HICAP

COUNTY of VENTURA
Human Services Agency
Area Agency on Aging

Supplemental Insurance (Medigap)

What are Medigap (Supplemental Insurance) Plans?

- Optional insurance that works with Original Medicare to cover all or part of your medically necessary, out-of-pocket cost that Medicare Parts A and B do not cover — like DEDUCTIBLES, CO-INSURANCE, and CO-PAYS.
- Many private insurance companies sell a variety of policies in Ventura County.
- Medigap plans are STANDARDIZED — the same lettered plan has the same coverage no matter which company offers it; only the premium differs, making them easy to compare.

Medigap Benefits	Standardized Medigap Plans								→		
	A	B	D	G*	K**	L**	M	N		C	F*
Part A Co-insurance	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Up to 365 additional days	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Part B Co-insurance	✓	✓	✓	✓	✓	✓	✓	✓ §		✓	✓
First 3 pints of blood	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Hospice Care Co-insurance	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Skilled Nursing Co-insurance			✓	✓	50%	75%	✓	✓		✓	✓
Part A Deductible		✓	✓	✓	50%	75%	50%	✓		✓	✓
Part B Deductible										✓	✓
Part B "Excess Charges" ◊				✓							✓
Foreign Travel ER			✓	✓			✓	✓		✓	✓

Received Medicare before 2000

Beginning in 2020, plans C & F cannot be sold to people who were not eligible for Part A prior to 2020 (born after 12/31/54).

Beneficiaries who were eligible for Part A Medicare prior to 2020 and those who hold C & F plans, can keep these plans and continue to receive benefits.

* Plan G and F have a HIGH-DEDUCTIBLE option for a much lower PREMIUM. The annual DEDUCTIBLE is $2,870 (2025).
** Plans K and L have OUT-OF-POCKET LIMITS of $7,220 and $3,610 respectively (2025).
§ Co-pays of no more than $20/MD office visit and $50/ER visit (that doesn't result in hospitalization).
◊ "Excess Charges" of up to 15% over the Medicare "approved rate" can be assessed for services by providers who accept Medicare but do NOT accept "Medicare Assignment." You are responsible for any Excess Charge (only plans F & G cover Excess Charges). Medicare.gov under *Find a Provider* indicates Y/N Accepts Assignment.

Do I Need a Medigap Policy?

- Do you have other coverage that supplements Medicare (Tricare, VA, or employer/retiree coverage)?
- Do you have FULL Medi-Cal? Or Medi-Cal share of cost? FULL Medi-Cal recipients cannot buy a Medigap.
- Do you have a Medicare Advantage (MA) plan (also called "Part C")? You cannot have both an MA plan and Medigap. You cannot drop an MA plan to buy a Medigap without UNDERWRITING (UNLESS you have a Special Enrollment Period).
- Can you afford the out-of-pocket deductibles and copays of Medicare? Can you afford them if you have a serious illness or accident? Traditional Medicare without a Medigap has no limit to your health costs.
- Do you have a pre-existing condition requiring UNDERWRITING or a "Guaranteed Issue Right" to buy a Medigap?
- Do you have Original Medicare and want to have the choice of doctors and specialists nationwide?
- Do you want to see specialists or have expensive treatments without waiting for referrals or authorizations?

When Do I Buy a Medigap Policy?

1. Initial Enrollment Period (IEP) lasts seven months — three months before your 65th birthday month to three months after your birthday month.
    a. You must be enrolled in Medicare Parts A and B.
    b. Medigap Open Enrollment period lasts six months from your **Part B effective date**.
    c. Enroll one, two, or three months before your birthday to have Medicare and Medigap effective the 1st of your birthday month.
    d. You have *Guaranteed Issue Rights* during IEP and Medigap Open Enrollment.
    e. What are "IEP Guaranteed Issue" rights?
        - You may buy any Medigap policy without health screening (underwriting), without a waiting period due to a pre-existing condition, and at the best price.
        - You do not have to answer health questions.
2. If other health coverage (employer or Medi-Cal) ends, you may have a *Guaranteed Right* for six months after Part B effective date to buy most Medigap policies. Part D needs to be obtained by 63 days coverage or works ends.
3. There are other situations where you have *Guaranteed Rights* such as during a *Special Enrollment Period (SEP)*.
4. The *"California Birthday Rule"* permits you to buy the same Medigap plan or one with fewer benefits, up to 60 days following your birthday, without underwriting.
5. OR whenever a company agrees to sell you a policy (perhaps with underwriting which varies by carrier).

Medicare Advantage Trial Period

- If you enroll in a Medicare Advantage plan for the **first time** at 65 and decide you don't like it; you may dis-enroll before 12 months **one time only** and purchase a Part D and a Medigap plan without underwriting.
- You were on a Medigap before your **FIRST MA** trial; if you dis-enroll from the MA plan before 12 months, you may re-enroll in your former Medigap plan **one time only**.

