



ODI

Ohio Department
of Insurance

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Medicare Supplement Webinar

Agenda

- Medicare Supplement Basics
 - What is a Medigap policy
 - Standard Plans
 - Important terms to know
 - Who can buy
 - Open Enrollment
 - Medicare Select
 - Guaranteed Issue Rights
 - Right to suspend



Gaps in Original Medicare Coverage

- Original Medicare doesn't cover everything
 - Original Medicare pays a share
 - You pay a share
- If you buy a Medigap policy
 - The policy pays all or part of your share
 - Coverage depends on Medigap plan you buy



What is a Medigap policy?

- Private health insurance for individuals
- Sold by private insurance companies
 - Licensed by your state
- Supplements Original Medicare
- Follow Federal/state laws that protect you
- Must state “Medicare Supplement Insurance”



What is a Medigap policy? (continued)

- A Medigap policy may help you
 - Lower your out-of-pocket costs
 - Get more health insurance coverage
- Considerations include
 - Your other coverage and health needs



What are Standardized Plans?

- Standardized plans in most states
 - Identified by a letter
 - Plans currently sold
 - A, B, C, D, F, G, K, L, M, N
 - Companies don't have to sell all plans
 - Plans existing but no longer sold
 - E, H, I, J



What are Standardized Plans? (continued)

- Each standardized plan in a state
 - Must offer the same basic benefits
 - No matter which company sells it
- Costs (monthly premiums) may vary by
 - Plan
 - Company
 - Where you live
 - Age

Cost Example		
	Acme Insurance Company - Plan C	DT Insurance Company - Plan C
Benefits	Same	Same
Monthly Cost	\$100	\$120



Important Medigap Terms to Know

- Pre-existing condition - health problem you had diagnosed or treated during the 6 months before your Medigap policy starts
 - May not cover pre-existing conditions up to 6 months
- Creditable coverage (certain health coverage)
 - Could shorten waiting period



Important Medigap Terms to Know (continued)

- Medical underwriting (review of your health)
 - Could affect acceptance, cost, and coverage date
- Guaranteed issue rights
 - Certain situations when insurance companies must
 - Sell you a Medigap policy
 - Cover all your pre-existing health conditions
 - Can't charge you more for a Medigap policy because of past or present health problems



Who Can Buy Medigap?

- Generally must have Medicare Parts A and B
- May not be able to buy Medigap under 65
 - People with a disability
 - People with End-Stage Renal Disease
- Guaranteed right to buy a Medigap policy
 - In your Medigap open enrollment period
 - Covered under a guaranteed issue right



When to Buy a Medigap Policy

- May be able to buy a Medigap policy any time
- 6-month Medigap open enrollment period
 - Begins when you
 - Are both age 65 and
 - Enrolled in Part B
 - Can't be changed or repeated



Open Enrollment Period (OEP)

- OEP may be best time to buy
 - Companies can't
 - Refuse to sell any Medigap policy they sell
 - Make you wait for coverage (exception below)
 - Charge more because of a past/present health problem
 - Companies can
 - Make you wait for pre-existing condition without creditable coverage
- Policies sold after 1990 guaranteed renewable



Buying a Medigap Policy Under Age 65

- People with Medicare under age 65
 - May not be able to buy Medigap
 - People with a disability
 - People with End-Stage Renal Disease
 - If available, may cost more
- New Medigap open enrollment period at age 65



How Much Does Medigap Cost?

- Cost depends on
 - Your age (in some states)
 - Where you live (e.g., urban, rural, or ZIP Code)
 - Company selling the policy
 - If there are discounts (female, non-smokers, married couples)
 - Medical underwriting
- Premiums vary greatly for same Medigap plan



Medigap Pricing Based on Age

No-age-rated (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	<ul style="list-style-type: none">▪ Premium based on current age▪ Goes up automatically as you get older▪ Costs less when you are 65▪ Costs more at age 70 or 75



Chart of Standard MedSup Plans

Plan A	Plan B	Plan C	Plan D	Plan F #	Plan G	Plan K ^	Plan L ^^	Plan M *	Plan N * ~
Basic Including 100% Part B coinsurance	Hospitalization and preventive care 100%; Other basic 50%	Hospitalization and preventive care 100%; Other basic 75%	Basic Including 100% Part B coinsurance	Basic Including 100% Part B coinsurance					
	Part A deductible	50% Part A deductible	75% Part A deductible	50% Part A deductible	Part A deductible				
	Skilled nursing facility coinsurance	50 % Skilled nursing facility coinsurance	75% Skilled nursing facility coinsurance	Skilled nursing facility coinsurance	Skilled nursing facility coinsurance				
		Part B deductible		Part B deductible		50% Part B deductible	75% Part B deductible		
				100% Part B excess	100% Part B excess				
		Foreign travel emergency	Foreign travel emergency	Foreign travel emergency	Foreign travel emergency			Foreign travel emergency	Foreign travel emergency



Basic Medicare Supplement Benefits

- Basic = Part A coinsurance + 365 days; Part B coinsurance for outpatient; blood – first three (3) pints per year; hospice Part A coinsurance
- A separate version of Plan F is available with a \$2,070 deductible (2012).
- Plan K has an out-of-pocket limit of \$4,660 (2012) for covered services.
- Plan L has an out-of-pocket limit of \$2,330 (2012) for covered services.
- Plan M and Plan N have been available since June 2010.
- Plan N has a copayment of up to \$20 / office visit; up to \$50 / emergency room visit.



Medicare SELECT Policies

- A type of Medigap policy
- To get full benefits (except in emergency)
 - Must use specific hospitals
 - May have to see specific doctors
- Generally cost less than non-network plans
- Can switch to plan with equal or lesser value



Guaranteed Rights to Buy a MedSup Policy

- Called “guaranteed issue rights”
- Situations with special rights to buy MedSup
 - After MedSup open enrollment period
 - Companies must sell you a Medigap policy within 63 days of the date your coverage ends
 - Must cover all pre-existing conditions
 - Can’t charge more
- These are Federal protections
 - Some states have additional protections



MedSup Guaranteed Issue Rights

- MedSup protections apply to people with Medicare who face certain situations.
- When a person is in one of the eight situations as explained below, the person has what is known as a “guaranteed issue opportunity.”
- There may be times when more than one situation applies — when this happens the person may choose the protection that gives the best choice of policies.
- These situations apply to both MedSup and Medicare Select policies.



MedSup Guaranteed Issue Rights

1. Coverage through a Medicare Advantage plan ends because the plan is leaving the Medicare program.

MedSup plan choices: A, B, C, F

Note: If the Medicare Advantage plan terminates or stops providing Medicare services, the plan must notify the enrollee by October 2 that it will terminate December 31. In that event, the enrollee will have from October 2 until 63 days after the disenrollment date to apply for MedSup plans A, B, C or F.
2. Coverage through an employer or another type of group health plan ends.

MedSup plan choices: A, B, C, F
3. Coverage ends because the person moves out of the plan's service area.

MedSup plan choices: A, B, C, F



MedSup Guaranteed Issue Rights

4. When first eligible for Medicare at age 65, a person joins a Medicare Advantage plan. Within the first year, the person decides to leave and get a MedSup.

MedSup plan choices: all plans

5. A person who dropped a MedSup plan to join a Medicare Advantage plan or Medicare Select plan for first time now wants to leave during the first year of joining the new plan.

MedSup plan choices: A, B, C, F, K, L

6. Coverage ends because the MedSup company goes bankrupt or coverage ends through any means that is not the fault of the insured person.

MedSup plan choices: A, B, C, F



MedSup Guaranteed Issue Rights

7. A person with a MedSup policy, a Medicare Advantage plan or a Medicare Select plan leaves because the company misled the insured person or did not follow the rules.

Examples: the marketing materials were not true or the plan did not meet quality standards.

MedSup plan choices: A, B, C, F

8. If the Secretary of Health and Human Services makes the decision to have a guaranteed issue right in a special situation



Right to Suspend Medigap (Group Health Plan)

- Suspend up to 2 years if under 65
 - While enrolled in your/spouse's employer group health plan
- Get your Medigap policy back at any time
 - Notify insurer within 90 days of losing employer group plan
 - No waiting period



Right to Suspend Medigap (Medicaid)

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



Thank you for your time and attention!

QUESTIONS?

