CENTERS FOR MEDICARE & MEDICAID SERVICES

2007 Choosing a Medigap Policy:

A Guide to Health Insurance for People with Medicare

This is the official government guide with important information about

- ★ what a Medigap (Medicare Supplement Insurance) policy is.
- ★ what Medigap policies cover.
- ★ your rights to buy a Medigap policy.
- ★ steps to follow when you buy a Medigap policy.
- ★ switching Medigap policies.

This guide can help if you are thinking about buying or already have a Medigap policy.

Developed jointly by the Centers for Medicare & Medicaid Services (CMS) and the National Association of Insurance Commissioners (NAIC)

How to use this guide

There are two ways to find the information you need:

1. The "Table of contents" on pages 1–2 can help you find the sections you need to read.
2. The "List of topics" on pages 49–51 lists every topic in this guide and the page number to find it.

Who should read this guide

This guide was written to help people with Medicare understand Medigap (sometimes called "Medicare Supplement Insurance") policies. A Medigap policy is a type of private insurance that helps you pay for some of the costs that the Original Medicare Plan doesn't pay for.

If you

- want to learn the basics about the Medicare Program, see Section 1.
- want to learn the basics about Medigap policies, see Section 2.
- want to know the situations when you have a right to buy a Medigap policy (referred to as a "guaranteed issue right"), see Section 3.
- want to use the step-by-step guide to buying a Medigap policy or to switch to a different Medigap policy, see Section 4.
- already have a Medigap policy, see Section 5.
- are under age 65 and have a disability or have End-Stage Renal Disease (ESRD) and want to know when you can buy a Medigap policy, see Section 6.
- want to see a quick overview of the standardized Medigap policies (Medigap Plans A through L) or the Medigap policies available if you live in Massachusetts, Minnesota, or Wisconsin, see Section 7.
- have Medigap questions, see Section 8.
- want to know what a word in red means, see Section 9.
- want to look up a specific topic in this guide, see Section 10.

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Section 1
A brief look at Medicare and Medigap policies

This guide is about Medigap policies. It was written to help people with Medicare understand Medigap (sometimes called "Medicare Supplement Insurance") policies. However, before you learn more about Medigap policies, here's a brief look at the Medicare Program. If you already know the basics about the Medicare Program and Medicare plans and want to learn about the Medigap basics, then turn to Section 2, which starts on page 7.

Words in red are defined on pages 45–47.

A **Medigap policy** is health insurance sold by private insurance companies to fill gaps in the Original Medicare Plan coverage. Medigap policies help pay your share (coinsurance, copayments, or deductibles) of the costs of Medicare-covered services, and some Medigap policies cover certain costs not covered by the Original Medicare Plan.

The Medicare Program

Medicare is health insurance for people age 65 or older, under age 65 with certain disabilities, and any age with permanent kidney failure (called End-Stage Renal Disease–ESRD). Medicare covers many health care services and supplies, but there are many costs ("gaps") it doesn't cover.

Medicare has

- **Part A (Hospital Insurance)**—covers inpatient care in hospitals, skilled nursing facilities, some home health, and hospice care.
- **Part B (Medical Insurance)**—covers doctors' services and outpatient care, other medical services that Part A doesn't cover (like physical and occupational therapists), and some home health.
- **Part C (Medicare Advantage Plans)**—Private insurers like HMOs and PPOs provide both Part A and Part B benefits to people who enroll.
- **Part D (Medicare prescription drug coverage)**—covers prescription drugs.

The Medicare Program (continued)

Medicare allows you the flexibility of choosing a plan that's right for you. It's important to review your health care needs every year. Medicare offers many different types of plans. If you're satisfied with your current plan's cost and coverage for next year and the customer service you receive, you don't need to do anything. Only you can decide if a Medigap policy will meet your needs. Remember, a Medigap policy only works with the Original Medicare Plan. If you need help deciding or have questions, you can visit www.medicare.gov on the web. Or, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. You may also contact your State Health Insurance Assistance Program (see pages 42–43).

Most people get their Medicare health care and prescription drug coverage through the following plans:

Words in red are defined on pages 45–47.

- The **Original Medicare Plan**–Medicare provides this coverage. It includes Medicare **Part A** and/or **Part B**. This plan pays for many health care services and supplies, but it doesn't pay all of your health care costs. There are costs that **you** must pay (like coinsurance, copayments, and deductibles).

  If you have the Original Medicare Plan, you may want to buy a Medigap policy to help cover your out-of-pocket costs. Generally, you must have Medicare Part A **and** Part B to buy a Medigap policy.

- **Medicare Advantage Plans (“Part C”), like HMOs and PPOs**–Private insurance companies approved by Medicare provide this coverage. This plan combines your Medicare **Part A** and **Part B** coverage and often provides extra benefits that aren't included under the Original Medicare Plan. Medicare Advantage Plans include Medicare Preferred Provider Organization (PPO) Plans, Medicare Health Maintenance Organization (HMO) Plans, Medicare Private Fee-for-Service Plans (PFFS), Medicare Special Needs Plans (SNPs), and Medicare Medical Savings Account (MSA) Plans.

The Medicare Program (continued)

Medicare Advantage Plans (continued)

Important: If you have a Medigap policy and you join a Medicare Advantage Plan, you don't need and can't use a Medigap policy to cover deductibles, copayments, or other cost-sharing under a Medicare Advantage Plan. You may want to drop your Medigap policy, but you should talk to your Medigap insurance company before you do. If you already joined a Medicare Advantage Plan, it is illegal for anyone to sell you a Medigap policy unless you are switching back to the Original Medicare Plan.

Note: Medigap policies with prescription drugs **aren't** Medicare drug plans.

- **Medicare Prescription Drug Coverage** (sometimes called "Part D")–These plans are run by private insurance companies and other private companies approved by Medicare. There are two ways to get Medicare prescription drug coverage:
  1. Medicare Prescription Drug Plans add coverage to the Original Medicare Plan, some Medicare Private Fee-for-Service Plans that don't offer Medicare drug coverage, some Medicare Cost Plans, and Medicare Medical Savings Account Plans.

     Medicare Prescription Drug Coverage and Medigap Policies

     – If you are in the Original Medicare Plan and you already have a Medigap policy **with** prescription drug coverage, you can keep that Medigap policy with prescription drug coverage or join a Medicare Prescription Drug Plan. If you join a Medicare Prescription Drug Plan, you must tell your Medigap insurance company to remove the prescription drug coverage from your Medigap policy. You can't keep both types of prescription drug coverage.

     – If you are in the Original Medicare Plan and already have a Medigap policy **without** prescription drug coverage, you can keep that Medigap policy and join a Medicare Prescription Drug Plan.
  2. Most Medicare Advantage Plans include coverage for prescription drugs. You generally get all of your health care and Medicare prescription drug coverage through these plans.

The Medicare Program (continued)

Medicare Prescription Drug Coverage (continued)

Can I buy a new Medigap policy that includes prescription drug coverage?

No. As of January 1, 2006, Medigap policies being sold can't include prescription drug coverage. This is because Medicare offers prescription drug coverage to everyone with Medicare. If you want prescription drug coverage, you can get this coverage in one of the two ways described on page 5.

Some Medigap policies sold in the past covered prescription drugs. If you have a Medigap policy that includes prescription drug coverage, see pages 31–32.

For more information

Remember, this guide is about Medigap policies. To learn about the Medicare Program, you can get a free copy of the "Medicare & You" handbook by visiting www.medicare.gov on the web. Under "Search Tools," select "Find a Medicare Publication." You can also call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Section 2
Medigap basics

What is a Medigap policy?

A Medigap (sometimes called "Medicare Supplement Insurance") policy is health insurance designed to supplement the Original Medicare Plan, that is, help pay some of the health care costs ("gaps") that the Original Medicare Plan doesn't cover (like copayments, coinsurance, and deductibles). If you are in the Original Medicare Plan and you buy a Medigap policy, then both plans will pay their share of Medicare-approved amounts for covered health care costs. Medigap policies are sold by private insurance companies. Also, a Medigap policy isn't a "Medicare Health Plan" (such as an HMO or PPO) because it's not a way to get Medicare benefits.

Words in red are defined on pages 45–47.

Insurance companies can only sell you a "standardized" Medigap policy. Standardized Medigap policies are identified by letters (Medigap Plans A through L) as described in this booklet (except in Massachusetts, Minnesota, or Wisconsin, see pages 38–40). Medigap Plans F and J also offer a high-deductible option (see page 15). In some states, you may be able to buy another type of Medigap policy called Medicare SELECT (see page 16). Each type of Medigap policy offers the same basic benefits, no matter which insurance company sells it. Usually the only difference between Medigap policies sold by different insurance companies is the cost.

