CENTERS FOR MEDICARE & MEDICAID SERVICES

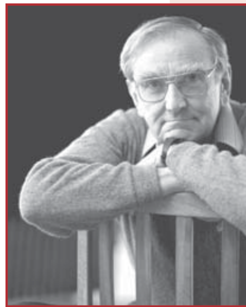
2009

Choosing a Medigap Policy:

A Guide to Health Insurance for People with Medicare

This official government guide has important information about the following:

- What a Medigap (Medicare Supplement Insurance) policy is
- What Medigap policies cover
- Your rights to buy a Medigap policy
- Steps to follow when you buy a Medigap policy
- Switching Medigap policies



This guide can help if you are thinking about buying, or already have, a Medigap policy.

Developed jointly by the Centers for Medicare & Medicaid Services (CMS) and the National Association of Insurance Commissioners (NAIC)

How to use this guide

There are two ways to find the information you need:

1. The "Table of contents" on pages 1–2 can help you find the sections you need to read.
2. The "List of topics" on pages 55–58 lists every topic in this guide and the page number to find it.

Who should read this guide?

This guide was written to help people with Medicare understand Medigap (also called "Medicare Supplement Insurance") policies. A Medigap policy is a type of private insurance that helps you pay for some of the costs that Original Medicare doesn't cover.

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SECTION 1

Medicare basics

This guide was written to help people with Medicare understand Medigap (also called "Medicare Supplement Insurance") policies.

A Medigap policy is health insurance sold by private insurance companies to fill gaps in Original Medicare coverage. Medigap policies don't work with any other type of health insurance, including Medicare Advantage Plans, employer/union group coverage, Veterans Administration (VA) benefits, or TRICARE. Medigap policies help pay your share (coinsurance, copayments, or deductibles) of the costs of Medicare-covered services. Some Medigap policies cover certain costs not covered by Original Medicare.

However, before you learn more about Medigap policies, the next few pages provide a brief look at Medicare. If you already know the basics about Medicare and want to learn about Medigap basics, then turn to page 9.

What is Medicare?

Medicare is health insurance for people age 65 or older, under age 65 with certain disabilities, and any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant). Original Medicare covers many health care services and supplies, but there are many costs ("gaps") it doesn't cover.

The Different Parts of Medicare

The different parts of Medicare help cover specific services if you meet certain conditions. Medicare has the following parts:

Medicare Part A (Hospital Insurance)

- Helps cover inpatient care in hospitals
- Helps cover skilled nursing facility, hospice, and home health care

Medicare Part B (Medical Insurance)

- Helps cover doctors' services and outpatient care
- Helps cover some preventive services to help maintain your health and to keep certain illnesses from getting worse

Medicare Part C (Medicare Advantage Plans) (like an HMO or PPO)

- A health coverage choice run by private companies approved by Medicare
- Includes Part A, Part B, and usually other coverage including prescription drugs

Medicare Part D (Medicare Prescription Drug Coverage)

- Helps cover the cost of prescription drugs
- May help lower your prescription drug costs and help protect against higher costs in the future

Your Medicare Coverage Choices

With Medicare, you can choose how you get your health and prescription drug coverage. Below are brief descriptions of your coverage choices.

Original Medicare

- Run by the Federal government.
- Provides your Part A and Part B coverage.
- You can join a Medicare Prescription Drug Plan to add drug coverage.
- You can buy a Medigap (Medicare Supplement Insurance) policy (sold by private insurance companies) to help fill the gaps in Part A and Part B coverage (like coinsurance, copayments, and deductibles).

Medicare Advantage Plans (like an HMO or PPO) See page 6.

- Run by private insurance companies approved by Medicare.
- Provide your Part A and Part B coverage, but can charge different amounts for certain services. May offer extra coverage and prescription drug coverage for an extra cost. Costs for items and services vary by plan.
- If you want drug coverage, you must get it through your plan (in most cases).
- You don't need a Medigap policy.

Other Medicare Health Plans

- Plans that aren't Medicare Advantage Plans but are still part of Medicare.
- Include Medicare Cost Plans, Demonstration/Pilot Programs, and Programs of All-Inclusive Care for the Elderly (PACE).
- Some plans provide Part A and Part B coverage, and some also provide prescription drug coverage (Part D).

Note: If you have other health and/or prescription drug coverage from a former or current employer or union, you may have other coverage choices. This coverage may affect which Medicare coverage choice is best for you.

Words in red are defined on pages 51–54.

Medicare Advantage Plans

Medicare Advantage Plans include the following:

- Preferred Provider Organization (PPO) Plans
- Health Maintenance Organization (HMO) Plans
- Private Fee-for-Service (PFFS) Plans
- Medical Savings Account (MSA) Plans
- Special Needs Plans (SNP)

Medicare Advantage Plans and Medigap Policies

Important: If you have a Medigap policy and you are switching from Original Medicare to a Medicare Advantage Plan, you don't need and can't use the Medigap policy to cover deductibles, copayments, or coinsurance under the Medicare Advantage Plan. You may choose to drop your Medigap policy, but you should talk to your State Health Insurance Assistance Program (see pages 49–50) and your current Medigap insurance company before you do because you may not be able to get it back. 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.

