

Health Insurance Webinar Series: Medigap (Supplemental) Plans

What is a Medigap/Supplemental Plan?

- These policies fill the gap by covering costs/expenses left by traditional Medicare part A and B coverage.
- These policies are sold by private insurance companies.
- You are responsible for monthly Medigap premiums.
- Your plan cannot be cancelled UNLESS you do not pay.
- You cannot purchase a gap plan if you do not have Medicare part B.
- Cost of plan is dependent on the type of plan elected as well as pre-existing conditions and medical underwriting.
- Does not ALWAYS include Part D/prescription coverage (some plans bundle Medigap and Part D).
- It is always best to purchase a gap plan when first eligible (initial coverage period).
- Federal law does not require insurance companies to sell Medigap policies to individuals under 65; though some state laws trump the Federal mandates.

Comparisons of Medicare Supplement Plans

PLAN LETTER	A	B	C	D	F	G	K	L	M	N
Basic Benefits	+	+	+	+	+	+	+	+	+	\$20 Office Visit \$50 ER Visit
Part A Deductible		+	+	+	+	+	50%	75%	50%	+
Skilled Nursing Coinsurance			+	+	+	+	50%	75%	+	+
Part B Deductible			+		+					
Part B Excess					+	+				
Foreign Travel Emergency			+	+	+	+			+	+
							Out-of-Pocket Limit \$4,640 \$2,320			

Do Medigap Plans Cover Pre-Existing Conditions?

- *It depends*
 - Under Federal law, the plan may impose a six month waiting period for Medigap coverage of pre-existing conditions unless:
 - The individual is entitled to a guaranteed-issue right because s/he lost certain types of other coverage.
 - The individual purchased a Medigap plan during open enrollment period and had coverage for at least six months prior to purchasing the Medigap plan and have had this coverage within the last 63 days.
 - The plan can charge higher premiums for those with a pre-existing condition if plan is not purchased during initial coverage period.

What does a Medigap Plan Cost?

		Plan Type A	Plan Type C	Plan Type F	Plan Type N
68 year old non smoking female No pre-existing conditions	Monthly Premium	\$116.32	\$215.86	\$216.65	\$150.69
68 year old non smoking female with pre-existing conditions*	Monthly Premium	\$220.87	\$409.87	\$411.37	\$286.12

*Does not apply if plan is purchased during initial Medicare eligibility enrollment period
OR if individual has a "guaranteed issue right."

Rates for tobacco users are higher

Tips When Shopping for a Medigap Plan

- Buy early (i.e. during your initial enrollment period) for best cost and plan options.
 - Initial enrollment begins the first day of the month you turn 65 AND are enrolled in Part and continues for six months.
 - If you choose to continue coverage through your own or your spouses employer/union insurance plan, this will also close the gaps. However, should you end this coverage you have only 63 days to purchase a new gap plan WITHOUT pre-existing condition clauses/medical underwriting.
- Shop around, compare quotes and plans.
- Guesstimate possible medical costs to help determine what type of gap plan you need.
- If you travel abroad, choose a plan that offers travel abroad coverage.
 - This is EMERGENCY coverage only; also has separate deductible.
- Don't forget you *may* still need to purchase a separate part D plan.
- Ask specific questions about pre-existing condition limits/periods.

- “Medicare and You 2017:” available through www.medicare.gov/publications
- National Council on Aging Benefits Check Up
- “Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare:” available through www.medicare.gov/publications



RESOURCES

Other Webinars in This Series

www.oncolink.org/insurance

Updated for 2017:

- Medicare A and B
- Medicare Part D
- Medicare Advantage Plans
- The Affordable Care Act
- Medicaid
- Health Insurance 101
- COBRA

New for 2017:

- Help is Available: Financial Assistance Overview
- The Tough Stuff: Late enrollment, penalties and life changing events



For More Information

Contact:

Christina Bach, MBE, MSW, LCSW, OSW-C

christina.bach@uphs.upenn.edu

