

What is a Medigap policy?

A Medigap (also called “Medicare Supplement Insurance”) policy is private health insurance that is designed to supplement **Original Medicare**. This means it helps pay some of the health care costs (“gaps”) that Original Medicare doesn’t cover (like **copayments**, **coinsurance**, and **deductibles**). Medigap policies may also cover certain things that Medicare doesn’t cover. If you are in Original Medicare and you have 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. (**Note:** Medicare doesn’t pay any of the costs for you to get a Medigap policy.)

Every Medigap policy must follow Federal and state laws designed to protect you, and it must be clearly identified as “Medicare Supplement Insurance.” Medigap insurance companies can only sell you a “standardized” Medigap policy identified by letters A through L. Each standardized Medigap policy must offer the same basic benefits, no matter which insurance company sells it. Cost is usually the only difference between Medigap policies sold by different insurance companies.

In Massachusetts, Minnesota, and Wisconsin, Medigap policies are standardized in a different way. In some states, you may be able to buy another type of Medigap policy called Medicare SELECT (a Medigap policy that requires you to use specific hospitals and in some cases specific doctors to get full benefits).

Some examples of costs you could pay if you have Original Medicare and don't have a Medigap policy

Cost	What YOU PAY in 2009 (These amounts can change each year.)	Medigap policies that may help pay all or some of these costs
Medicare Part A Coinsurance and all costs after hospital benefits are exhausted	For each benefit period , YOU PAY \$267 per day for days 61—90, \$534 per day for days 91—150 (while using your 60 lifetime reserve days), and all costs after 150 days.	Medigap Plans A, B, C, D, E, F, G, H, I, J, K, or L
Medicare Part B Coinsurance or Copayment for other than preventive services	YOU PAY all coinsurance, generally 20% of the Medicare-approved amount for most covered services after you meet the \$135 yearly Part B deductible . You also pay any copayment.	Medigap Plans A, B, C, D, E, F, G, H, I, J, K, or L
Blood	Generally, YOU PAY for the first 3 pints of blood.	Medigap Plans A, B, C, D, E, F, G, H, I, J, K, or L
Hospice Care Coinsurance or Copayment	You may be required to pay up to \$5 for each drug a hospice provides when you are getting hospice services in your home and 5% of the Medicare-approved amount for each day of inpatient respite care (up to certain limits).	Medigap Plans K or L
Skilled Nursing Facility Care Coinsurance	For each benefit period , YOU PAY nothing for the first 20 days, and up to \$133.50 per day for days 21—100.	Medigap Plans C, D, E, F, G, H, I, J, K, or L
Medicare Part A Deductible	For each benefit period , YOU PAY • \$1,068 for days 1—60 of a hospital stay.	Medigap Plans B, C, D, E, F, G, H, I, J, K, or L
Medicare Part B Deductible	YOU PAY the \$135 yearly deductible.	Medigap Plans C, F, or J
Medicare Part B Excess Charges	For doctors and other providers who don't accept assignment, YOU PAY the difference between the Medicare-approved amount and either the provider's fee, or the "limiting charge" (no more than 15% above the Medicare-approved amount) that applies for doctor's fees and many other Part B services.	Medigap Plans F, G, I, or J
Foreign Travel Emergency (Medicare coverage outside the U.S.)	Generally, YOU PAY all costs.	Medigap Plans C, D, E, F, G, H, I, or J
At-home Recovery (Medicare-approved home health care to provide treatment ordered by your doctor for an illness or injury.)	YOU PAY \$0 for Medicare-approved home health services, and 100% for services not covered by Medicare.	Medigap Plans D, G, I, or J
Medicare Preventive Care Part B Coinsurance	Generally, YOU PAY the \$135 yearly Part B deductible and Part B coinsurance, but there are exceptions.	Medigap Plans A, B, C, D, E, F, G, H, I, J, K, or L
Preventive Care not Covered by Medicare	YOU PAY all costs.	Medigap Plans E or J

What Medigap Plans A through L cover

This chart gives you a quick look at the standardized Medigap Plans A through L and their benefits. Every insurance company must make Medigap Plan A available if it offers any other Medigap policy. Not all types of Medigap policies may be available in your state.

If you need more information, call your [State Insurance Department](#) or [State Health Insurance Assistance Program](#).

If a check mark appears in a column of this chart, this means that the Medigap policy covers **100%** of the described benefit. If a column lists a percentage, this means the Medigap policy covers that percentage of the described benefit. If no percentage appears or if a column is blank, this means the Medigap policy **doesn't** cover that benefit. **Note:** The Medigap policy covers **coinsurance** only after you have paid the **deductible** (unless the Medigap policy also covers the deductible).

Medigap Plans A through L												
Medigap Benefits	A	B	C	D	E	F*	G	H	I	J*	K	L
Medicare Part A Coinsurance and all costs after hospital benefits are exhausted	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B Coinsurance or Copayment for other than preventive services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	50%	75%
Blood (First 3 Pints)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	50%	75%
Hospice Care Coinsurance or Copayment											50%	75%
Skilled Nursing Facility Care Coinsurance			✓	✓	✓	✓	✓	✓	✓	✓	50%	75%
Medicare Part A Deductible		✓	✓	✓	✓	✓	✓	✓	✓	✓	50%	75%
Medicare Part B Deductible			✓			✓				✓		
Medicare Part B Excess Charges						✓	80%		✓	✓		
Foreign Travel Emergency (Up to Plan Limits)**			✓	✓	✓	✓	✓	✓	✓	✓		
At-home Recovery (Up to Plan Limits)				✓			✓		✓	✓		
Medicare Preventive Care Part B Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Preventive Care not Covered by Medicare (up to \$120)					✓					✓		

* Medigap Plans F and J also offer a high-deductible option. You must pay for Medicare-covered costs up to the high-deductible amount (\$2,000 in 2009) before your Medigap policy pays anything.