Medicare Prescription Drug Coverage (Part D)

Medicare offers prescription drug coverage (Part D) for everyone with Medicare. To get Medicare drug coverage, you must join a plan run by an insurance company or other private company approved by Medicare. Each plan can vary in cost and drugs covered. If you want Medicare drug coverage, you need to choose a plan that works with your health coverage.

Words in red are defined on pages 51–54.

There are two ways to get Medicare prescription drug coverage:

1. **Medicare Prescription Drug Plans.** These plans (sometimes called "PDPs") add drug coverage to Original Medicare, some Medicare Cost Plans, some Medicare Private Fee-for-Service Plans, and Medicare Medical Savings Account Plans.
2. **Medicare Advantage Plans (like an HMO or PPO) or other Medicare health plans that have prescription drug coverage.** You get all of your Part A and Part B coverage, including prescription drug coverage (Part D), through these plans. Medicare Advantage Plans with prescription drug coverage are sometimes called "MA-PDs."

Medicare Prescription Drug Coverage (continued)

Medicare Prescription Drug Coverage and Medigap Policies

- If you bought your Medigap policy before January 1, 2006, you may have a Medigap policy with prescription drug coverage. You can keep the prescription drug coverage in that policy or you can join a Medicare Prescription Drug Plan. If you join a Medicare Prescription Drug Plan, you must tell your Medigap insurance company. It will remove the prescription drug coverage from your Medigap policy. This is because you can't have both types of prescription drug coverage at the same time. See pages 36–38 if you have a Medigap policy with prescription drug coverage that you bought before January 1, 2006.
- If you have Original Medicare and already have a Medigap policy **without** prescription drug coverage, you can join a Medicare Prescription Drug Plan without changing your Medigap policy.

Can I buy a new Medigap policy that includes prescription drug coverage?

No. New Medigap policies can't include prescription drug coverage. This is because Medicare offers prescription drug coverage to everyone with Medicare. If you want prescription drug coverage, you can get this coverage in one of the two ways described on page 6.

For more information

Remember, this guide is about Medigap policies. To learn about Medicare, visit www.medicare.gov/Publications/Pub/pdf/10050.pdf to view the handbook "Medicare & You." You can also call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Notes

Use this page to write down important information or questions.

SECTION 2

Medigap basics

What is a Medigap policy?

A Medigap (also called "Medicare Supplement Insurance") policy is private health insurance that is designed to supplement Original Medicare. This means it helps pay some of the health care costs ("gaps") that Original Medicare doesn't cover (like copayments, coinsurance, and deductibles). Medigap policies may also cover certain things that Medicare doesn't cover. If you are in Original Medicare and you have a Medigap policy, Medicare will pay its share of the Medicare-approved amounts for covered health care costs. Then your Medigap policy pays its share. (**Note:** Medicare doesn't pay any of the costs for you to get a Medigap policy.) Also, a Medigap policy is different than a Medicare Advantage Plan (like an HMO or PPO) because it's not a way to get Medicare benefits.

Every Medigap policy must follow Federal and state laws designed to protect you, and it must be clearly identified as "Medicare Supplement Insurance." Medigap insurance companies can only sell you a "standardized" Medigap policy identified by letters A through L. Each standardized Medigap policy must offer the same basic benefits, no matter which insurance company sells it. Cost is usually the only difference between Medigap policies sold by different insurance companies.

In Massachusetts, Minnesota, and Wisconsin, Medigap policies are standardized in a different way. See pages 44–46. In some states, you may be able to buy another type of Medigap policy called Medicare SELECT (a Medigap policy that requires you to use specific hospitals and in some cases specific doctors to get full benefits). See page 20.

Some examples of costs you could pay if you have Original Medicare and don't have a Medigap policy

