

City of Alexandria, Virginia

Understanding Medicare Medicare Supplement Insurance (Medigap)

Division of Aging and Adult Services

City of Alexandria, VA

VICAP Program

(703) 746-5999





What is VICAP?

VICAP: Virginia Insurance Counseling and Assistance Program

Located in the Division of Aging and Adult Services

4850 Mark Center Drive, 9th floor

Alexandria, VA 22311

703-746-5999

www.alexandriava.gov/aging

VICAP@alexandriava.gov

- **Run by volunteers with one full time coordinator**
- **Funded by the City of Alexandria and The Administration for Community Living (ACL) to provide free, independent, and unbiased Medicare counseling**



Objectives:

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

Medicare Overview



Federal Government Medical Insurance Program for:

- Adults 65 and Older
 - Adults on SSDI for 2 years
 - People with ESRD (End-Stage Renal Disease) and ALS (Amyotrophic Lateral Sclerosis)
-
- Administration
 - Centers for Medicare & Medicaid Services (CMS)

 - Enrollment
 - Social Security Administration for most
 - Railroad Retirement Board (RRB)

Medicare History

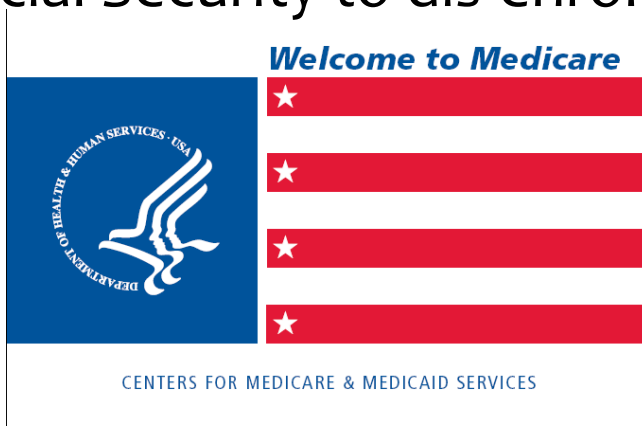


- Started in 1965 with Part A and B
- Now called Original Medicare
- Part C -Medicare Advantage or Medicare Managed Care stated in 1980s.
- Part D- prescription drug coverage started in 2006

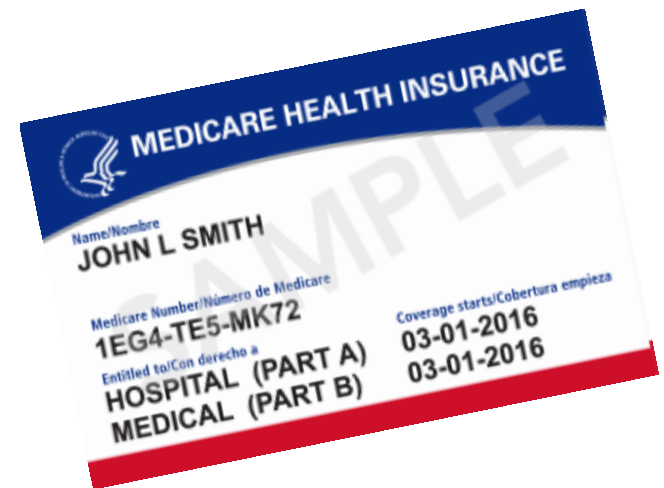
Medicare Part A and B Enrollment



- Automatic if you already get Social Security
 - 3 months before age 65, or
 - 3 months before your 25th month of disability benefits
- You will Receive Initial Enrollment Package (IEP) in mail
 - Includes your Medicare card
 - If you don't want Part B, complete form (CMS-1763) on the back of enrollment letter and return Medicare card or call Social Security to dis-enroll