Medigap policies must follow Federal and state laws. These laws protect you. The front of a Medigap policy must clearly identify it as "Medicare Supplement Insurance."

A Medigap policy only covers one person. If you and your spouse both want Medigap coverage, **you each must buy separate Medigap policies**.

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

Cost-sharing	What YOU PAY in 2007 (These amounts can change each year.)	Medigap policies that may help pay all or some of these costs
Medicare Part A Coinsurance and Hospital Benefits	**For each benefit period, YOU PAY** • $248 per day for days 61–90. • $496 per day for days 91–150 (while using your 60 lifetime reserve days).	Medigap Plans A, B, C, D, E, F, G, H, I, J, K, or L
Medicare Part B Coinsurance or Copayment	**YOU PAY** all coinsurance, generally 20% of the Medicare-approved amounts for most covered services and any copayment **after** you meet the $131 yearly Part B deductible.	Medigap Plans A, B, C, D, E, F, G, H, I, J, K, or L
Blood	Generally, **YOU PAY** for the first three pints of blood.	Medigap Plans A, B, C, D, E, F, G, H, I, J, K, or L
Hospice Care Coinsurance or Copayment	**YOU PAY** a coinsurance or copayment, up to $5 for inpatient drugs and 5% of the Medicare-approved amount for inpatient respite care.	Medigap Plans K or L
Skilled Nursing Facility Care Coinsurance	**For each benefit period, YOU PAY** • nothing for the first 20 days. • up to $124 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** • $992 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 $131 yearly deductible.	Medigap Plans C, F, or J
Medicare Part B Excess Charges	**YOU PAY** the difference between the Medicare-approved amount and the limiting charge (no more than 15% above the Medicare-approved amount).	Medigap Plans F, G, I, or J
Foreign Travel Emergency	Generally, **YOU PAY** all costs.	Medigap Plans C, D, E, F, G, H, I, or J
At-Home Recovery	**YOU PAY** • $0 for Medicare-approved home health services. • 100% for services not covered by Medicare.	Medigap Plans D, G, I, or J
Preventive Care Coinsurance	Generally, **YOU PAY** all costs.	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

Remember, the Original Medicare Plan doesn't cover all of your health care costs. You may want to buy a Medigap policy to help pay these costs (see below).

What Medigap Plans A through L cover

This chart gives you a quick look at the standardized Medigap Plans A through L (including Medicare SELECT) and their benefits. Every insurance company must make Medigap Plan A available if they offer any other Medigap policy. Not all types of Medigap policies may not be available in your state. If you live in Massachusetts, Minnesota, or Wisconsin, **see pages 38–40**. If you need more information, call your State Insurance Department or State Health Insurance Assistance Program (**see pages 42–43**).

How to read the chart: If a check mark appears in the column, this means that the Medigap policy pays that benefit up to **100%** of the Medicare-approved amount. If a column lists a percentage, this means the Medigap policy covers that benefit at that percentage rate of the Medicare-approved amount. If no percentage appears or if the column is blank, this means the Medigap policy **doesn't** include that benefit. **Note:** The coverage of coinsurance only begins after you have paid 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 Medigap Coverage for hospital benefits	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	50%	75%
Blood (First Three Pints)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	50%	75%
Hospice Care Coinsurance or Copayment											50%	75%
Skilled Nursing Facility Care Coinsurance			✓	✓	✓	✓	✓	✓	✓	✓	50%	75%
Medicare Part A Deductible		✓	✓	✓	✓	✓	✓	✓	✓	✓		
Medicare Part B Deductible			✓			✓				✓		
Medicare Part B Excess Charges						✓			✓	✓		
Foreign Travel Emergency (up to plan limits)			✓	✓	✓	✓	✓	✓	✓	✓		
At-Home Recovery (up to plan limits)				✓			✓		✓	✓		
Preventive Care Coinsurance (included in the Part B coinsurance)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Preventive Care not covered by Medicare (up to $120)					✓					✓		
2007 out-of-pocket yearly limit											**$4,140****	**$2,070****

*Medigap Plans F and J also offer a high-deductible option. You must pay the first $1,860 (deductible in 2007) in Medigap-covered costs before the 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 $131 yearly Part B deductible, the plan pays 100% of covered services for the rest of the calendar year.

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 or PPO
- Medicare Prescription Drug Plans (Part D)
- Medicaid
- Employer or unions plans, including Federal Employees Health Benefits Program (FEHBP)
- TRICARE
- Veterans' benefits
- Long-term care insurance policies
- Indian Health Service, Tribal and Urban plan

Words in red are defined on pages 45–47.

What types of Medigap policies can insurance companies sell?

In most cases, Medigap insurance companies can only sell you a "standardized" Medigap policy. All Medigap policies must have specific benefits so you can compare them easily (see page 9).

Remember, 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.

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

- If you are in your Medigap open enrollment period (see pages 11–12), or
- If you have a guaranteed issue right (see pages 18–19).

You may also be able to buy a Medigap policy at other times, but in some cases it may be illegal for the insurance company to sell you a Medigap policy (such as if you have Medicaid or a Medicare Advantage Plan).

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

When you buy a Medigap policy, generally you must have Medicare Part A and Part B. You will have to continue to pay the standard monthly Medicare Part B premium. You will also have to pay a premium to the Medigap insurance company. You can buy a Medigap policy from any insurance company that is licensed in your state to sell one to you. If you want to buy a Medigap policy, follow the "**Steps to buying or switching a Medigap policy**" on pages 21–26.

Any new Medigap policy is automatically renewed (guaranteed renewable) each year as long as you pay the premium and follow the insurance company's rules.

Although some Medigap policies sold in the past covered prescription drugs, no new Medigap policies that include prescription drug coverage are allowed to be sold. To have Medicare prescription drug coverage, you may want to buy Medicare Prescription Drug Plan (Part D) offered by private companies approved by Medicare (see page 5).

To learn about Medicare prescription drug coverage, you can call 1-800-MEDICARE (1-800-633-4227). You can also get a free copy of "Your Guide to Medicare Prescription Drug Coverage" by visiting www.medicare.gov on the web. Under "Search Tools," select "Find a Medicare Publication."

Important: This is what Federal law requires. Your state may give you additional protections, you can call your State Health Insurance Assistance Program (see pages 42–43).

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 six 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. During this period, an insurance company can't

- refuse to sell you any Medigap policy it sells,
- make you wait for coverage to start, or
- charge you more for a Medigap policy because of your health problems.

While the insurance company can't make you wait for all 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 that health problem for up to six months. This is called a "pre-existing condition waiting period." (Remember, for Medicare-covered services, the Original Medicare Plan will still cover the condition, even if the Medigap policy won't cover your out-of-pocket costs.) See the next page for more information about the Medigap open enrollment period.

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

If you buy a Medigap policy during your Medigap open enrollment period, or if you recently had certain kinds of health coverage, called "creditable coverage," the insurance company must shorten any waiting period, or even eliminate it entirely. Creditable coverage is generally any other health coverage you recently had before applying for a Medigap policy. There are many types of health care coverage that may count as creditable coverage for Medigap policies. To find out if your health coverage is creditable coverage, call a Medigap insurance company or your State Insurance Department (see pages 42–43).

Words in red are defined on pages 45–47.

Important: Whether you had creditable coverage depends on whether you had any "breaks in coverage"—when you were without any type of health coverage for more than 63 days in a row. Talk to your Medigap insurance company or State Health Insurance Assistance Program (see pages 42–43) if you had any breaks in coverage. They will be able to tell you if the coverage will count towards your creditable coverage.

If you buy a Medigap policy when you have a guaranteed issue right (also called "Medigap protections"), the insurance company can't use a pre-existing condition waiting period. For more information about guaranteed issue rights, see pages 17–20.

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, without any break.

Why is it important to buy a Medigap policy when I am first eligible?

It is very important to understand when your Medigap open enrollment period starts. If your Medigap open enrollment period is over, Medigap insurance companies are allowed to use medical underwriting to decide whether to accept your application, and how much to charge you for the Medigap policy. There is no guarantee that an insurance company will sell you a Medigap policy unless you are eligible because of one of the situations listed on pages 18–19.

Why is it important to buy a Medigap policy when I am first eligible? (continued)

If you are over age 65 and have group health coverage because you are currently working or covered under your spouse's employer group health plan, you may want to wait to enroll in Medicare Part B (see below). Your Medigap open enrollment period won't start until you are age 65 or older **and** also have enrolled in Medicare Part B.