Cost	What YOU PAY in 2009 (These amounts can change each year.)	Medigap policies that may help pay all or some of these costs
Medicare Part A Coinsurance and all costs after hospital benefits are exhausted	**For each** benefit period, **YOU PAY** $267 per day for days 61—90, $534 per day for days 91—150 (while using your 60 lifetime reserve days), and all costs after 150 days.	Medigap Plans A, B, C, D, E, F, G, H, I, J, K, or L
Medicare Part B Coinsurance or Copayment for other than preventive services	**YOU PAY** all coinsurance, generally 20% of the Medicare-approved amount for most covered services **after** you meet the $135 yearly Part B deductible. You also pay any copayment.	Medigap Plans A, B, C, D, E, F, G, H, I, J, K, or L
Blood	Generally, **YOU PAY** for the first 3 pints of blood.	Medigap Plans A, B, C, D, E, F, G, H, I, J, K, or L
Hospice Care Coinsurance or Copayment	You may be required to pay up to $5 for each drug a hospice provides when you are getting hospice services in your home and 5% of the Medicare-approved amount for each day of inpatient respite care (up to certain limits).	Medigap Plans K or L
Skilled Nursing Facility Care Coinsurance	**For each benefit period, YOU PAY** nothing for the first 20 days, and up to $133.50 per day for days 21—100.	Medigap Plans C, D, E, F, G, H, I, J, K, or L
Medicare Part A Deductible	**For each benefit period, YOU PAY** • $1,068 for days 1—60 of a hospital stay.	Medigap Plans B, C, D, E, F, G, H, I, J, K, or L
Medicare Part B Deductible	**YOU PAY** the $135 yearly deductible.	Medigap Plans C, F, or J
Medicare Part B Excess Charges	For doctors and other providers who don't accept assignment, **YOU PAY** the difference between the Medicare-approved amount and either the provider's fee, or the "limiting charge" (no more than 15% above the Medicare-approved amount) that applies for doctor's fees and many other Part B services.	Medigap Plans F, G, I, or J
Foreign Travel Emergency (Medicare coverage outside the U.S.)	Generally, **YOU PAY** all costs.	Medigap Plans C, D, E, F, G, H, I, or J
At-home Recovery (Medicare-approved home health care to provide treatment ordered by your doctor for an illness or injury.)	**YOU PAY** $0 for Medicare-approved home health services, and 100% for services not covered by Medicare.	Medigap Plans D, G, I, or J
Medicare Preventive Care Part B Coinsurance	Generally, **YOU PAY** the $135 yearly Part B deductible and Part B coinsurance, but there are exceptions.	Medigap Plans A, B, C, D, E, F, G, H, I, J, K, or L
Preventive Care not Covered by Medicare	**YOU PAY** all costs.	Medigap Plans E or J

What Medigap Plans A through L cover

This chart gives you a quick look at the standardized Medigap Plans A through L and their benefits. Every insurance company must make Medigap Plan A available if it offers any other Medigap policy. Not all types of Medigap policies may be available in your state. See pages 44–46 if you live in Massachusetts, Minnesota, or Wisconsin. If you need more information, call your State Insurance Department or State Health Insurance Assistance Program. See pages 49–50 for your state's telephone number.

If a check mark appears in a column of this chart, this means that the Medigap policy covers **100%** of the described benefit. If a column lists a percentage, this means the Medigap policy covers that percentage of the described benefit. If no percentage appears or if a column is blank, this means the Medigap policy **doesn't** cover that benefit. **Note:** The Medigap policy covers coinsurance only after you have paid the deductible (unless the Medigap policy also covers the deductible).

	Medigap Plans A through L											
Medigap Benefits	**A**	**B**	**C**	**D**	**E**	**F***	**G**	**H**	**I**	**J***	**K**	**L**
Medicare Part A Coinsurance and all costs after hospital benefits are exhausted	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B Coinsurance or Copayment for other than preventive services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	50%	75%
Blood (First 3 Pints)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	50%	75%
Hospice Care Coinsurance or Copayment											50%	75%
Skilled Nursing Facility Care Coinsurance			✓	✓	✓	✓	✓	✓	✓	✓	50%	75%
Medicare Part A Deductible		✓	✓	✓	✓	✓	✓	✓	✓	✓	50%	75%
Medicare Part B Deductible			✓			✓				✓		
Medicare Part B Excess Charges						✓	80%		✓	✓		
Foreign Travel Emergency (Up to Plan Limits)**			✓	✓	✓	✓	✓	✓	✓	✓		
At-home Recovery (Up to Plan Limits)				✓			✓		✓	✓		
Medicare Preventive Care Part B Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Preventive Care not Covered by Medicare (up to $120)					✓					✓		
2009 out-of-pocket limit											$4,620***	$2,310***

* Medigap Plans F and J also offer a high-deductible option. You must pay for Medicare-covered costs up to the high-deductible amount ($2,000 in 2009) before your Medigap policy pays anything.

** You must also pay a separate deductible for foreign travel emergency ($250 per year).

*** After you meet your out-of-pocket yearly limit and your yearly Part B deductible ($135 in 2009), the plan pays 100% of covered services for the rest of the calendar year.

What Medigap policies don’t cover

Medigap policies don’t cover long-term care (like care in a nursing home), vision or dental care, hearing aids, eyeglasses, and private-duty nursing.

Types of coverage that are NOT Medigap policies

- Medicare Advantage Plans (Part C), like an HMO, PPO, or Private Fee-for-Service Plans
- Medicare Prescription Drug Plans (Part D)
- Medicaid
- Employer or union plans, including Federal Employees Health Benefits Program (FEHBP)
- TRICARE
- Veterans’ benefits
- Long-term care insurance policies
- Indian Health Service, Tribal, and Urban Indian Health plans

What types of Medigap policies can insurance companies sell?