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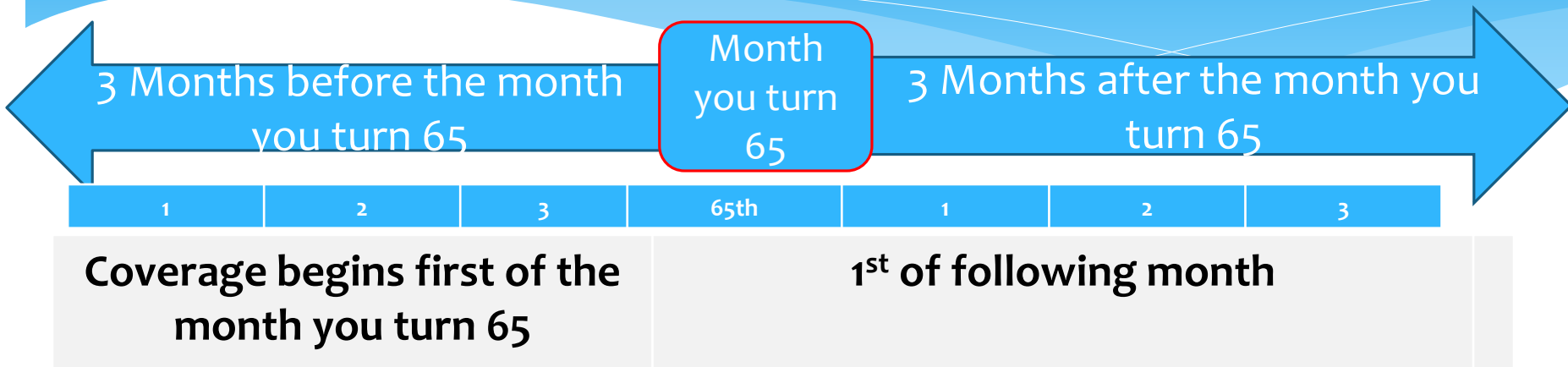




When to Enroll in Medicare

During your 7 Month Initial Enrollment Period (IEP)

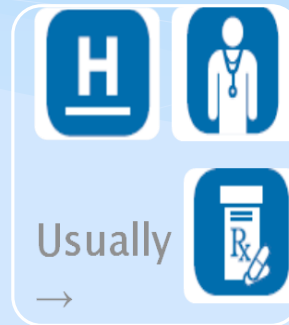
7-Month Period



- Can enroll in premium-free Part A anytime after IEP begins
- Can only enroll in Part B (and premium Part A) during IEP and other limited times
- May have a lifetime penalty if you don't enroll during IEP