To best understand your Medigap rights, you should be familiar with certain rules about Medicare Part B. This is because your Medigap rights may depend on when you enroll in Medicare Part B. There are certain times when you can enroll in Medicare Part B. If you don't enroll in Medicare Part B when you are first eligible (or during a "special enrollment period," such as after you drop employer coverage), you may have to pay a higher monthly premium (called a "penalty") for Medicare Part B. You may have to pay this extra amount as long as you have Medicare Part B.

For information about these enrollment periods, get a free copy of "Enrolling in Medicare" at www.medicare.gov on the web. Under "Search Tools," select "Find a Medicare Publication." Or, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

How insurance companies set prices for Medigap policies

Each insurance company sets its own monthly premiums. It is important to ask how an insurance company prices Medigap policies. How they set the price affects how much you pay now and in the future. Medigap policies can be priced or "rated" in three ways:

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

Each of these ways of pricing Medigap policies is described in the chart on the next page. Monthly premiums may vary by insurance company and by Medigap policy. The amounts in the examples **aren't** actual costs. Remember, you should look at how much the Medigap policy will cost you now and in the future.

How insurance companies set prices for Medigap policies (continued)

Type of pricing	How it's priced	What pricing may mean for you	Examples
Community-rated (also called "no-age-rated")	The same monthly premium is charged to everyone who has the Medigap policy, regardless of age.	Premiums are the same no matter how old you are. Premiums may go up because of inflation and other factors.	Mr. Smith is age 65. He buys a Medigap policy and pays a $165 monthly premium. Mrs. Perez is age 72. She buys the same Medigap policy as Mr. Smith. She also pays a $165 monthly premium because with this type of Medigap policy, everyone pays the same price, regardless of age.
Issue-age-rated	The premium is based on the age you are when you buy (are "issued") the Medigap policy.	Premiums are lower for younger buyers, and won't change as you get older. Premiums may go up because of inflation and other factors.	Mr. Han is age 65. He buys a Medigap policy and pays a $145 monthly premium. Mrs. Wright is age 72. She buys the same Medigap policy as Mr. Han. Since she is older at the time she buys it, her monthly premium is $175.
Attained-age-rated	The premium is based on your current age (the age you have "attained") so your premium goes up as you get older.	Premiums for these Medigap policies are low for younger buyers, but goes up as you get older and can eventually become the most expensive. Premiums may also go up because of inflation and other factors.	Mrs. Anderson is age 65. She pays a $120 monthly premium. Her premium will go up every year. • At age 66, her premium goes up to $126 • At age 67, her premium goes up to $132 • At age 72, her premium goes up to $165 Mr. Dodd is age 72. He buys the same Medigap policy as Mrs. Anderson. He pays a $165 monthly premium. His premium is higher than Mrs. Anderson's because it is based on his current age. Mr. Dodd's premium will go up every year. • At age 73, his premium goes up to $171 • At age 74, his premium goes up to $177

Comparing Medigap costs

As discussed on the previous pages, the cost of Medigap policies can vary widely. **There can be big differences in the premiums that different insurance companies charge for exactly the same coverage.** As you shop for a Medigap policy, be sure you are comparing the same Medigap policy taking into consideration the type of pricing that the Medigap policy uses (see pages 13–14). (For example, compare a Medigap Plan C from one insurance company with Medigap Plan C from another insurance company.) Although this guide **can't** give actual costs of Medigap policies, you can get this information by calling insurance companies. Or, you can call your State Health Insurance Assistance Program (see pages 42–43).

You can also find out which insurance companies sell Medigap policies in your area by visiting www.medicare.gov on the web. Under "Search Tools," select "Compare Health Plans and Medigap Policies in Your Area."

The cost of your Medigap policy may depend on if the insurance company

- offers discounts (such as discounts to females, non-smokers, if you are married, for paying annually, and for electronic funds transfer).
- uses medical underwriting, or applies a different premium outside of your guaranteed issued right period. This means the insurance company can use your medical history to decide if they want to sell you a Medigap policy or add a waiting period for pre-existing conditions (see page 11) if allowed by your state.
- sells Medicare SELECT policies. If you buy this type of Medigap policy, your premium may be less (see page 16).
- offers a "high-deductible option" on Medigap Plans F and J. If you buy a Medigap Plan F or J high-deductible option, you must pay the first $1,860 (deductible in 2007) in Medigap-covered costs before the Medigap policy pays anything. You must also pay a separate deductible for foreign travel emergency ($250 per year). If you bought your Medigap Plan J before December 31, 2005 and it still covers prescription drugs, you would also pay a separate deductible for prescription drugs ($250 per year) covered by the Medigap policy.

Words in red are defined on pages 45–47.

What is Medicare SELECT?

There is another type of Medigap policy called Medicare SELECT that is sold in some states. Medicare SELECT is one of the standardized Medigap Plans A through L. However, you must use specific hospitals and, in some cases, specific doctors to get your full insurance benefits (except in an emergency). Medicare SELECT policies generally cost less than other Medigap policies. However, if you don't use a Medicare SELECT hospital or doctor for non-emergency services, you will 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.

Words in red are defined on pages 45–47.

Medigap claim filing for Medicare Part B

Under most Medigap policies, by signing the Medigap insurance contract you agree to have the Medigap insurance company get your Medicare Part B claim information directly from Medicare and then pay the doctor directly. Some Medigap insurance companies also provide this service for Medicare Part A claims.

If your Medigap insurance company **doesn't** provide this service, ask your doctors if they "participate" in Medicare. (This means that they accept "assignment" for all their Medicare patients.) If your doctor does participate, the Medigap insurance company is required to pay the doctor directly.

If you have any questions about Medigap claim filing, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Section 3
Your right to buy a Medigap policy

What are guaranteed issue rights?

Guaranteed issue rights (sometimes called "Medigap protections") are rights you have in certain situations when insurance companies are required by law to sell or offer you a Medigap (sometimes called "Medicare Supplement Insurance") policy even if you have health problems (called "pre-existing conditions," see page 11). These situations are described on pages 18–19. In these situations, an insurance company

- must sell you a Medigap policy,
- must cover all your pre-existing conditions, and
- can't charge you more for a Medigap policy because of past or present health problems.

If you live in Massachusetts, Minnesota, or Wisconsin, you have guaranteed issue rights to buy a Medigap policy, but the Medigap policies are different. See pages 38–40 for your Medigap policy choices.

Important: This is what Federal law requires. Your state may give you additional protections, you can call your State Health Insurance Assistance Program (see pages 42–43).

When do I have guaranteed issue rights?

In most cases, you have a guaranteed issue right when you have other health care coverage that changes in some way, such as when you lose or drop the other health care coverage (see pages 18–19). 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. (For trial rights, see guaranteed issue rights, **Situations #4 and #5** on page 19.)

An insurance company can't refuse to sell you a Medigap policy under the following situations:

Guaranteed issue right situation...	You have the right to buy...	When to apply for a Medigap policy within...
#1: Your Medicare Advantage Plan is leaving the Medicare Program, stops giving care in your area, or you move out of the plan's service area. **Note:** If you immediately join another Medicare Advantage Plan, you can stay in that plan for up to one year and still have the rights in Situations #4 and #5.	Medigap Plan A, B, C, F, K, or L that is sold in your state by any insurance company. For this right, you **must** switch to the Original Medicare Plan.	You can apply up to 60 calendar days before the date your health care coverage will end. You must apply no later than 63 calendar days after your health care coverage ends.
#2: You are in the Original Medicare Plan and have an employer group health plan or union coverage that pays after Medicare pays, and that coverage is ending. This includes retiree or COBRA coverage. **Note:** In this situation, state laws may vary.	Medigap Plan A, B, C, F, K, or L that is sold in your state by any insurance company. If you have COBRA coverage, you can either buy a Medigap policy right away or wait until the COBRA coverage ends.	You must apply 63 calendar days after the latest of these three dates: • date the coverage ends, • date on notice that coverage is ending (if you get one), or • date on claim denial, if this is the only way you know that your coverage is ending.
#3: You are in the Original Medicare Plan and have a Medicare SELECT policy. You move out of the Medicare SELECT plan's service area. You can keep your Medigap policy or you may want to switch to another Medigap policy.	Medigap Plan A, B, C, F, K, or L that is sold by any insurance company in your state or the state you are moving to.	You can apply up to 60 calendar days before the date your health care coverage will end. You must apply no later than 63 calendar days after your health care coverage ends.