Words in red are defined on pages 51–54.

In most cases, Medigap insurance companies can sell you only a “standardized” Medigap policy. All Medigap policies must have specific benefits so you can compare them easily. See page 11. If you live in Massachusetts, Minnesota, or Wisconsin, see pages 44–46.

Insurance companies that sell Medigap policies don’t have to offer every Medigap policy (Medigap Plans A through L). However, they must offer Medigap Plan A if they offer any other Medigap policy. Each insurance company decides which Medigap policies it wants to sell, although state law might affect which ones they offer.

What types of Medigap policies can insurance companies sell? (continued)

In some cases, an insurance company **must** sell you a Medigap policy, even if you have health problems. Listed below are certain times that you are guaranteed the right to buy a Medigap policy:

- When you are in your Medigap open enrollment period. See pages 14–15.
- If you have a guaranteed issue right. See pages 22–23.

You may also be able to buy a Medigap policy at other times, but the insurance company is allowed to deny you a Medigap policy based on your health. Also, in some cases it may be illegal for the insurance company to sell you a Medigap policy (such as if you already have Medicaid or a Medicare Advantage Plan).

What do I need to know if I want to buy a Medigap policy?

- Generally, you must have Medicare Part A and Part B to buy a Medigap policy.
- You pay a premium for your Medigap policy to the private insurance company, in addition to the monthly Part B premium that you pay to Medicare.
- A Medigap policy only covers one person. If you and your spouse both want Medigap coverage, most likely, **you each will have to buy separate Medigap policies**.
- You can buy a Medigap policy from any insurance company that is licensed in your state to sell one to you.
- If you want to buy a Medigap policy, follow the "**Steps to buying a Medigap policy.**" See pages 26–30.
- Any standardized Medigap policy is guaranteed renewable even if you have health problems. This means the insurance company can't cancel your Medigap policy as long as you pay the premium.
- Although some Medigap policies sold in the past cover prescription drugs, no new Medigap policies are allowed to include prescription drug coverage.
- If you want prescription drug coverage, you may want to join a Medicare Prescription Drug Plan (Part D) offered by private companies approved by Medicare. See page 6.

What do I need to know if I want to buy a Medigap policy? (continued)

To learn about Medicare prescription drug coverage, visit www.medicare.gov/Publications/Pubs/pdf/11109.pdf to view the booklet "Your Guide to Medicare Prescription Drug Coverage," or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

When is the best time to buy a Medigap policy?

The best time to buy a Medigap policy is during your Medigap open enrollment period. This period lasts for 6 months and begins on the first day of the month in which you are **both** age 65 or older **and** enrolled in Medicare Part B. Some states have additional open enrollment periods. During this period, an insurance company can't use medical underwriting. This means the insurance company can't do any of the following:

- Refuse to sell you any Medigap policy it sells
- Make you wait for coverage to start (except as explained below)
- Charge you more for a Medigap policy because of your health problems

Words in red are defined on pages 51–54.

While the insurance company can't make you wait for your coverage to start, it **may** be able to make you wait for coverage of a pre-existing condition. A pre-existing condition is a health problem you have before the date a new insurance policy starts. In some cases, the Medigap insurance company can refuse to cover your out-of-pocket costs for these pre-existing health problems for up to 6 months. This is called a "pre-existing condition waiting period." Coverage for a pre-existing condition can only be excluded in a Medigap policy if the condition was treated or diagnosed within 6 months before the date the coverage starts under the Medigap policy. (Remember, for Medicare-covered services, Original Medicare will still cover the condition, even if the Medigap policy won't cover your out-of-pocket costs.)

When is the best time to buy a Medigap policy? (continued)

Even if you have a pre-existing condition, if you buy a Medigap policy during your Medigap open enrollment period and if you recently had certain kinds of health coverage called "creditable coverage," it is possible to avoid or shorten waiting periods for pre-existing conditions. Prior creditable coverage is generally any other health coverage you recently had before applying for a Medigap policy. If you have had at least 6 months of prior creditable coverage, the Medigap insurance company can't make you wait before it covers your pre-existing conditions.

There are many types of health care coverage that may count as creditable coverage for Medigap policies, but they will only count if you didn't have a break in coverage for more than 63 days. If there was any time that you had no health coverage of any kind and were without coverage for more than 63 days, you can only count creditable coverage you had after that break in coverage.

Talk to your Medigap insurance company. It will be able to tell you if your previous coverage will count as creditable coverage for this purpose. You can also call your State Health Insurance Assistance Program. See pages 49–50.

If you buy a Medigap policy when you have a guaranteed issue right (also called "Medigap protection"), the insurance company can't use a pre-existing condition waiting period at all. See pages 21–24 for more information about guaranteed issue rights.

