

## Medicare Minute Script – November 2016 Medigap Insurance

### Point 1: Understand Medigap basics

A Medigap policy is standardized supplemental health insurance that pays for part or all of the Original Medicare cost-sharing gaps that you owe. You may hear Medigaps referred to as Medicare supplements or supplemental health insurance. The costs that Medigaps cover include deductibles, coinsurance amounts, and copays. For example, a Medigap pays for your Part B coinsurance charges, meaning that it will pay for the 20% coinsurance you normally owe when you receive Medicare-covered physicians' services.

It is important to know that Medigap policies only work with Original Medicare Parts A and B. If you get your Medicare benefits from a private Medicare plan, known as a Medicare Advantage Plan, you cannot purchase a Medigap. Medigaps only pay for Original Medicare cost-sharing gaps. In fact, if you already have a Medicare Advantage Plan, it is illegal for anyone to sell you a Medigap policy unless you are switching back to Original Medicare. Contact your Senior Medicare Patrol – called “SMP” – if you experience suspicious of Medigap sales practices.

### Point 2: Know about the types of Medigap plans and premiums

There are ten different types of Medigap policies, referred to as “plans,” which are named after letters of the alphabet. Though the coverage offered within each plan is set by federal law, insurance companies do not have to offer all ten. Regardless of the company selling them, plans with the same letter must offer the same benefits. However, each company may charge a different monthly premium for the same-lettered plan. Here is a scenario to illustrate that point: Medigap Plan A offered by Insurance Company 1 provides exactly the same benefits as Medigap Plan A offered by Insurance Company 2, but Insurance Company 2 charges a higher premium. You can get the same coverage with Insurance Company 1 for a lower monthly premium. That's why you can benefit from shopping around.

Medigap premiums are set in different ways depending on your state. There are three ways that insurers price Medigaps.

- **Community-rated pricing:** Monthly premium is based on where you live. For example, people who live in the same county pay the same premium regardless of their age.
- **Issue-age-rated pricing:** Monthly premium is based on age you are when you first purchase the Medigap. Prices can increase because of inflation, but not because you got older.
- **Attained-age-rated:** Monthly premium is based on your current age. For example, a company may set one premium for people between 65 and 70 years old, and a higher premium for people 71 to 75 years old.

Contact your State Health Insurance Assistance Program - called “SHIP” -- to learn more about how to compare Medigap policy coverage and prices in your state.

### Point 3: Know when you can buy a Medigap

Under federal law you only have the right to buy a Medigap if you are 65 or older and you buy your policy during a protected time. The protected enrollment times are during your **Medigap Open Enrollment Period** or when you have a **guaranteed issue right**.

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SHIP National Technical Assistance Center: 877-839-2675, [www.shiptacenter.org](http://www.shiptacenter.org) | [info@shiptacenter.org](mailto:info@shiptacenter.org)

SMP National Resource Center 877-808-2468 | [www.smpresource.org](http://www.smpresource.org) | [info@smpresource.org](mailto:info@smpresource.org)

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Your Medigap Open Enrollment Period lasts for six months, starting with the month you are both 65 and enrolled in Medicare Part B. Medigap companies must sell you a policy at the best available rate and cannot deny you coverage. You can buy the lettered Medigap plan of your choice when you are in your Medigap Open Enrollment Period.

You have a guaranteed right for 63 days after you lose or end certain kinds of health coverage. Medigap companies must sell you a policy at the best available rate and cannot deny you coverage. Depending on the reason you have guaranteed issue right, you may be restricted to only purchasing certain lettered plans. However, when you have a guaranteed issue right, insurance companies cannot impose a waiting period before covering pre-existing conditions.

If you purchase a Medigap outside of one of the protected enrollment times, most companies are not required to sell you a policy and may ask you questions about your health status. Insurers can refuse to offer you coverage. Some states offer additional enrollment rights. You can contact your State Health Insurance Assistance Program – called “SHIP” – to learn more about Medigap enrollment in your state.

**Take Action:** Decide if a Medigap is the right option for you.

1. Are you getting (and keeping) your coverage through a Medicare Advantage Plan? If so, a Medigap is not an option for you.
2. If you are in Original Medicare, consider your monthly budget and health care needs. How much can you afford for a Medigap premium?
3. Find out which insurance companies sell Medigaps and how much they charge for different Medigap plans. Which plan letter is right for you?

Iowa SHIP	Iowa Senior Medicare Patrol (SMP)
<b>SHIP toll-free: 1-800-351-4664</b>	<b>SMP toll-free: 1-800-423-2449</b>
<b>SHIP email: <a href="mailto:shiip@iid.iowa.gov">shiip@iid.iowa.gov</a></b>	<b>SMP email: <a href="mailto:iowaSMP@nei3a.org">iowaSMP@nei3a.org</a></b>
<b>SHIP website: <a href="http://www.therightcalliowa.org">www.therightcalliowa.org</a></b>	<b>SMP website: <a href="http://www.iowasmp.org">www.iowasmp.org</a></b>
<b>To find a SHIP in another state:</b> Call 877-839-2675 or visit <a href="http://ww.shiptacenter.org">ww.shiptacenter.org</a> .	<b>To find an SMP in another state:</b> Call 877-808-2468 or visit <a href="http://www.smpresource.org">www.smpresource.org</a> .
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