Guaranteed issue right situation...	You have the right to buy...	When to apply for a Medigap policy within...
#4: (Trial Right) You joined a Medicare Advantage Plan or PACE when you were first eligible for Medicare Part A at age 65 and within the first year of joining, you decide you want to switch to the Original Medicare Plan.	any Medigap policy that is sold in your state by any insurance company.	You can apply up to 60 calendar days before the date your coverage will end. You must apply no later than 63 calendar days after your coverage ends. **Note:** Your rights may last for an extra 12 months under certain circumstances.
#5: (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 have 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 it included drug coverage, you can still get that same policy, but without the drug coverage. If your former Medigap policy **isn't** available, you can also buy a Medigap Plan A, B, C, F, K, or L that is sold in your state by any insurance company.	You can apply up to 60 calendar days before the date your coverage will end. You must apply no later than 63 calendar days after your coverage ends. **Note:** Your rights may last for an extra 12 months under certain circumstances.
#6: 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 is sold in your state by any insurance company.	You must apply 63 calendar days from the date your coverage ends.
#7: 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 is sold in your state by any insurance company.	You must apply 63 calendar days from the date your coverage ends.

I lost (or dropped) my health care coverage. Can I buy a Medigap policy?

Words in red are defined on pages 45–47.

In some cases you have a guaranteed issued right (see pages 18–19) to buy a Medigap policy, for example, your health care coverage ended. If you lost or dropped your health care coverage or joined a Medicare Advantage Plan, make sure you keep

- a copy of any letters, notices, and/or claim denials as proof of coverage,
- anything that has your name on it, and
- the postmarked envelope these papers come in as proof of when it was mailed.

It is important to keep this information because you may need to send a copy of some or all of these papers with your Medigap application to prove you have a guaranteed issue right and don't need to answer medical questions.

It is best to apply for a Medigap policy **before** your current health coverage has ended. You can apply for a Medigap policy while you are still in your health plan and choose to start your Medigap coverage the day after your health plan coverage ends. This will prevent breaks in your health coverage.

For more information

If you have any questions and to learn about any additional Medigap rights in your state, you can

- call your State Health Insurance Assistance Program to make sure that you qualify for these guaranteed issue rights (see pages 42–43).
- call your State Insurance Department if you are denied Medigap coverage in any of these situations (see pages 42–43).

Important: The guaranteed issue rights in this section are from Federal law. Many states provide additional Medigap rights. These rights are for both Medigap and Medicare SELECT policies.

There may be times when more than one situation applies to you. When this happens, you can choose the guaranteed issue right that gives you the best choice.

Some of the situations listed on pages 18–19 include loss of coverage under Programs of All-inclusive Care for the Elderly (PACE). PACE combines medical, social, and long-term care services for frail people. To be eligible for PACE, you must meet certain conditions. PACE is available only in states that choose to offer it under Medicaid. If you have Medicaid, an insurance company can sell you a Medigap policy only in certain situations. For more information about PACE, you can call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Section 4
Steps to buying or switching a Medigap policy

Buying a Medigap (sometimes called "Medicare Supplement Insurance") policy or switching to a different Medigap policy is an important decision. Only you can decide if a Medigap policy is the way for you to supplement the Original Medicare Plan coverage. Shop carefully. Compare available Medigap policies. Look for a Medigap policy that meets your needs. As you shop for a Medigap policy, keep in mind that different insurance companies may charge different amounts for exactly the same Medigap policy, and not all insurance companies offer all of the Medigap policies.

Below is a step-by-step guide to help you buy a Medigap policy or switch to a different Medigap policy.

STEP 1: Decide which benefits you want, then decide which of the Medigap Plans A through L meet your needs (see below).

STEP 2: Find out which insurance companies sell Medigap policies in your state (see pages 22–23).

STEP 3: Call the insurance companies that sell the Medigap policies that you are interested in and compare costs (see pages 24–25).

STEP 4: Buy the Medigap policy (see page 26).

STEP 1: Decide which benefits you want, then decide which of the Medigap Plans A through L meet your needs.

When deciding which benefits you want you should think about your current and future health care needs, because you might not be able to switch Medigap policies later. Decide which benefits you need and/or want, and select the Medigap policy that offers most of these items. The chart on page 9 provides an overview of the Medigap benefits.

STEP 2: Find out which insurance companies sell Medigap policies in your state.

To find out which insurance companies sell Medigap policies in your state, you can do any of the following:

- Call your State Health Insurance Assistance Program (see pages 42–43). Ask if they have a "Medigap rate comparison shopping guide" for your state. This type of guide usually lists the insurance companies that sell Medigap policies in your state and their costs.
- Call your State Insurance Department (see pages 42–43).
- Visit www.medicare.gov on the web. Under "Search Tools," select "Compare Health Plans and Medigap Policies in Your Area."

  This website will help you find information on all your health plan options, including the Medigap policies in your area. You can also get information on the following:

  ✔ How to contact the insurance companies that sell Medigap policies in your state.

  ✔ What each Medigap policy covers.

  ✔ How insurance companies decide what to charge you for a Medigap policy premium.

  If you don't have a computer, your local library or senior center may be able to help you look at this information. Or, call 1-800-MEDICARE (1-800-633-4227). A customer service representative will help you get information on all your health plan options, including the Medigap policies in your area. You will get your results in the mail within three weeks. TTY users should call 1-877-486-2048.

Words in red are defined on pages 45–47.

STEP 2: (continued)

Since costs can vary between companies, you should plan to call more than one insurance company that sells Medigap policies in your state. Before you call, check the companies to be sure they are honest and reliable by using one of the resources listed below.

- Call the State Insurance Department in your state (see pages 42–43). Ask if they keep a record of complaints against insurance companies and ask whether these can be shared with you.
- Call the State Health Insurance Assistance Program in your state (see pages 42–43). These programs can give you free help with choosing a Medigap policy.
- Go to your local public library. Your local public library can help you
    - get information on an insurance company's financial strength from independent rating services such as Weiss Rating, Inc., A.M. Best, and Standard & Poor's, and
    - look at information about the insurance company on the web.
- Talk to someone you trust, like a family member, your insurance agent, or a friend who has a Medigap policy from the same Medigap insurance company.

STEP 3: Call the insurance companies that sell the Medigap policies that you are interested in and compare costs.

Call more than one insurance company and ask the questions listed below. This can help you compare costs and benefits. Make sure you get the names, addresses, and telephone numbers of the insurance companies and the agents you talk to.

Ask each insurance company…	Company 1	Company 2
Are you licensed in ____? [Say the name of your state.] (**Note:** The answer should be yes.)		
Do you sell Medigap Plan ___? [Say the letter of the Medigap plan you're interested in, for example, Medigap Plan F or Medicare SELECT.] (**Note:** Insurance companies usually offer some, but not all, of the Medigap plans. Make sure they sell the Medigap plan you want.)		
What is the cost of this Medigap policy for someone in my situation? (Tell them if you are in your Medigap open enrollment period or if you have a guaranteed issue right. Also ask if they offer discounts. For more information about discounts, see page 15).		
Has the premium for this Medigap policy increased in the last three years? If yes, then ask how much it has increased per year. (This information may help you compare policies that seem to have similar premiums this year, but might increase at different rates.)		
How do you decide the price for the Medigap policy? • Is it the same for everyone? (This is called "community-rated.") • Is it based on my age when I buy the Medigap policy? (This is called "issue-age-rated.") • Is it based on my age as I get older? (This is called "attained-age-rated.") • Is there a charge for claim filing? (See pages 13–14 for information about these methods of pricing a policy.)		
Are there any additional ("innovative") benefits or discounts included in this Medigap policy?		
If you aren't in your Medigap open enrollment period or in another situation where you have a guaranteed issue right, ask the following questions: • Will you review my health records (medical underwriting) before you accept my application? • Do you review my health history to decide how much to charge me for a Medigap policy?		
If you have a pre-existing condition ask, "If I have a pre-existing condition, could that mean a delay in the start of my benefits?"		

STEP 3: (continued)

Watch out for illegal insurance practices

It is illegal for anyone to

- pressure you into buying a Medigap policy, or lie or mislead you to switch from one company or policy to another.
- sell you a second Medigap policy when they know that you already have one, unless you tell the insurance company in writing that you plan to cancel your existing Medigap policy.
- sell you a Medigap policy if they know you have Medicaid, except in certain situations.
- sell you a Medigap policy if they know you are in a Medicare Advantage Plan (unless your coverage under the Medicare Advantage Plan ends prior to the effective date of the Medigap policy).
- sign you up for a Medicare Advantage Plan when you only want Medicare prescription drug coverage.
- claim that a Medigap policy is part of the Medicare Program or any other Federal program. Remember, Medigap is private health insurance.
- sell you a Medigap policy that can't legally be sold in your state. Check with your State Insurance Department (see pages 42–43) to make sure that the Medigap policy you are interested in can be sold in your state.
- misuse the names, letters, or symbols of the U.S. Department of Health & Human Services (HHS), Social Security Administration (SSA), Centers for Medicare & Medicaid Services (CMS), or any of their various programs like Medicare. (For example, suggesting the Medigap policy has been approved or recommended by the Federal government.)
- claim to be a Medicare representative, if they work for a Medigap insurance company.