Note: You can send in your application for a Medigap policy before your Medigap open enrollment period starts. This may be important if you currently have coverage that will end when you turn age 65. This will allow you to have continuous coverage.

Why is it important to buy a Medigap policy when I am first eligible?

It is very important to understand your Medigap open enrollment period. Medigap insurance companies are generally allowed to use medical underwriting to decide whether to accept your application, and how much to charge you for the Medigap policy. However, if you apply during your Medigap open enrollment period you can buy **any** Medigap policy the company sells, even if you have health problems, for the same price as people with good health. If you apply for Medigap coverage **after** your open enrollment period, there is no guarantee that an insurance company will sell you a Medigap policy at all if you don't meet the medical underwriting requirements, **unless** you are eligible because of one of the limited situations listed on pages 22–23.

It is also important to understand that your Medigap rights may depend on when you choose to enroll in Part B. If you are age 65 or over, your Medigap open enrollment period begins when you enroll in Part B, **and** can't be changed or repeated. In most cases it makes sense to enroll when you are first eligible for Part B, because you might otherwise have to pay a late enrollment penalty.

However, if you have group health coverage through an employer or union, either because you are currently working or your spouse is, you may want to wait to enroll in Part B. This is because employer plans often provide coverage similar to Medigap, so you don't need a Medigap policy. When your employer coverage ends, you will get a chance to enroll in Part B without a late enrollment penalty, and your Medigap open enrollment period will start when you are ready to take advantage of it. If you enrolled in Part B while you still had the employer coverage, your Medigap open enrollment period would start, and unless you bought a Medigap policy before you needed it, you would miss your open enrollment period entirely.

Words in red are defined on pages 51–54.

How insurance companies set prices for Medigap policies

Each insurance company decides how it will set the price, or premium, for its Medigap policies. It is important to ask how an insurance company prices its policies. The way they set the price affects how much you pay now and in the future. Medigap policies can be priced or "rated" in three ways:

1. Community-rated (also called "no-age-rated")
2. Issue-age-rated
3. Attained-age-rated

Each of these ways of pricing Medigap policies is described in the chart on the next page. The examples show how your **age** affects your premiums, and why it is important to look at how much the Medigap policy will cost you now **and** in the future. The amounts in the examples **aren't** actual costs.

How insurance companies set prices for Medigap policies (continued)

Type of pricing	How it's priced	What this pricing may mean for you	Examples
Community-rated (also called "no-age-rated")	The same monthly premium is charged to everyone who has the Medigap policy, regardless of your age.	Premiums are the same no matter how old you are. Premiums may go up because of inflation and other factors but not based on your age.	Mr. Smith is age 65. He buys a Medigap policy and pays a $165 monthly premium. Mrs. Perez is age 72. She buys the same Medigap policy as Mr. Smith. She also pays a $165 monthly premium because, with this type of Medigap policy, everyone pays the same price regardless of age.
Issue-age-rated	The premium is based on the age you are when you buy (are "issued") the Medigap policy.	Premiums are lower for people who buy at a younger age and won't change as you get older. Premiums may go up because of inflation and other factors but not because of your age.	Mr. Han is age 65. He buys a Medigap policy and pays a $145 monthly premium. Mrs. Wright is age 72. She buys the same Medigap policy as Mr. Han. Since she is older at the time she buys it, her monthly premium is $175.
Attained-age-rated	The premium is based on your current age (the age you have "attained"), so your premium goes up as you get older.	Premiums are low for younger buyers but go up as you get older. They may be the least expensive at first, but they can eventually become the most expensive. Premiums may also go up because of inflation and other factors.	Mrs. Anderson is age 65. She buys a Medigap policy and pays a $120 monthly premium. • At age 66, her premium goes up to $126. • At age 67, her premium goes up to $132. • At age 72, her premium goes up to $165. Mr. Dodd is age 72. He buys the same Medigap policy as Mrs. Anderson. He pays a $165 monthly premium. His premium is higher than Mrs. Anderson's because it's based on his current age. Mr. Dodd's premium will go up every year. • At age 73, his premium goes up to $171. • At age 74, his premium goes up to $177.

Comparing Medigap costs

As discussed on the previous pages, the cost of Medigap policies can vary widely. **There can be big differences in the premiums that different insurance companies charge for exactly the same coverage.** As you shop for a Medigap policy, be sure to compare the same type of Medigap policy, and consider the type of pricing used. See pages 17–18. (For example, compare a Medigap Plan C from one insurance company with a Medigap Plan C from another insurance company.) Although this guide **can't** give actual costs of Medigap policies, you can get this information by calling insurance companies or your State Health Insurance Assistance Program. See pages 49–50.

You can also find out which insurance companies sell Medigap policies in your area by visiting www.medicare.gov and selecting "Compare Health Plans and Medigap Policies in Your Area."