Which Medigap Policy is the Best?

Consider:

- The amount of coverage you want — look at 10 standardized Medigap plans.
- The more comprehensive the coverage, the higher the premium. To lower premiums, assume some of the "risk" by selecting a plan with fewer benefits.
- Different insurance companies can sell the same plan letter (i.e., Plan G) but charge higher premiums.
- Your individual and future health care needs (like when you are older and sicker).
- The pricing methodology used by the Medigap insurance company.
    - o **Attained-Age Rated (AA)** increase in price each year (~3-5%) as you age, as well as increases for health cost inflation (the majority of policies sold in Ventura County are AA).
    - o **Issue-Age Rated (IA)** does not increase as you age; it only increases due to health cost inflation.
    - o **Community-Rated (CR)** charges the same premium if you are 65 or 80. It increases in price not according to your age, but according to the health cost increases in the geographic area in which you live. One company in Ventura County sells group CR policies to AARP members.

Think About and Write Down What You Need to Know (see FIG. 2):

What will my policy cost monthly?

What has been the history of premium increase?

When and how often do premiums go up during the year?

What factors cause premiums to rise?

How soon will my policy be active?

Do you offer discounts for advance payment or payment method?

The Process

1. Decide which standardized plan(s) have the benefits you want (i.e., Plan G, N or High Deductible or ?) Remember later on when you have health problems, you probably won't be able to get more comprehensive coverage, you can only get coverage with the same or FEWER benefits without underwriting under the CA birthday rule.
2. Determine which companies sell policies for the plans you are considering. HICAP has access to a Quote Engine that provides current quotes for Medigap policies sold in the U.S.
3. **Benefits** for the same Lettered Plan (e.g., Plan "G") are the same whether sold by a well or lesser-known company.
4. Consider the **financial strength** of the insurance company from A.M. Best or Standard & Poor ratings.
5. Be wary of plans new to Ventura County (**under five years**) selling very low-priced premiums.
6. Compare prices of several companies selling the lettered Medigap plan you want.

Enrollment

Call the company that offers the policy you want at the best price. They may start an application on the phone, and send it to you to review, sign, and return. When enrolled, the company will send you a packet and ID card. Your policy is guaranteed renewable unless you 1) fail to pay your premium, 2) weren't truthful on your application, or 3) the insurance company goes bankrupt.

Using your benefits

When you receive medical services, show both your red, white, and blue Medicare Card and your Medigap card.

The doctor will bill Medicare; then Medicare will forward their decision to 1) your provider including any payment and 2) to your Medigap company. You don't pay anyone until you receive a *Medicare Summary Notice (MSN)* and an *Explanation of Benefits (EOB)* from your Medigap. Only then may the provider bill you. For MEDICALLY NECESSARY services "Balance Billing" is not allowed unless your provider does not accept Medicare or perhaps Medicare Assignment. Two exceptions: **1)** For Plan N, the doctor may ask for a small copay (<$20) or the ER copay ($50). **2)** A provider who does not accept Medicare ASSIGNMENT may charge you up to 15% of the Medicare-approved rate unless you have a Medigap F or G plan, which covers the 15% Excess Charge.

If Medicare approves the service, the Medigap company MUST pay their share. They do not decide to pay or not; it is automatic. If Medicare denies payment, Medigap will not pay. You would need to ask Medicare why they did not approve the service and perhaps go to the provider to recode the bill, submit more information, or Appeal with Medicare.

Sample questions to ask when shopping for a Medigap policy

FIG. 2

	Have your Medicare card handy Describe why you are calling (i.e, New to Medicare, Birthday Month, or Special Enrollment Period) *"I am shopping for a Medigap policy."* *"I have some questions to ask about Plan(s)___"*	Company 1 Agent Name Phone	Company 2 Agent Name Phone	Company 3 Agent Name Phone
1	*How much will my premium be?*			
2	*What methodology do you use to price your premiums?* *(Attained-Age, Issue-Age, or Community-Rated)* *And how will that affect my future premiums?*			
3	*What factors cause the premium to increase?* *When and how often will my premium increase?*			
4	*How much has the premium on this plan increased each year in the past five years?*			
5	*Do you offer any discounts for payment method, multiple policies, frequency of, or advanced payments?*			
6	*Do you offer any incentives or benefits apart from the standard Plan ____ benefits?*			
7	*Do you have a consumer website where I can access EOBs and track payments, etc?*			
8	*For how many years have you been selling policies in Ventura County? (5+ years is good)*			
9	*Is customer service outsourced or in-house?*			
10	*All Medigap benefits are standardized, why should I buy a policy from your company?*			

Add additional questions specific to your unique medical or financial circumstances.
Medicare.gov Find a Plan/Medigap now gives you specific prices for your age, zip code, tobacco use, and gender.

SMP California Department of AGING SHIP
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