Words in red are defined on pages 45–47.

If you believe that a Federal law has been broken, call the Inspector General's hotline at 1-800-HHS-TIPS (1-800-447-8477). In most cases, however, your State Insurance Department can help you with insurance-related problems.

STEP 4: Buy the Medigap policy.

Once you decide on the insurance company and the Medigap policy you want, you should apply for your Medigap policy. The insurance company must give you a clearly worded summary of your Medigap policy when you apply. Read it carefully. If you don't understand it, ask questions. Remember the following when you buy your Medigap policy:

- **Filling out your application.** Fill the application out carefully and completely. If the insurance agent fills out the application, review it to make sure it's correct. Answer all of the medical questions carefully. If you buy your Medigap policy during your Medigap open enrollment period or provide evidence that you are entitled to a guaranteed issue period, the insurance company can't use any medical answers you give them to deny you a Medigap policy or change the price of the Medigap policy.
- **Paying for your Medigap policy.** It is best to pay for your Medigap policy by check, money order, or bank draft. Make it payable to the insurance company, not the agent. If buying from an agent, get a receipt with the insurance company's name, address, and telephone number for your records.
- **Starting your Medigap policy.** Ask for your Medigap policy to become effective when you want coverage to start. (Note: If you already have a Medigap policy, ask for your new Medigap policy to become effective when your old Medigap policy coverage ends.) If, for any reason, the insurance company won't give you the start date you want, call your State Insurance Department (see pages 42–43).
- **Getting your Medigap policy.** If you don't get your Medigap policy in 30 days, call your insurance company. If you don't get your Medigap policy in 60 days, call your State Insurance Department.

Remember, you don't need more than one Medigap policy. If you already have a Medigap policy, it is illegal for an insurance company to sell you a second policy unless you tell them in writing that you will cancel the first Medigap policy. However, don't cancel your old Medigap policy until the new one is in place, and you decide to keep it (see page 28). Once you receive the new Medigap policy, you have 30 days to decide if you want to keep the new Medigap policy. This is called your "free look" period. The 30-day free look period begins on the day you get your Medigap policy.

Section 5
For people who already have a Medigap policy

You should read this section if you already have a Medigap (sometimes called "Medicare Supplement Insurance") policy and you

- are thinking about switching to a different Medigap policy (see below and pages 28–30),
- are losing your Medigap coverage (see page 30), or
- have a Medigap policy with Medicare prescription drug coverage (see pages 31–32).

(If you just want a refresher about the Medigap basics, you can turn to Section 2 starting on page 7.)

Switching Medigap policies

It's important to review your health care coverage every year. If you're satisfied with your current Medigap policy cost and coverage for next year and the customer service you receive, you don't need to do anything. If you are thinking about switching to a new Medigap policy, the following pages answer some common questions about switching Medigap policies.

Words in red are defined on pages 45–47.

I have a Medigap policy. Can I switch to a different Medigap policy?

In most cases, you won't have a right under Federal law to switch Medigap policies, unless you are within your six-month Medigap open enrollment period or are eligible under a specific circumstance for guaranteed issue rights. But, if your state 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 Medigap policies. If you bought your Medigap policy before 1992, it may offer coverage that isn't available in a newer Medigap policy. On the other hand, older Medigap policies might not be guaranteed renewable, and might have bigger premium increases than newer standardized Medigap policies currently being sold.

Switching Medigap policies (continued)

I have a Medigap policy. Can I switch to a different Medigap policy? (continued)

If you decide to switch, don't cancel your first Medigap policy until you have decided to keep the second Medigap policy. You will have to promise on the application for the new Medigap policy that you will cancel your first Medigap policy. You have 30 days to decide if you want to keep the new Medigap policy. This is called your "free look" period. The 30-day free look period starts when you get your new Medigap policy.

Do I have to switch Medigap policies if I have an older Medigap policy?

No. If you have an older Medigap policy that you bought before 1992, you don't have to switch to one of the standardized Medigap policies. If you buy a newer Medigap policy, you won't be able to go back to your old Medigap policy because it can no longer be sold.

Do I have to wait a certain length of time after I buy my first Medigap policy before I can switch to a different Medigap policy?

Words in red are defined on pages 45–47.

No, although if you have a pre-existing condition, Medigap insurance companies are generally allowed to make you wait up to six months for coverage of those conditions. However, **if** your old Medigap policy had the same benefits, and you had it for six months or more, the new insurance company can't exclude your pre-existing condition. If you've had your Medigap policy less than six months, the number of months you've had your current Medigap policy must be subtracted from the time you must wait before your new Medigap policy covers your pre-existing condition.

However, if the new Medigap policy has a benefit that isn't in your current Medigap policy, you may still have to wait up to six months before that benefit will be covered, regardless of how long you have had your current Medigap policy.

Switching Medigap policies (continued)

Why would I want to switch to a different Medigap policy?

There may be many different reasons why you would want to switch to a different Medigap policy. Some reasons may include

- you are paying for benefits you don't need.
- you need more benefits than you needed before.
- your current Medigap policy has the right benefits, but you are unhappy with the insurance company.
- your current Medigap policy has the right benefits, but you would like to find one that is less expensive.

It is important to compare the benefits in your current Medigap policy to the benefits listed on page 9. (If you live in Massachusetts, Minnesota, or Wisconsin, see pages 38–40.) To help you compare benefits and decide which Medigap policy you want, you can follow the **"Steps to buying or switching a Medigap policy"** on pages 21–26. If you decide to change insurance companies, you can call the new insurance company and arrange to make an application for your new Medigap policy. If your application is accepted, you can call your current insurance company and ask to have your coverage end. The insurance company can tell you how to submit a request to terminate your coverage. As discussed on page 28, you should have your old Medigap policy coverage end **after** you have the new Medigap policy for 30 days. Remember, this is your 30-day free look period.

Can I keep my current Medigap policy or switch to a different Medigap policy if I move out-of-state?

You can keep your current Medigap policy regardless of where you live as long as you are still in the Original Medicare Plan. If you want to switch to a different Medigap policy, you will have to check with the new insurance company to see if they will offer you a different Medigap policy. You may have to pay more for your new Medigap policy and answer some medical questions if you are buying a Medigap policy outside of your Medigap open enrollment period (see pages 11–12). If you move and want to switch to a Medicare Advantage Plan, you have the right to keep your Medigap policy but your Medigap policy won't work with your Medicare Advantage Plan.

Switching Medigap policies (continued)

What happens to my Medigap policy if I join a Medicare Advantage Plan?

Medigap policies can't work with Medicare Advantage Plans. If you decide to keep your Medigap policy, you will have to pay your Medigap policy premium, but the Medigap policy can't pay any deductibles, copayments, or other cost-sharing under a Medicare Advantage Plan. So, if you want to join a Medicare Advantage Plan, you may want to drop your Medigap policy. However, unless you have a "trial right" (see guaranteed issue right, **Situations #4 and #5** on page 19), if you leave the Medicare Advantage Plan you might not be able to get the same Medigap policy back, or in some cases, any Medigap policy. Your rights to buy a Medigap policy may vary by state. You always have a legal right to keep the Medigap policy after you join a Medicare Advantage Plan.

Losing Medigap coverage

Can my Medigap insurance company drop me?

If you bought your Medigap policy **after 1992**, in most cases the Medigap insurance company can't drop you, because the Medigap policy is guaranteed renewable. This means your insurance company can't drop you unless

- you stop paying your premium,
- you aren't truthful about something on the Medigap policy application, or
- the insurance company becomes insolvent.

However, if you bought your Medigap policy **before 1992** it might not be guaranteed renewable. At the time these Medigap policies were sold, state laws might not have required that these Medigap policies be guaranteed renewable. This means the Medigap insurance company can refuse to renew the Medigap policy, as long as it gets the state's approval to drop you. However, if this does happen, you have the right to buy another Medigap policy (see guaranteed issue right, **Situation #6** on page 19).

Medigap policies and Medicare prescription drug coverage

If you bought a Medigap policy ***before*** December 31, 2005, and it has coverage for prescription drugs, you should read the following pages.

Although some Medigap policies sold in the past covered prescription drugs, no new Medigap policies that cover prescription drugs can be sold. This is because Medicare offers prescription drug coverage for everyone with Medicare. (This is called "Part D.") This means you have a choice to make.

Words in red are defined on pages 45–47.