The cost of your Medigap policy may also depend on whether the insurance company does any of the following:

- Offers discounts (such as discounts for women, non-smokers, or people who are married; discounts for paying annually; or discounts for paying your premiums using electronic funds transfer).
- Uses medical underwriting, or applies a different premium when you don't have a guaranteed issue right.
- Sells Medicare SELECT policies. If you buy this type of Medigap policy, your premium may be less. See page 20.
- Offers a "high-deductible option" for Medigap Plans F and J. If you buy a Medigap Plan F or J high-deductible option, you must pay the first $2,000 (in 2009) in Medicare-covered costs before the Medigap policy pays anything. You must also pay a separate deductible ($250 per year) for foreign travel emergency services. If you bought your Medigap Plan J before December 31, 2005, and it still covers prescription drugs, you would also pay a separate deductible ($250 per year) for prescription drugs covered by the Medigap policy.

What is Medicare SELECT?

Medicare SELECT is a type of Medigap policy that is sold in some states and may require you to use hospitals and, in some cases, doctors within its network to be eligible for full insurance benefits (except in an emergency). Medicare SELECT can be any of the standardized Medigap Plans A through L. Medicare SELECT policies generally cost less than other Medigap policies. However, if you don't use a Medicare SELECT hospital or doctor for non-emergency services, you will have to pay some or all of what Medicare doesn't pay. Medicare will pay its share of approved charges no matter which hospital or doctor you choose.

How does Medigap pay your Medicare Part B bills?

In most Medigap policies, when you sign the Medigap insurance contract you agree to have the Medigap insurance company get your Medicare Part B claim information directly from Medicare and then pay the doctor directly. Some Medigap insurance companies also provide this service for Medicare Part A claims.

If your Medigap insurance company **doesn't** provide this service, ask your doctors if they "participate" in Medicare. (This means that they accept "assignment" for all Medicare patients.) If your doctor participates, the Medigap insurance company is required to pay the doctor directly if you request.

If you have any questions about Medigap claim filing, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

SECTION 3

Your right to buy a Medigap policy

What are guaranteed issue rights?

As explained on pages 14–15, the best time to buy a Medigap policy is during your Medigap open enrollment period, when you have the right to buy any Medigap policy offered in your state. However, even if you are no longer in your Medigap open enrollment period, there are several situations in which you may still have a guaranteed right to buy a Medigap policy.

Guaranteed issue rights (also called "Medigap protections") are rights you have in certain situations when insurance companies are required by law to sell or offer you a Medigap (also called "Medicare Supplement Insurance") policy even if you have health problems (called "pre-existing conditions.") See page 14. These situations are described on pages 22–23. In these situations, an insurance company must do the following:

- Sell you a Medigap policy.
- Cover all your pre-existing conditions.
- Can't charge you more for a Medigap policy because of past or present health problems.

If you live in Massachusetts, Minnesota, or Wisconsin, you have guaranteed issue rights to buy a Medigap policy, but the Medigap policies are different. See pages 44–46 for your Medigap policy choices.

When do I have guaranteed issue rights?

In most cases, you have a guaranteed issue right when you have other health care coverage that changes in some way, such as when you lose or drop the other health care coverage. See pages 22–23. In other cases, you have a "trial right" to try a Medicare Advantage Plan and still buy a Medigap policy if you change your mind. (For trial rights, see guaranteed issue rights, **Situations #4 and #5** on page 23.)

An insurance company can't refuse to sell you a Medigap policy in the following situations:

You have a guaranteed issue right if...	You have the right to buy...	You can/must apply for a Medigap policy...
#1: You are in a **Medicare Advantage Plan**, and your plan is leaving Medicare or stops giving care in your area, or you move out of the plan's service area. **Note:** If you immediately join another Medicare Advantage Plan, you can stay in that plan for up to 1 year and still have the rights in situations #4 and #5.	Medigap Plan A, B, C, F, K, or L that is sold in your state by any insurance company. You only have this right if you switch to Original Medicare rather than joining another Medicare Advantage Plan.	You can apply up to 60 calendar days before the date your health care coverage will end. You must apply no later than 63 calendar days after your health care coverage ends.
#2: You have Original Medicare and an employer group health plan (including retiree or COBRA coverage) or union coverage that pays after Medicare pays. That coverage is ending. **Note:** In this situation, state laws may vary.	Medigap Plan A, B, C, F, K, or L that is sold in your state by any insurance company. If you have COBRA coverage, you can either buy a Medigap policy right away or wait until the COBRA coverage ends.	You must apply no later than 63 calendar days after the latest of these three dates: 1. Date the coverage ends 2. Date on the notice you get telling you that coverage is ending (if you get one) 3. Date on a claim denial, if this is the only way you know that your coverage ended
#3: You have Original Medicare and a Medicare SELECT policy. You move out of the Medicare SELECT policy's service area. You can keep your Medigap policy or you may want to switch to another Medigap policy.	Medigap Plan A, B, C, F, K, or L that is sold by any insurance company in your state or the state you are moving to.	You can apply up to 60 calendar days before the date your health care coverage will end. You must apply no later than 63 calendar days after your health care coverage ends.