The Four Parts of Medicare



Part A
Hospital
Insurance

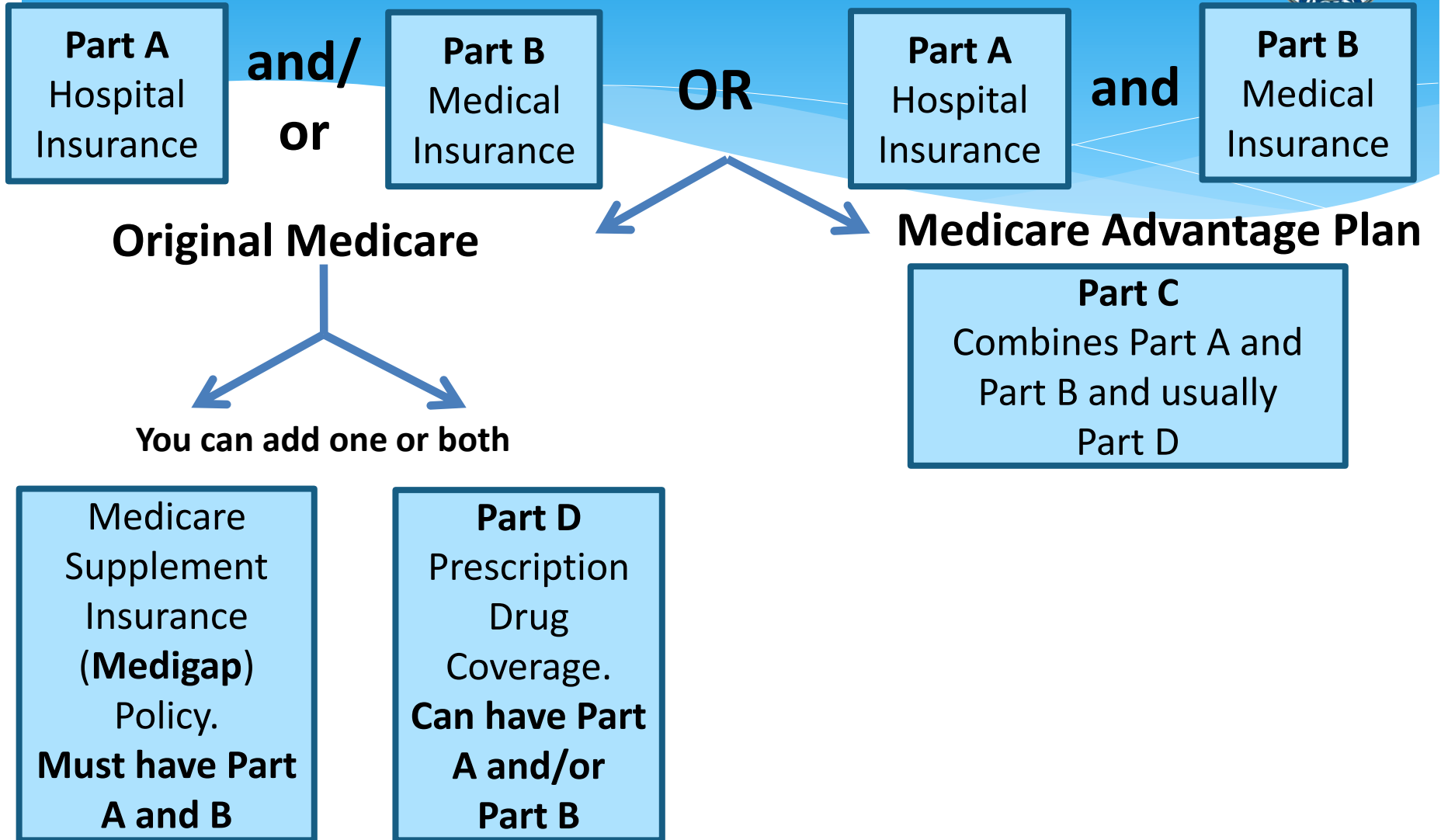
Part B
Medical
Insurance

Part C
Medicare
Advantage
(like HMOs
and PPOs)

Part D
Medicare
Prescription
Drug
Coverage

*** AB = Original Medicare**

Your Medicare Coverage Choices





Original Medicare

- **Run by the Federal government**
- Provides your Part A and/or Part B coverage
- Go to any doctor or hospital that accepts Medicare
- You pay
 - Part B premium (Part A free for most people)
 - Deductibles, coinsurance or copayments
 - Can buy a Medigap policy to help pay some of these costs
- Can join a Medicare Rx Plan to add drug coverage
- Read Medicare Summary Notice (MSN): review services and charges to help prevent Fraud & Abuse. This notice also has appeal information.

Medigap



- Medigap (Medicare Supplement Insurance)
 - Private health insurance for individuals
 - Covers the Part B 20% co-insurance
 - 10 Standardized plans- Identified in by letters (Plan A, Plan B, etc.)
- Costs vary by company
- Does not work with Medicare Advantage
- You pay a monthly premium
- In order to enroll in Medigap you need Part A and B

Starting January 1, 2021, all carriers offering Medigap plans in Virginia are required to make at least one plan available to Medicare beneficiaries under age 65 and disabled

When Is the Best Time to Buy a Medigap Policy?