Decide if you want to join a Medicare Prescription Drug Plan or keep your prescription drug coverage through your Medigap policy.
You can either keep your current Medigap policy that has prescription drug coverage **OR** you can join a Medicare Prescription Drug Plan. You can't have Medigap prescription drug coverage and Medicare prescription drug coverage at the same time. Keep in mind that Medigap prescription drug coverage generally won't pay out as much as coverage under a Medicare Prescription Drug Plan. If you keep your drug coverage through your current Medigap policy you pay all the costs for your Medigap prescription drug coverage, but, if you join a Medicare Prescription Drug Plan, Medicare pays most of the cost for Medicare's standard prescription drug coverage. You may have to pay a monthly premium if you join a Medicare Prescription Drug Plan.

Do I have to pay a higher premium if I want to join a Medicare Prescription Drug Plan at a later time?
If your Medigap prescription drug coverage wasn't considered "creditable prescription drug coverage" (it won't pay out as much as Medicare's standard prescription drug coverage) and you didn't join a Medicare Prescription Drug Plan when you were first eligible, you may have to pay a penalty (higher premium) for as long as you have a Medicare Prescription Drug Plan. Creditable prescription drug coverage means it is expected to pay, on average, at least as much as Medicare's standard prescription drug coverage.

How do I know if my Medigap prescription drug coverage is as good as Medicare's standard prescription drug coverage?
Each year you get a notice (see page 32) from your Medigap insurance company telling you whether or not your Medigap prescription drug coverage is creditable prescription drug coverage. Prescription drug coverage in Medigap policies bought **after** 1992 is probably **not** creditable prescription drug coverage. Prescription drug coverage in some Medigap policies bought **before** 1992 or in Massachusetts, Minnesota, or Wisconsin may be creditable prescription drug coverage.

Medigap policies and Medicare prescription drug coverage (continued)

If your notice from your Medigap insurance company says...	Then...
Your Medigap policy's prescription drug coverage is **not** creditable prescription drug coverage (**won't** pay out as much as Medicare prescription drug coverage).	If you didn't join a Medicare Prescription Drug Plan when you were first eligible, you will probably pay a penalty (higher premium) if you join one. However, a Medicare Prescription Drug Plan may better meet your future needs, even with a somewhat higher premium. Also, if you decide in the future to join a Medicare Prescription Drug Plan, your premium will become higher for each month you waited to join.
Your Medigap policy's prescription drug coverage **is** creditable prescription drug coverage (**will** pay out as much as Medicare prescription drug coverage).	You probably won't pay a penalty if you keep your current Medigap policy with the prescription drug coverage, and you later decide to join a Medicare Prescription Drug Plan. However, you should compare costs and coverage under the two types of plans and decide which one will better meet your needs.

When can I join a Medicare Prescription Drug Plan?
Generally, you can join a Medicare Prescription Drug Plan each year from November 15 – December 31. If you join during this time, your coverage will begin on January 1.

Can I join a Medicare Prescription Drug Plan and have a Medigap policy with prescription drug coverage?
No. If your Medigap policy covers prescription drugs, you must tell your Medigap insurance company to remove the prescription drug coverage from your Medigap policy if you join a Medicare Prescription Drug Plan. This information is important because as soon as you notify your Medigap insurance company, they must adjust your premium to reflect the removal of your prescription drug coverage.

Can I drop my Medigap policy?
Yes, but if you decide to drop the entire Medigap policy, you need to be careful about the timing. For example, if you decide to switch to a Medicare Advantage Plan and you drop your entire Medigap policy, you will have to pay a penalty (higher premium) if you drop the coverage more than 63 days before your new Medicare coverage begins. There are certain times when you can join a Medicare Advantage Plan. For more information, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Section 6
Medigap policies and disability or ESRD

Medigap policies for people under age 65 and eligible for Medicare because of a disability or End-Stage Renal Disease (ESRD)

You may have Medicare before age 65 due to

- a disability, or
- ESRD (permanent kidney failure requiring dialysis or a kidney transplant).

Words in red are defined on pages 45–47.

If you are a person with Medicare under age 65 and have a disability or have ESRD, you might not be able to buy the Medigap (sometimes called "Medicare Supplement Insurance") policy you want, or any Medigap policy, until you turn age 65. Federal law doesn't require insurance companies to sell Medigap policies to people under age 65. However, some states require Medigap insurance companies to sell you a Medigap policy, even if you are under age 65. These states are listed below.

Important: These are the Federal minimum standards. For your state requirements, call your State Health Insurance Assistance Program (see pages 42–43).

At the time of printing this guide, the following states required insurance companies to offer at least one kind of Medigap policy to people with Medicare under age 65:

- California
- Colorado
- Connecticut
- Hawaii
- Kansas
- Louisiana
- Maine
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Mississippi
- Missouri
- New Jersey
- New York
- North Carolina
- Oklahoma
- Oregon
- Pennsylvania
- South Dakota
- Texas
- Vermont
- Wisconsin

Medigap policies for people under age 65 (continued)

Even if your state isn't on this list on page 33, some insurance companies may voluntarily sell Medigap policies to some people under age 65. It is likely Medigap policies sold to people under age 65 will cost you more than Medigap policies sold to people over age 65. However, some states require that people under age 65 who are buying a Medigap policy are given the best price available during the Medigap open enrollment period. In certain states the guaranteed issue rights described on pages 18–19 also apply to Medigap policies that only these certain states require to be sold to people under age 65.

Words in red are defined on pages 45–47.

Remember, you will get a Medigap open enrollment period when you turn age 65 and are enrolled in Medicare Part B. You will probably have other choices of Medigap policies or be able to get a lower premium at that time. During the Medigap open enrollment period

- you can buy certain Medigap policy from Medigap insurance companies, and
- insurance companies can't refuse to sell you a 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 age 65.

Because Medicare (Part A and/or Part B) is creditable coverage, if you had Medicare for more than six months before you turned age 65, you probably won't have a pre-existing condition waiting period. For more information about the Medigap open enrollment period and pre-existing conditions, see pages 11–12. If you have questions, you should call your State Health Insurance Assistance Program (see pages 42–43).

Section 7
Medigap coverage charts

Overview of Medigap Plans A through J . . . 36

Overview of Medigap Plans K and L 37

Medigap policies for Massachusetts 38

Medigap policies for Minnesota 39

Medigap policies for Wisconsin 40

Overview of Medigap Plans A through J

This chart gives you a quick look at the standardized Medigap Plans A through J (including Medicare SELECT) and their benefits. Every insurance company must make Medigap Plan A available if they offer any other Medigap policy. Some Medigap policies may not be available in your state. This chart doesn't apply if you live in Massachusetts, Minnesota, or Wisconsin (**see pages 38–40**). If you need more information, call your State Insurance Department or State Health Insurance Assistance Program (**see pages 42–43**).

Basic Benefits: (Included in ALL Medigap Plans A through J)

- **Inpatient Hospital Care:** Covers the Part A coinsurance and the cost of 365 extra days after Medicare coverage ends.
- **Medical Costs:** Covers the Part B coinsurance (generally 20% of the Medicare-approved amount) or copayments for hospital outpatient services.
- **Blood:** Covers the first three pints of blood each year.

A	B	C	D	E	F*	G	H	I	J*
Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible
		Medicare Part B Deductible			Medicare Part B Deductible				Medicare Part B Deductible
					Medicare Part B Excess Charges (100%)	Medicare Part B Excess Charges (80%)		Medicare Part B Excess Charges (100%)	Medicare Part B Excess Charges (100%)
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency
			At-Home Recovery			At-Home Recovery		At-Home Recovery	At-Home Recovery
				Preventive Care ** Not covered by Medicare					Preventive Care ** Not covered by Medicare

* Medigap Plans F and J also offer a high-deductible option. You must pay the first $1,860 (deductible in 2007) in Medigap-covered costs before the Medigap policy pays anything. You must also pay a separate deductible for foreign travel emergency ($250 per year).

Overview of Medigap Plans K and L

This chart gives you a quick look at the standardized Medigap Plans K and L (including Medicare SELECT) and their benefits. This chart doesn't apply if you live in Massachusetts, **see page 38**. If you need more information, call your State Insurance Department or State Health Insurance Assistance Program **(see pages 42–43)**.

Medigap Plan K	Medigap Plan L
Medicare Part A Coinsurance and Hospital Benefits (100%)	Medicare Part A Coinsurance and Hospital Benefits (100%)
Medicare Part A Deductible (50%)	Medicare Part A Deductible (75%)
Medicare Part B Coinsurance or Copayment (50%)	Medicare Part B Coinsurance or Copayment (75%)
Blood (50%)	Blood (75%)
Hospice Care Coinsurance or Copayment (50%)	Hospice Care Coinsurance or Copayment (75%)
Preventive Care Coinsurance (100% of the Medicare-approved amount)	Preventive Care Coinsurance (100% of the Medicare-approved amount)
Skilled Nursing Facility Coinsurance (50%)	Skilled Nursing Facility Coinsurance (75%)

Note: Medigap Plans K and L provide for different cost-sharing for items and services than Medigap Plans A through J. You will have to pay some out-of-pocket costs for some covered services until you meet the yearly limit (Medigap Plan K – $4,140; Medigap Plan L – $2,070 in 2007). Once you meet the yearly limit, the Medigap policy pays 100% of the Medicare copayments, coinsurance, and deductibles for the rest of the calendar year. Charges from your doctor that exceed Medicare-approved amounts, called "excess charges," aren't covered and don't count toward the out-of-pocket limit. You will have to pay these excess charges. The out-of-pocket yearly limit can increase each year because of inflation.

Massachusetts—Chart of standardized Medigap policies

Basic benefits included in Medigap policies available in Massachusetts

- **Inpatient Hospital Care:** Covers the Medicare Part A coinsurance and the cost of 365 extra days of hospital care during your lifetime after Medicare coverage ends.
- **Medical Costs:** Covers the Medicare Part B coinsurance (generally 20% of the Medicare-approved amount).
- **Blood:** Covers the first three pints of blood each year.

Medigap Benefits	Core Plan	Supplement 1 Plan
Basic Benefits	✓	✓
Medicare Part A: Inpatient Hospital Deductible		✓
Medicare Part A: Skilled Nursing Facility Coinsurance		✓
Medicare Part B: Deductible		✓
Foreign Travel Emergency		✓
Inpatient Days in Mental Health Hospitals	60 days per calendar year	120 days per benefit year
State-Mandated Benefits (Annual Pap tests and mammograms. Check your plan for other state-mandated benefits.)	✓	✓

For more information on these Medigap policies, call your State Insurance Department (see pages 42–43) or visit www.medicare.gov on the web. Under "Search Tools," select "Compare Health Plans and Medigap Policies in Your Area."

Note: The check marks in this chart mean the benefit is covered.

Minnesota—Chart of standardized Medigap policies

Medigap Plans K and L are also available in Minnesota (see page 37). In addition, there are two basic plans (see below).

Basic benefits included in Medigap policies available in Minnesota

- **Inpatient Hospital Care:** Covers the Medicare Part A coinsurance.
- **Medical Costs:** Covers the Medicare Part B coinsurance (generally 20% of the Medicare-approved amount).
- **Blood:** Covers the first three pints of blood each year.

Medigap Benefits	Basic Plan	Extended Basic Plan
Basic Benefits	✓	✓
Medicare Part A: Inpatient Hospital Deductible		✓
Medicare Part A: Skilled Nursing Facility Coinsurance	✓	✓
Medicare Part B: Deductible		✓
Foreign Travel Emergency	80%	80%*
Outpatient Mental Health	50%	50%
Usual and Customary Fees		80%*
Preventive Care	✓	✓
At-home Recovery		✓
Physical Therapy	20%	20%
Coverage while in a Foreign Country		80%*
State-Mandated Benefits (Diabetic equipment and supplies, routine cancer screening, reconstructive surgery, and immunizations.)	✓	✓

Optional Riders

- Medicare Part A: Inpatient Hospital Deductible
- Medicare Part B: Deductible
- Usual and Customary Fees
- Preventive Care
- At-home recovery

Insurance companies are allowed to offer six additional riders that can be added to a Basic Plan. You may choose any one or all of the riders to design a Medigap policy that meets your needs.

* **Pays 100% after you spend $1,000 of out-of-pocket costs for a calendar year.**

Note: The check marks in this chart mean the benefit is covered.

Wisconsin—Chart of standardized Medigap policies

Medigap Plans K and L are also available in Wisconsin (see page 37). In addition, there is a basic plan (see below).

Basic benefits included in Medigap policies available in Wisconsin

- **Inpatient Hospital Care:** Covers the Medicare Part A coinsurance.
- **Medical Costs:** Covers the Medicare Part B coinsurance (generally 20% of the Medicare-approved amount).
- **Blood:** Covers the first three pints of blood each year.

Medigap Benefits	Basic Plan
Basic Benefits	✓
Medicare Part A: Skilled Nursing Facility Coinsurance	✓
Inpatient Mental Health Coverage	175 days per lifetime in addition to Medicare
Home Health Care	40 visits in addition to those paid by Medicare
Outpatient Mental Health	✓

Optional Riders

- Medicare Part A Deductible
- Additional Home Health Care (365 visits including those paid by Medicare)
- Medicare Part B Deductible
- Medicare Part B Excess Charges
- Foreign Travel

Insurance companies are allowed to offer additional riders to a Medigap policy.

For more information on these Medigap policies, call your State Insurance Department (see pages 42–43) or visit www.medicare.gov on the web. Under "Search Tools," select "Compare Health Plans and Medigap Policies in Your Area."

Note: The check marks in this chart mean the benefit is covered.

Section 8
For more information

Words in red are defined on pages 45–47.

Where to get more information

On pages 42–43, you will find telephone numbers for your State Health Insurance Assistance Program and State Insurance Department.

- Call your State Health Insurance Assistance Program for help with
  - buying a Medigap (sometimes called "Medicare Supplement Insurance") policy or long-term care insurance,
  - dealing with payment denials or appeals,
  - Medicare rights and protections,
  - choosing a Medicare plan,
  - deciding whether to suspend your Medigap policy, or
  - questions about Medicare bills.
- Call your State Insurance Department if you have questions about the Medigap policies sold in your area or any insurance-related problems.

Where to call with Medicare questions

If you have questions about Medicare or need updated telephone numbers for the contacts listed above, call 1-800-MEDICARE (1-800-633-4227). Customer service representatives are available 24 hours a day, seven days a week. TTY users should call 1-877-486-2048.

State	State Health Insurance Assistance Program	State Insurance Department
Alabama	1-800-243-5463	1-800-433-3966
Alaska	1-800-478-6065	1-800-467-8725
American Samoa	Not Available	1-684-633-4116
Arizona	1-800-432-4040	1-800-325-2548
Arkansas	1-800-224-6330	1-800-282-9134
California	1-800-434-0222	1-800-927-4357
Colorado	1-888-696-7213	1-800-930-3745
Connecticut	1-800-994-9422	1-800-203-3447
Delaware	1-800-336-9500	1-800-282-8611
Florida	1-800-963-5337	1-800-342-2762
Georgia	1-800-669-8387	1-800-656-2298
Guam	Not Available	1-671-468-4644
Hawaii	1-888-875-9229	1-808-586-2790
Idaho	1-800-247-4422	1-800-721-3272
Illinois	1-800-548-9034	1-866-445-5364
Indiana	1-800-452-4800	1-800-622-4461
Iowa	1-800-351-4664	1-800-351-4664
Kansas	1-800-860-5260	1-800-432-2484
Kentucky	1-877-293-7447	1-800-595-6053
Louisiana	1-800-259-5301	1-800-259-5300
Maine	1-877-353-3771	1-800-300-5000
Maryland	1-800-243-3425	1-800-492-6116
Massachusetts	1-800-243-4636	1-617-521-7794
Michigan	1-800-803-7174	1-877-999-6442
Minnesota	1-800-333-2433	1-800-657-3602
Mississippi	1-800-948-3090	1-800-562-2957
Missouri	1-800-390-3330	1-800-726-7390
Montana	1-800-551-3191	1-800-332-6148
Nebraska	1-800-234-7119	1-800-234-7119

State	State Health Insurance Assistance Program	State Insurance Department
Nevada	1-800-307-4444	1-800-992-0900
New Hampshire	1-800-852-3388	1-800-852-3416
New Jersey	1-800-792-8820	1-800-446-7467
New Mexico	1-800-432-2080	1-800-947-4722
New York	1-800-701-0501	1-800-342-3736
North Carolina	1-800-443-9354	1-800-546-5664
North Dakota	1-888-575-6611	1-888-575-6611
Northern Mariana Islands	Not Available	1-670-664-3017
Ohio	1-800-686-1578	1-800-686-1578
Oklahoma	1-800-763-2828	1-800-522-0071
Oregon	1-800-722-4134	1-888-877-4894
Pennsylvania	1-800-783-7067	1-877-881-6388
Puerto Rico	1-877-725-4300	1-888-722-8686
Rhode Island	1-401-462-4444	1-401-222-2223
South Carolina	1-800-868-9095	1-800-768-3467
South Dakota	1-800-536-8197	1-877-310-6560
Tennessee	1-877-801-0044	1-800-342-4029
Texas	1-800-252-9240	1-800-252-3439
Utah	1-800-541-7735	1-866-350-6242
Vermont	1-800-642-5119	1-800-631-7788
Virgin Islands	1-340-772-7368 1-340-714-4354 (St.Thomas)	1-340-773-6449
Virginia	1-800-552-3402	1-877-310-6560
Washington	1-800-562-6900	1-800-562-6900
Washington D.C.	1-202-739-0668	1-202-727-8000
West Virginia	1-877-987-4463	1-888-879-9842
Wisconsin	1-800-242-1060	1-800-236-8517
Wyoming	1-800-856-4398	1-800-438-5768

Notes

Use this page to write down important notes or phone numbers.