An insurance company can't refuse to sell you a Medigap policy in the following situations: (continued)

You have a guaranteed issue right if...	You have the right to buy...	You can/must apply for a Medigap policy...
#4: (**Trial Right**) You joined a **Medicare Advantage Plan** or PACE when you were first eligible for Medicare Part A at age 65, and within the first year of joining, you decide you want to switch to Original Medicare.	Any Medigap policy that is sold in your state by any insurance company.	You can apply up to 60 calendar days before the date your coverage will end. You must apply no later than 63 calendar days after your coverage ends. **Note:** Your rights may last for an extra 12 months under certain circumstances.
#5: (**Trial Right**) You dropped a Medigap policy to join a **Medicare Advantage Plan** (or to switch to a Medicare SELECT policy) for the first time; you have been in the plan less than a year, and you want to switch back.	The Medigap policy you had before you joined the Medicare Advantage Plan or Medicare SELECT policy, if the same insurance company you had before still sells it. If it included drug coverage, you can still get that same policy, but without the drug coverage. If your former Medigap policy **isn't** available, you can buy a Medigap Plan A, B, C, F, K, or L that is sold in your state by any insurance company.	You can apply up to 60 calendar days before the date your coverage will end. You must apply no later than 63 calendar days after your coverage ends. **Note:** Your rights may last for an extra 12 months under certain circumstances.
#6: Your Medigap insurance company goes bankrupt and you lose your coverage, or your Medigap policy coverage otherwise ends through no fault of your own.	Medigap Plan A, B, C, F, K, or L that is sold in your state by any insurance company.	You must apply no later than 63 calendar days from the date your coverage ends.
#7: You leave a **Medicare Advantage Plan** or drop a Medigap policy because the company hasn't followed the rules, or it misled you.	Medigap Plan A, B, C, F, K, or L that is sold in your state by any insurance company.	You must apply no later than 63 calendar days from the date your coverage ends.

Can I buy a Medigap policy if I lose (or drop) my health care coverage?

Because you may have a guaranteed issue right (see pages 22–23) to buy a Medigap policy, make sure you keep the following:

- A copy of any letters, notices, and/or claim denials as proof of coverage that has your name on it
- The postmarked envelope these papers come in as proof of when it was mailed

You may need to send a copy of some or all of these papers with your Medigap application to prove you have a guaranteed issue right.

It is best to apply for a Medigap policy **before** your current health coverage ends. You can apply for a Medigap policy while you are still in your health plan and choose to start your Medigap coverage the month before or after your health plan coverage ends. This will prevent breaks in your health coverage.

For more information

If you have any questions or want to learn about any additional Medigap rights in your state, you can do the following:

- Call your State Health Insurance Assistance Program to make sure that you qualify for these guaranteed issue rights. See pages 49–50.
- Call your State Insurance Department if you are denied Medigap coverage in any of these situations. See pages 49–50.

Important: The guaranteed issue rights in this section are from Federal law. These rights are for both Medigap and Medicare SELECT policies. Many states provide additional Medigap rights.

There may be times when more than one of the situations in the chart on pages 22–23, applies to you. When this happens, you can choose the guaranteed issue right that gives you the best choice.

Some of the situations listed on pages 22–23 include loss of coverage under Programs of All-Inclusive Care for the Elderly (PACE). PACE combines medical, social, and long-term care services, and prescription drug coverage for frail people. To be eligible for PACE, you must meet certain conditions. PACE may be available in states that have chosen it as an optional Medicaid benefit. If you have Medicaid, an insurance company can sell you a Medigap policy **only** in certain situations. For more information about PACE, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

SECTION 4

Steps to buying a Medigap policy

Buying a **Medigap** (also called "Medicare Supplement Insurance") **policy** is an important decision. Only you can decide if a Medigap policy is the way for you to supplement Original Medicare coverage, and which Medigap policy to choose. Shop carefully. Compare available Medigap policies to see which one meets your needs. As you shop for a Medigap policy, keep in mind that different insurance companies may charge different amounts for exactly the same Medigap policy, and not all insurance companies offer all of the Medigap policies.

Below is a step-by-step guide to help you buy a Medigap policy. If you live in Massachusetts, Minnesota, or Wisconsin, see pages 44–46.

STEP 1: Decide which benefits you want, then decide which of the Medigap Plans A through L meet your needs. See page 26.

STEP 2: Find out which insurance companies sell Medigap policies in your state. See pages 26–27.

STEP 3: Call the insurance companies that sell the Medigap policies that you are interested in and compare costs. See pages 28–29.

STEP 4: Buy the Medigap policy. See page 30.

STEP 1: Decide which benefits you want, then decide which of the Medigap Plans A through L meet your needs.

You should think about your current and future health care needs when deciding which benefits you want, because you might not be able to switch Medigap policies later. Decide which benefits you need and/or want, and select the Medigap policy that offers most of these benefits. The chart on page 11 provides an overview of the Medigap benefits.

STEP 2: Find out which insurance companies sell Medigap policies in your state.

To find out which insurance companies sell Medigap policies in your state, you can do any of the following:

- Call your State Health Insurance Assistance Program. See pages 49–50. Ask if they have a "Medigap rate comparison shopping guide" for your state. This type of guide usually lists the insurance companies that sell Medigap policies in your state and their costs.
- Call your State Insurance Department. See pages 49–50.
- Visit www.medicare.gov and select "Compare Health Plans and Medigap Policies in Your Area."

  This website will help you find information on all your health plan options, including the Medigap policies in your area. You can also get information on the following:

  ✔ How to contact the insurance companies that sell Medigap policies in your state

  ✔ What each Medigap policy covers

  ✔ How insurance companies decide what to charge you for a Medigap policy premium

  If you don't have a computer, your local library or senior center may be able to help you look at this information, or call 1-800-MEDICARE (1-800-633-4227). A customer service representative will help you get information on all your health plan options, including the Medigap policies, in your area. You will get your results in the mail within 3 weeks. TTY users should call 1-877-486-2048.

Words in red are defined on pages 51–54.

STEP 2: (continued)

Since costs can vary between companies, you should plan to call more than one insurance company that sells Medigap policies in your state. Before you call, check the companies to be sure they are honest and reliable by using one of the resources listed below.

- Call your State Insurance Department. See pages 49–50. Ask if they keep a record of complaints against insurance companies, and ask whether these can be shared with you. When deciding which Medigap policy is right for you, consider any complaints against the insurance company.
- Call your State Health Insurance Assistance Program. See pages 49–50. These programs can give you free help with choosing a Medigap policy.
- Go to your local public library. Your local public library can help you with the following:
  - Get information on an insurance company's financial strength from independent rating services such as Weiss Rating, Inc., A.M. Best, and Standard & Poor's.
  - Look at information about the insurance company on the web.
- Talk to someone you trust, like a family member, your insurance agent, or a friend who has a Medigap policy from the same Medigap insurance company.

STEP 3: Call the insurance companies that sell the Medigap policies that you are interested in and compare costs.

Before you call any insurance companies, figure out if you are in your Medigap open enrollment period or if you have a guaranteed issue right. Read pages 14–15 and 21–23 carefully. If you have questions, call your State Health Insurance Assistance Program. See pages 49–50.

Ask each insurance company…	Company 1	Company 2
"Are you licensed in ___?" [Say the name of your state] **Note:** If the answer is NO, stop right here and try another company.		
"Do you sell Medigap Plan ___?" [Say the letter of the Medigap plan you're interested in.] **Note:** Insurance companies usually offer some, but not all, Medigap policies. Make sure the company sells the plan you want. Also, if you are interested in a Medicare SELECT or high deductible Medigap policy, you should be specific.		
"Do you use medical underwriting for this Medigap policy?" **Note:** If the answer is NO, go to step 4. If the answer is YES, but you know you are in your Medigap open enrollment period or have a guaranteed issue right to buy that Medigap policy, go to step 4. Otherwise, you can ask, "Can you tell me whether I am likely to qualify for the Medigap policy?"		
"Do you have a waiting period for pre-existing conditions?" **Note:** If the answer is YES, ask how long the waiting period is, and write it in the box.		
"Do you price this Medigap policy by using community-rating, issue-age-rating, or attained-age-rating?" See page 18. **Note:** Circle the one that applies for that insurance company.	Community Issue-age Attained-age	Community Issue-age Attained-age
"I am ___ years old. What would my premium be under this Medigap policy?" **Note:** If it is attained-age, ask, "How frequently does the premium increase due to my age?"		
"Has the premium for this Medigap policy increased in the last 3 years due to inflation or other reasons?" **Note:** If the answer is YES, ask how much it has increased, and write it in the box.		
"Do you offer any discounts or additional (innovative) benefits?" See page 19.		
"Is there any extra charge to process my claims automatically?"		

STEP 3: (continued)

Watch out for illegal insurance practices

It is illegal for anyone to do the following:

- Pressure you into buying a Medigap (Medicare Supplement Insurance) policy, or lie to or mislead you to switch from one company or policy to another.
- Sell you a second Medigap policy when they know that you already have one, unless you tell the insurance company in writing that you plan to cancel your existing Medigap policy.
- Sell you a Medigap policy if they know you have Medicaid, except in certain situations.
- Sell you a Medigap policy if they know you are in a Medicare Advantage Plan (like an HMO, PPO, or Private Fee-for-Service Plan) (unless your coverage under the Medicare Advantage Plan will end before the effective date of the Medigap policy).
- