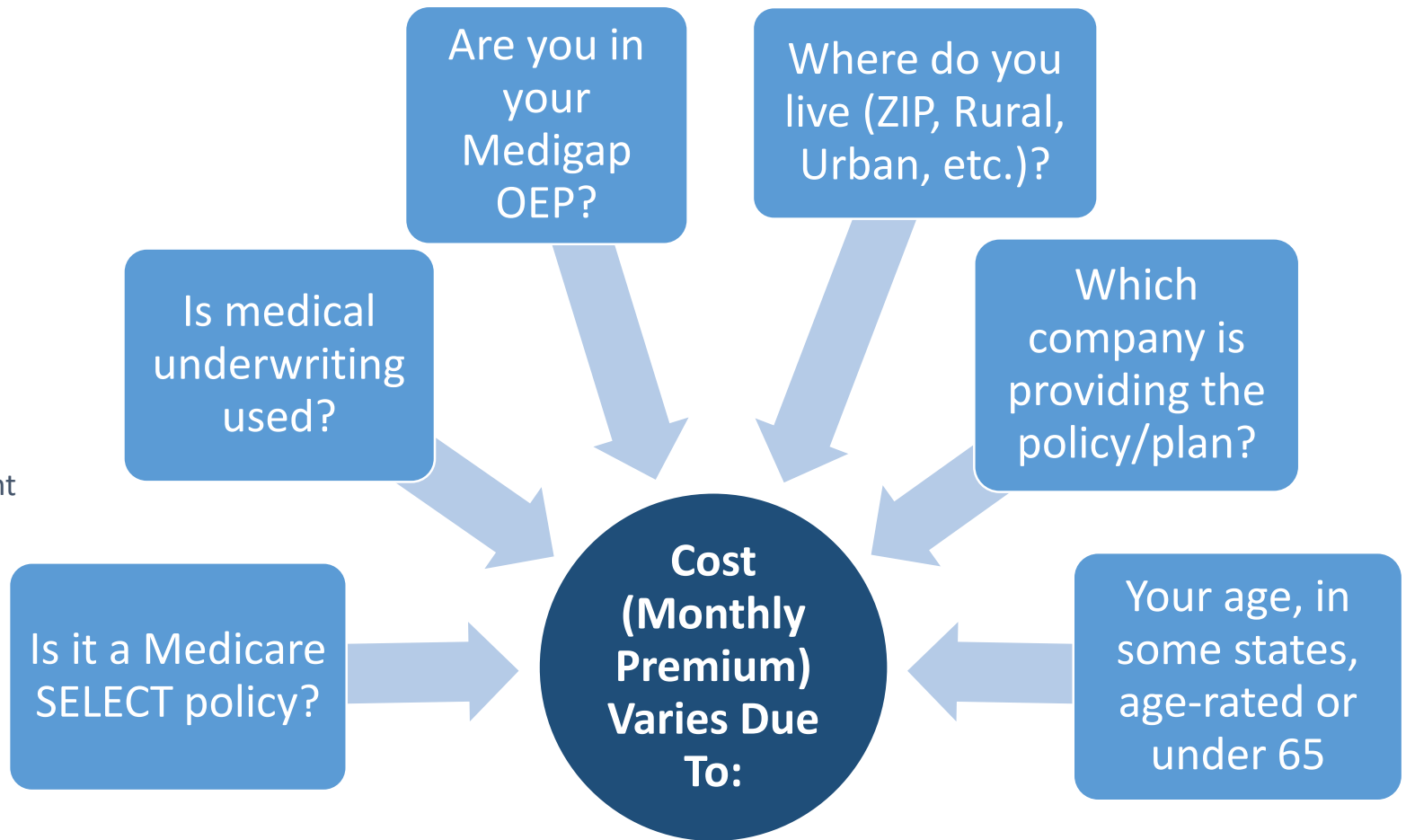
- a. Massachusetts, Minnesota, and Wisconsin
- b. Maryland, Maine, and Wyoming
- c. Michigan, Montana, and Washington



Lesson 3—Buying a Medigap Policy

- Medigap costs
- The best time to buy a Medigap policy
- Switching Medigap policies
- Steps to buy a Medigap policy

Medigap Costs



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 older- <i>All Washington state plans by state law</i>Generally 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.

The Best Time to Buy a Medigap Policy

- Your one 6-month Open Enrollment Period (OEP) begins when you're 65 or older and enrolled in Part B (some states have more generous rules)
- May buy a Medigap policy any time an insurance company will sell you one



Medigap
Medicare
Supplement
Insurance

During Your Medigap OEP	NOT During Your Medigap OEP
Best time buy	May have pre-existing condition waiting period
Guaranteed Issue Period	May cost more
Companies must sell you any policy they sell for the same price even if you have a pre-existing condition	Companies can deny coverage



Delayed Medigap Open Enrollment Period (OEP)

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

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”) (**By state law in Washington – limited to 90 days/3 months**)
 - Without 6 months of prior creditable coverage and no break in coverage more than 63 days (**By state law in Washington, 6 months is reduced to 90 days/3 months**)



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
- Companies may voluntarily sell Medigap policies
 - May cost more than policies sold to people over 65
 - Can use medical underwriting
- Get a Medigap OEP at 65



Steps to Buy a Medigap Policy

- STEP 1: Decide which benefits you want, then decide which of the standardized Medigap policies meet 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: Apply for and buy the Medigap policy

Why Switch Medigap Policies?

- You might switch policies if you
 - Are paying for benefits you don't need
 - Need more benefits now
 - Want to change your insurance company
 - Find a cheaper policy
- If not in your Medigap OEP
 - You may pay more for the new policy
 - There might be medical underwriting
 - You could have a delay in coverage for a pre-existing condition



When Can You Switch Medigap Policies?

- A right under federal law to switch only
 - During your Medigap OEP
 - If you have a guaranteed issue right
- If your state has more generous requirements
- Anytime insurance company will sell you one
- When you buy a new Medigap policy
 - You'll have a 30-day "free-look period"
 - You'll need to pay both Medigap policy premiums



Check-Your-Knowledge—Question 5

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.

- a. True
- b. False

Check-Your-Knowledge—Question 6

If you're 65 or older, your Medigap _____ begins when you enroll in Part B and it can't be changed or repeated.

- a. Initial Enrollment Period (IEP)
- b. General Enrollment Period (GEP)
- c. Open Enrollment Period (OEP)



Lesson 4—Medigap Rights and Protections

- Medigap guaranteed issue rights
- Guaranteed renewable plans
- Right to suspend a Medigap policy



Medigap Guaranteed Issue Rights

- Federal protections in certain situations
 - 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 for all situations
- See the OIC job aid: [Switching Medicare Supplement \(Medigap\) plans](#)

Examples of Guaranteed Issue Rights

John is in an **MA 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

Examples of Guaranteed Issue Rights (continued)

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



Guaranteed Renewable Policies

- 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 goes bankrupt or insolvent



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



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 Assistance Program (SHIP) for help



Right to Suspend Medigap for People Under 65

- Can suspend Medigap policy if under 65
 - While enrolled in your or your 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



Check-Your-Knowledge—Question 7

Medigap policies issued after _____ are guaranteed renewable.

- a. 2002
- b. 1982
- c. 1992

Review Scenario 1

- Ted is 64 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 65. He currently has a Medigap policy.
- What might change when Ted turns 65 next year?





Review Scenario 1 Considerations

- Ted will get a Medigap OEP when he turns 65
 - He'll probably have a wider choice of Medigap policies and get a lower Medigap premium
- If he signs up during his 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
- He may avoid the pre-existing condition waiting period since he had coverage for more than 6 months before he turned 65

Review Scenario 2

- Sophie is 67 and healthy. She retired last month and ended her employer-sponsored health coverage. She enrolled in Original Medicare (Part A and Part B). She's interested in buying a Medigap policy to help her with her out-of-pocket costs.
- What does Sophie need to consider?



Review Scenario 2 Considerations


- Sophie should consider when she'll buy a Medigap policy
 - The best time is during her Open Enrollment Period (OEP), which lasts 6 months
 - Begins with her Medicare Part B effective date
- She'll have guaranteed issue rights if she enrolls during her Medigap OEP. If she has guaranteed issue rights:
 - Insurance companies must sell her a Medigap policy
 - All pre-existing conditions must be covered
 - Insurance companies can't charge her more
- If she doesn't enroll during her Medigap OEP, companies may use medical underwriting or refuse to sell her a policy



Key Points

- You must have both Medicare Part A and Part B to get a Medigap policy
- You still pay the Medicare Part B premium
- You pay a monthly premium for Medigap
- Medigap policies cover one person
- Benefits are standardized in most states
- Costs vary by plan and by company
- In general, Medigap policies can only cover costs associated with services covered by Original Medicare
- Medigap policies don't work with MA Plans

Medigap Resource Guide

Resources		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>State Health Insurance Assistance Programs and State Insurance Departments</p>  <p>SHIP</p> <p><small>Local Help for People with Medicare.</small></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 (You must register your organization.)

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 issued 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...
(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.	Any Medigap policy that's sold in your state by any insurance company.	As early as 60 calendar days before the date your coverage will end, but no later than 63 calendar days after your coverage ends. Note: Your rights may last for an extra 12 months under certain circumstances.
(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.	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.	As early as 60 calendar days before the date your coverage will end, but no later than 63 calendar days after your coverage ends. Note: Your rights may last for an extra 12 months under certain circumstances.
Your Medigap insurance company goes bankrupt and you lose your coverage, or your Medigap policy coverage otherwise ends through no fault of your own.	Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.	No later than 63 calendar days from the date your coverage ends.
You leave a Medicare Advantage Plan or drop a Medigap policy because the company hasn't followed the rules, or it misled you.	Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.	No later than 63 calendar days from the date your coverage ends.

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 Programs
- **TTY** Teletypewriter/Text Telephone



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