Section 9
Words to know

Benefit Period—The way that the Original Medicare Plan measures your use of hospital and skilled nursing facility (SNF) services. A benefit period begins the day you go to a hospital or skilled nursing facility. The benefit period ends when you haven't had any inpatient hospital care (or skilled care in a SNF) for 60 days in a row. If you go into a hospital or a skilled nursing facility after one benefit period has ended, a new benefit period begins. You must pay the inpatient hospital deductible for each benefit period. There is no limit to the number of benefit periods, although inpatient mental health care in a psychiatric hospital is limited to 190 days in a lifetime.

Coinsurance—An amount you may be required to pay for services after you pay any plan deductibles. In the Original Medicare Plan, this is a percentage (like 20%) of the Medicare-approved amount. You have to pay this amount after you pay the Part A and/or Part B deductible. In a Medicare Prescription Drug Plan, the coinsurance will vary depending on how much you have spent.

Copayment— In some Medicare health and prescription drug plans, an amount you pay for each medical service, like a doctor's visit, or prescription. A copayment is usually a set amount you pay. For example, this could be $10 or $20 for a doctor's visit or prescription. Copayments are also used for some hospital outpatient services in the Original Medicare Plan.

Creditable Coverage—Certain kinds of previous health insurance coverage that can be used to shorten a pre-existing condition waiting period under a Medigap policy. (See pre-existing conditions.) **Note:** This isn't the same as creditable prescription drug coverage, see page 31.

Deductible—The amount you must pay for health care or prescriptions, before the Original Medicare Plan, your prescription drug plan, or other insurance begins to pay. For example, in the Original Medicare Plan, you pay a new deductible for each benefit period for Medicare Part A, and each year for Medicare Part B. These amounts can change every year.

Excess Charges—If you are in the Original Medicare Plan, this is the difference between a doctor's or other health care provider's actual charge (which may be limited by Medicare or the state) and the Medicare-approved payment amount.

Guaranteed Issue Rights (also called "Medigap Protections")—Rights 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, and can't charge you more for a Medigap policy because of past or present health problems.

Guaranteed Renewable—A right you have that requires your insurance company to automatically renew or continue your Medigap policy, unless you make untrue statements to the insurance company, commit fraud or don't pay your premiums. Required in all Medigap policies issued since 1992.

Health Maintenance Organization (HMO) Plan (Medicare)—A type of health plan available in some areas of the country. Plans must cover all Medicare Part A and Part B health care. Some HMOs cover extra benefits, like extra days in the hospital. In most HMOs, you can only go to doctors, specialists, or hospitals on the plan's list except in an emergency. Your costs may be different than in the Original Medicare Plan.

Lifetime Reserve Days—In the Original Medicare Plan, these are additional days that Medicare will pay for when you are in a hospital for more than 90 days. You have a total of 60 reserve days that can be used during your lifetime. For each lifetime reserve day, Medicare pays all covered costs except for a daily coinsurance ($496 in 2007).

Medicaid—A joint Federal and state program that helps with medical costs for some people with limited incomes and resources. Medicaid programs vary from state to state, but most health care costs are covered if you qualify for both Medicare and Medicaid.

Medical Underwriting—The process that an insurance company uses to decide, based on your medical history, whether or not to take your application for insurance, whether or not to add a waiting period for pre-existing conditions (if your state law allows it), and how much to charge you for that insurance.

Medicare Advantage Plan (Part C)—A type of Medicare plan offered by a private company that contracts with Medicare to provide you with all your Medicare Part A and Part B benefits.

Medicare Advantage Plans are HMOs, PPOs, Private Fee-for-Service Plans, Special Needs Plans, or Medicare Medical Savings Account Plans. If you are enrolled in a Medicare Advantage Plan, Medicare services are covered through the plan, and aren't paid for under the Original Medicare Plan. Most Medicare Advantage Plans offer prescription drug coverage.

Medicare-approved Amount—In the Original Medicare Plan, this is the amount a doctor or supplier that accepts assignment can be paid. It includes what Medicare pays and any deductible, coinsurance, or copayment that you pay. It may be less than the actual amount a doctor or supplier charges.

Medicare Medical Savings Account (MSA) Plan—MSA Plans combine a high-deductible Medicare Advantage Plan (like an HMO or PPO) with a Medical Savings Account for medical expenses.

Medicare Prescription Drug Plan (Part D)—A stand-alone drug plan offered by insurers and other private companies to people who get benefits through the Original Medicare Plan, through some Medicare Private Fee-for-Service Plans that do offer prescription drug coverage, a Medicare Cost Plan, or Medicare Medical Savings Account Plan. Medicare Advantage Plans may also offer prescription drug coverage that must follow the same rules as Medicare Prescription Drug Plans.

Medicare SELECT—A type of Medigap policy that may require you to use hospitals and, in some cases, doctors within its network to be eligible for full benefits.

Medigap Policy—Medicare Supplement Insurance sold by private insurance companies to fill "gaps" in the Original Medicare Plan coverage. Medigap policies only work with the Original Medicare Plan.

Open Enrollment Period (Medigap)—A one-time-only six month period when Federal law allows you to buy any Medigap policy you want that is sold in your state. It starts in the first month that you are covered under Medicare Part B and you are age 65 or older. During this period, you can't be denied a Medigap policy or charged more due to past or present health problems. Some states may have additional open enrollment rights under state law.

Original Medicare Plan—The Original Medicare Plan has two parts: Part A (Hospital) and Part B (Medical). It is a fee-for-service health plan. Medicare pays its share of the Medicare-approved amount, and you pay your share (coinsurance and deductibles).

Pre-existing Condition—A health problem you had before the date that a new insurance policy starts.

Preferred Provider Organization (PPO) Plan—A type of health plan available in a local or regional area in which you pay less if you use doctors, hospitals, and providers that belong to the network. You can use doctors, hospitals, and providers outside of the network for an additional cost. Many Medicare Advantage Plans are PPOs.

Premium—The periodic payment to Medicare, an insurance company, or a health care plan for health care or prescription drug coverage.

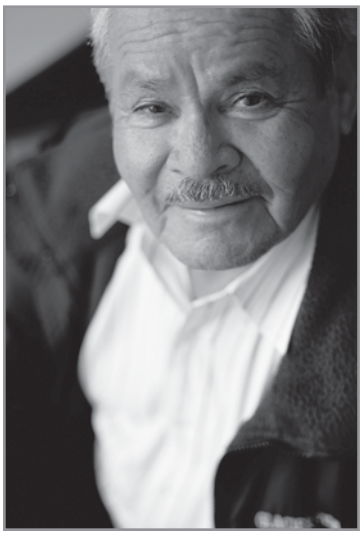
Private Fee-for-Service (PFFS) Plan—A type of Medicare Advantage Plan (Part C) in which you may go to any Medicare-approved doctor or hospital that accepts the plan's payment. The insurance plan, rather than the Medicare Program, decides how much it will pay and what you pay for the services you get. You may pay more or less for Medicare-covered benefits. You may have extra benefits the Original Medicare Plan doesn't cover.

Special Needs Plan—A special type of Medicare Advantage Plan (Part C) that provides more focused health care for specific groups of people, such as those who have both Medicare and Medicaid, who reside in a nursing home, or who have certain chronic medical conditions.

State Health Insurance Assistance Program—A state program that gets money from the Federal government to give free local health insurance counseling to people with Medicare.

State Insurance Department—A state agency that regulates insurance and can provide information about Medigap policies and other private insurance.

Notes



I used this section
to look up a word
I didn't know.

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TIP: Use the "Table of Contents" on pages 1–2 to help you find the sections you want to read.

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"I used this section to look up a specific topic."

Note: The "2007 Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare" isn't a legal document. The official Medicare Program and Medigap provisions are contained in the relevant laws, regulations, and rulings.

The information, telephone numbers, and web addresses in this guide were correct at the time of printing. Changes may occur after printing. To get the most up-to-date information and Medicare telephone numbers, visit www.medicare.gov on the web. Or, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

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