

What Does Medigap Insurance Cover?

Presented by LifeTime Asset Management, LLC

Medigap, also called Medicare supplement insurance, is a type of optional coverage offered by private insurance companies. It is designed to pay some—or all—of your Medicare Part A and B copayments, coinsurance, and deductible costs.

How—and When—Do I Enroll?

- **Open enrollment period:** The six-month open enrollment period for Medigap begins the first day of the month in which you turn age 65. You must already be enrolled in Medicare Part A and Part B before you can enroll in Medigap.
- **Guaranteed issue right:** Health insurers must issue a Medigap policy to a person with a guaranteed issue right. A guaranteed issue right occurs when a person loses health insurance due to the following circumstances:
 - The employer coverage ends.
 - The policyholder relocates outside of a plan's service area.
 - The health insurer leaves the service area.
 - The policyholder switches from Part C to traditional Part A and Part B within the first year of enrolling in a Medicare Advantage plan.
- **Part B enrollment delayed with employer-provided health insurance:** The Part A and Part B eight-month special enrollment period and the Medigap six-month open enrollment period may run concurrently, depending on when you enroll in Part B.
 - The six-month open enrollment period automatically starts with Part B enrollment, even if you still have employer coverage.
 - For example, a 66-year-old woman continues to work and receives employer-provided health insurance. She decides to retire in July, and her employer coverage ends July 31. She enrolls in Part B in May. The Medigap open enrollment period begins in May.
- **Enrollment before age 65:** Federal law does not require health insurers to offer Medigap plans to people younger than 65, except in the following states: California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Oklahoma, Vermont, and Wisconsin.

Please note: Medigap policies are *not* available to people with end-stage renal disease in California and Vermont.

What Are My Out-of-Pocket Expenses?

Your costs will include the Medigap policy premium in addition to the Part B premium (and the Part A premium if you're not eligible for premium-free Part A). Medigap premiums will vary by plan type, insurance provider, and geographic location.

What Else Do I Need to Know About Medigap Coverage?

You must enroll during the six-month open enrollment period. During your enrollment period, private insurers cannot refuse to sell you a Medigap policy or charge a higher premium—even if you have a preexisting condition. If you wait until *after* your open enrollment period, however, it may cost more, or your insurer may refuse to issue a Medigap policy.

In addition, be sure to note the following:

- Health insurers can sell Medigap policies only in the same states where they hold licenses.
- There are 10 types of Medigap plans. Each type must offer a standard set of benefits irrespective of geographic location. Each alphabetic letter—A, B, C, D, F, G, K, L, M, or N—identifies the plan type. For more information on these different types of coverage, view the Medigap Plans comparison chart by visiting www.medicare.gov and clicking Supplements & Other Insurance > How to compare Medigap policies.
 - Medigap C and F plans for new enrollees may be limited after January 1, 2020. These plans are popular because they both cover the Part B deductible. If you are already enrolled in a C or F plan prior to January 1, 2020, you can continue to select this coverage.
- Medigap policies issued in Massachusetts, Minnesota, and Wisconsin have separate standard benefits.
 - Information for Massachusetts Medigap plans may be found at www.medicare.gov under Supplements & Other Insurance > How to compare Medigap policies > Medigap in Massachusetts.
 - Information for Minnesota Medigap plans may be found at www.medicare.gov under Supplements & Other Insurance > How to compare Medigap policies > Medigap in Minnesota.
 - Information for Wisconsin Medigap plans may be found at www.medicare.gov under Supplements & Other Insurance > How to compare Medigap policies > Medigap in Wisconsin.
- Medigap plans sold after January 1, 2006, cannot cover prescription drug costs.
- Medigap Plans C, D, F, G, M, and N offer coverage for emergency care while you are traveling outside of the U.S.
- The State Health Insurance Assistance Program (SHIP) provides free, state-specific health insurance information. To locate information about a state's SHIP, visit www.shiptacenter.org.

This material has been provided for general informational purposes only and does not constitute either tax or legal advice. Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a tax preparer, professional tax advisor, or lawyer.

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