

Saving Money on Your Insurance

BY JOSE MONTE MAYOR

Medigap Guaranteed Issue Opportunity Expires March 4

MANY OF THE 200,000 TEXANS who lost Medicare HMO coverage on January 1, 2001, automatically returned to original Medicare if they did not join another HMO or other "Medicare + Choice" plan.

Original Medicare, however, has coverage "gaps," such as the \$792 deductible for a hospital stay, the \$100 Medicare Part B deductible and the 20 percent copayment for each doctor visit.

Medicare supplement ("Medigap") insurance exists to fill some of these gaps. People whose HMOs withdrew from Medicare on January 1 have a temporary but very important right to **guaranteed issue** when buying Medigap policies.

Guaranteed issue means an insurance company must sell you a policy regardless of your medical condition or medical history. In addition, an insurance company cannot impose a waiting period for coverage of pre-existing medical conditions, nor can it charge a higher rate because of your health history.

To take advantage of this right to guaranteed issue, you must apply for Medigap insurance by **March 4, 2001**. (This is your 63-day window from January 1, 2001, the date when the HMOs leaving Medicare ended their coverage.) If you miss the deadline, an insurance company can reject your application because of pre-existing conditions.

Medicare recipients 65 or older have slightly different guaranteed issue rights than younger people who receive Medicare because of disabilities.

If you're 65 or older, guaranteed issue applies to Medigap Plan A and to Plans B, C and F if a company sells them in Texas. (All companies **must** sell Plan A.)

If you receive Medicare because of a disability and are not yet 65 years old, guaranteed issue applies to Plan A. Guaranteed issue also applies to Plans B, C and F if a company routinely offers those plans to persons with disabilities who are under 65. (Companies selling Medigap policies are **required** to offer at least Plan A to persons with disabilities.)

To prove you are entitled to guaranteed issue, be sure to save the withdrawal letter ("final notification" letter) from your Medicare HMO. You will need to submit a copy with your Medigap application by March 4, 2001.

It's also a good idea to keep a dated copy of your Medigap policy application to prove you met the deadline if a question arises about your eligibility for guaranteed issue.

People 65 and over who are still in their six-month "open enrollment" period have more choices than Plans A, B, C or F when buying Medigap insurance after losing Medicare HMO coverage. They are entitled to guaranteed issue of **any** Medigap policy a particular insurer offers. This right lasts for six months after a person first enrolls in Medicare Part B. Therefore, the right to guaranteed issue may extend beyond March 4 for people who joined Medicare after early September 2000.

Remember: You lose your right to guaranteed issue if you miss the March 4, 2001, deadline for applying for Medigap insurance. Choosing a company and a Medigap plan takes time. So, if the HMOs remaining in your area are not accepting new members, don't wait until the last minute to start shopping for companies that offer Medigap policies.

Start your search by obtaining the Texas Department of Insurance's (TDI's) *Medicare Supplement Insurance Handbook and Rate Guide*. The guide lists all companies that sell Medigap insurance in Texas, along with their phone numbers and their rates for each of the 10 standard Medigap plans. Call TDI at

1-800-599-7467

for a free copy of the guide. The guide also is available on our Web site,

www.tdi.state.tx.us.

The state's Health Information, Counseling and Advocacy Program (HICAP) provides free one-on-one counseling on options available to cover costs not paid by Medicare. For the location and phone number of the nearest HICAP counselor, call **1-800-252-9240**. ★

Editors:

- If you need further information, call: **Texas Department of Insurance Public Information Office (512) 463-6425**

We welcome your questions and suggestions about this column.