** You must also pay a separate deductible for foreign travel emergency (\$250 per year).

*** After you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$135 in 2009), the plan pays 100% of covered services for the rest of the calendar year.

2009
out-of-pocket
limit

▶ \$4,620*** \$2,310***

What Medigap policies don't cover

Medigap policies don't cover long-term care (like care in a nursing home), vision or dental care, hearing aids, eyeglasses, and private-duty nursing.

Types of coverage that are NOT Medigap policies

- Medicare Advantage Plans (Part C), like an HMO, PPO, or Private Fee-for-Service Plans
- Medicare Prescription Drug Plans (Part D)
- Medicaid
- Employer or union plans, including Federal Employees Health Benefits Program (FEHBP)
- TRICARE
- Veterans' benefits
- Long-term care insurance policies
- Indian Health Service, Tribal, and Urban Indian Health plans

What types of Medigap policies can insurance companies sell?

In most states, Medigap insurance companies can sell you only a "standardized" Medigap policy. All Medigap policies must have specific benefits so you can compare them easily.

Insurance companies that sell Medigap policies don't have to offer every Medigap policy (Medigap Plans A through L). However, they must offer Medigap Plan A if they offer any other Medigap policy. Each insurance company decides which Medigap policies it wants to sell, although state law might affect which ones they offer.

What types of Medigap policies can insurance companies sell? (continued)

In some cases, an insurance company **must** sell you a **Medigap policy**, even if you have health problems. Listed below are certain times that you are guaranteed the right to buy a Medigap policy:

- When you are in your Medigap **open enrollment period**.
- If you have a **guaranteed issue right**.

You may also be able to buy a Medigap policy at other times, but the insurance company is allowed to deny you a Medigap policy based on your health. Also, in some cases it may be illegal for the insurance company to sell you a Medigap policy (such as if you already have **Medicaid** or a **Medicare Advantage Plan**).

What do I need to know if I want to buy a Medigap policy?

- Generally, you must have Medicare Part A and Part B to buy a Medigap policy.
- You pay a **premium** for your Medigap policy to the private insurance company, in addition to the monthly Part B premium that you pay to Medicare.
- A Medigap policy only covers one person. If you and your spouse both want Medigap coverage, most likely, **you each will have to buy separate Medigap policies**.
- You can buy a Medigap policy from any insurance company that is licensed in your state to sell one to you.
- Any standardized Medigap policy is **guaranteed renewable** even if you have health problems. This means the insurance company can't cancel your Medigap policy as long as you pay the premium.
- Although some Medigap policies sold in the past cover prescription drugs, no new Medigap policies are allowed to include prescription drug coverage.
- If you want prescription drug coverage, you may want to join a **Medicare Prescription Drug Plan (Part D)** offered by private companies approved by Medicare.

When is the best time to buy a Medigap policy?

The best time to buy a Medigap policy is during your Medigap **open enrollment period**. This period lasts for 6 months and begins on the first day of the month in which you are **both** age 65 or older **and** enrolled in Medicare Part B. Some states have additional open enrollment periods. During this period, an insurance company can't use **medical underwriting**. This means the insurance company can't do any of the following:

- Refuse to sell you any Medigap policy it sells
- Make you wait for coverage to start (except as explained below)
- Charge you more for a Medigap policy because of your health problems

While the insurance company can't make you wait for your coverage to start, it **may** be able to make you wait for coverage of a **pre-existing condition**. A pre-existing condition is a health problem you have before the date a new insurance policy starts. In some cases, the Medigap insurance company can refuse to cover your out-of-pocket costs for these pre-existing health problems for up to 6 months. This is called a "pre-existing condition waiting period." 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. (Remember, for Medicare-covered services, Original Medicare will still cover the condition, even if the Medigap policy won't cover your out-of-pocket costs.)

When is the best time to buy a Medigap policy? (continued)

Even if you have a **pre-existing condition**, if you buy a Medigap policy during your Medigap **open enrollment period** and if you recently had certain kinds of health coverage called “creditable coverage,” it is possible to avoid or shorten waiting periods for pre-existing conditions. Prior creditable coverage is generally any other health coverage you recently had before applying for a Medigap policy. If you have had at least 6 months of prior creditable coverage, the Medigap insurance company can’t make you wait before it covers your pre-existing conditions.

There are many types of health care coverage that may count as creditable coverage for Medigap policies, but they will only count if you didn’t have a break in coverage for more than 63 days. If there was any time that you had no health coverage of any kind and were without coverage for more than 63 days, you can only count creditable coverage you had after that break in coverage.

Talk to your Medigap insurance company. It will be able to tell you if your previous coverage will count as creditable coverage for this purpose. You can also call your **State Health Insurance Assistance Program**.

If you buy a Medigap policy when you have a **guaranteed issue right** (also called “Medigap protection”), the insurance company can’t use a pre-existing condition waiting period at all.

Note: You can send in your application for a Medigap policy before your Medigap open enrollment period starts. This may be important if you currently have coverage that will end when you turn age 65. This will allow you to have continuous coverage.