- Your Medigap **Guaranteed Issuance Period** begins the month you're 65 AND enrolled in Part A & B
 - You have protections - companies **MUST** sell you a plan if in your **Guaranteed Issue Period, which starts once you've turned 65 or enroll in Part B and lasts 6 months**
 - You can also buy a Medigap policy whenever a company agrees to sell you one but there may be restrictions or underwriting

Pre-existing Conditions and Medigap



- Health problem you had before the new insurance policy starts
 - Treated or diagnosed 6 months before coverage start date
- Pre-existing Condition Waiting Period

Insurance companies can refuse to cover out-of-pocket costs for excluded condition for up to 6 months (“look-back period”)

- If you buy a Medigap policy when you have a guaranteed issue right, the insurance company can't use a pre-existing condition waiting period if you have 6 months of prior creditable coverage and no break in coverage more than 63 days

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



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



Steps to Buy a Medigap Policy

- STEP 1: Decide which benefits you want, then decide which of the standardized Medigap policies that meets your needs
- STEP 2: Find insurance companies that sell Medigap policies in your state
- STEP 3: Call the insurance companies that sell the Medigap policies you're interested in and compare costs
- STEP 4: Buy the Medigap policy



Medigap Policies

Benefits	Medigap plans									
	A	B	C	D	F*	G*	K	L	M	N
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
							Out-of-pocket limit in 2022**			
							\$6,620	\$3,310		

* Plans F and G also offer a high-deductible plan in some states. With this option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,700 in 2023 before your policy pays anything. (Plans C and F aren't available to people who were newly eligible for Medicare on or after January 1, 2020.)

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

*** Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in inpatient admission.

Medigap Pricing



Type of Rating	Description
Community-rated	<ul style="list-style-type: none">▪ Everyone pays same regardless of age if 65 or older▪ Generally least expensive over lifetime
Issue-age-rated	<ul style="list-style-type: none">▪ Based on age when purchased▪ Doesn't go up automatically as you get older
Attained-age-rated: ALL Virginia policies	<ul style="list-style-type: none">▪ Premium based on current age▪ Costs less when you're 65▪ Cost goes up each year as you get older

Example of Guaranteed Issue Rights



John is in a **Medicare Advantage (MA) Plan**.
He'll have a Medigap guaranteed issue right
if...

He joined when
first eligible and in
the first year
wants to return to
Original Medicare
(Trial Right)

or

His plan
leaves
Medicare

or

His plan
stops
giving
care in
his area

or

He moves
out of
the plan's
service
area

Right to Suspend Medigap for People With Medicaid



- If you have both Medicare and Medicaid
 - You generally don't need to buy a Medigap policy
- You can suspend your Medigap policy
 - Within 90 days of getting Medicaid
 - For up to 2 years
- You can start it up again
 - No new medical underwriting or waiting periods

Medigap for under 65



- Medigap is now available for those who have Medicare under age 65.
- Beneficiaries have a new six-month open enrollment period to purchase any of the standardized Medigap plans.
- When Medicare beneficiaries due to disability turn 65, they have the same options to purchase a Medigap plan as everyone else and wider options for Medigap policies and premiums.

Key Points



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



Appendix A

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

You have a guaranteed issue right if...	You have the right to buy...	You can/must apply for a Medigap policy...
<p>You're in a Medicare Advantage Plan (like an HMO or PPO), and your plan is leaving Medicare or stops giving care in your area, or you move out of the plan's service area.</p>	<p>Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.</p> <p>You only have this right if you switch to Original Medicare rather than join another Medicare Advantage Plan.</p>	<p>As early as 60 calendar days before the date your health care coverage will end, but no later than 63 calendar days after your health care coverage ends. Medigap coverage can't start until your Medicare Advantage Plan coverage ends.</p>
<p>You have Original Medicare and an employer group health plan (including retiree or COBRA coverage) or union coverage that pays after Medicare pays and that plan is ending.</p> <p>Note: In this situation, you may have additional rights under state law.</p>	<p>Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.</p> <p>If you have COBRA coverage, you can either buy a Medigap policy right away or wait until the COBRA coverage ends.</p>	<p>No later than 63 calendar days after the latest of these 3 dates:</p> <ol style="list-style-type: none"> 1. Date the coverage ends 2. Date on the notice you get telling you that coverage is ending (if you get one) 3. Date on a claim denial, if this is the only way you know that your coverage ended

Appendix A (continued)



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

<p>(Trial right) You joined a Medicare Advantage Plan (like an HMO or PPO) or Programs of All-inclusive Care for the Elderly (PACE) when you were first eligible for Medicare Part A at 65, and within the first year of joining, you decide you want to switch to Original Medicare.</p>	<p>Any Medigap policy that's sold in your state by any insurance company.</p>	<p>As early as 60 calendar days before the date your coverage will end, but no later than 63 calendar days after your coverage ends.</p> <p>Note: Your rights may last for an extra 12 months under certain circumstances.</p>
<p>Your Medigap insurance company goes bankrupt and you lose your coverage, or your Medigap policy coverage otherwise ends through no fault of your own.</p>	<p>Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.</p>	<p>No later than 63 calendar days from the date your coverage ends.</p>
<p>You leave a Medicare Advantage Plan or drop a Medigap policy because the company hasn't followed the rules, or it misled you.</p>	<p>Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.</p>	<p>No later than 63 calendar days from the date your coverage ends.</p>

Medigap Resource Guide



Resources

Centers for Medicare & Medicaid Services (CMS)

- Call 1-800-633-4227.
TTY: 1-877-486-2048
- Beneficiary Information
Medicare.gov
- Compare Medigap policies
Medicare.gov/find-a-plan/questions/medigap-home.aspx
- Partner Information
CMS.gov/medigap/

State Health Insurance Assistance Programs and State Insurance Departments



SHIP

Local Help for People with Medicare.

- shiptacenter.org/
- Call 1-877-839-2675
- Naic.org/

National Association of Insurance Commissioners



Medicare Products

1. “Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare” (CMS Product No. 02110)
2. “Your Medicare Benefits” (CMS Product No. 10116)
3. “Medicare Coverage Outside the United States” (CMS Product No. 11037)

To access these products:

- View and order single copies at Medicare.gov/publications
- Order multiple copies (partners only) at Productordering.cms.hhs.gov

You must register your organization.

Medicare.gov



Medicare.gov

Basics ▾

Health & Drug Plans ▾

Providers & Services ▾

→
Log in

Find a Medigap policy that works for you

In Original Medicare, you generally pay some of the costs for approved services. Medicare Supplement Insurance (**Medigap**) is extra insurance you can buy from a private company that helps pay your share of costs.

ENTER YOUR ZIP CODE

Start

How to buy a Medigap policy

Decide which plan you want

Medigap policies are standardized, and in most states are

Medigap Comparison



Medicare.gov

Basics ▾

Health & Drug Plans ▾

Providers & Services ▾

 Chat

 Log in

[← Back to find a Medigap policy](#)

 Print

Step 1: Decide which plan you want

Supplement Insurance (Medigap) plans in Virginia

[Change location](#)

Get a more accurate price

AGE

SEX

- Male
 Female

DO YOU USE TOBACCO?

- Yes
 No

Update Prices

Clear

Prices vary based on your age, sex, and health status.

Fraud Prevention: Senior Medicare Patrol



▶ **Read Your Medicare Summary Notices**

- Report and prevent health care fraud and abuse
- If you suspect fraud, contact the medical provider about discrepancy
- Report suspected fraud or abuse to Senior Medicare Patrol at

1-800-938-8885



■ **Other web sites**

Virginia Bureau of Insurance:

877-310-6560 www.scc.virginia.gov/boi

Stop Medicare Fraud:

<https://stopmedicarefraud.org/>

For More Information



- Your local VICAP: 703-746-5999
- 1-800-MEDICARE (1-800-633-4227)
 - TTY users should call 1-877-486-2048
- *Medicare & You* handbook, CMS Pub. #10050
 - Other Medicare publications on www.medicare.gov
- www.medicare.gov
- www.cms.gov

QUESTIONS?



- **VICAP Office**

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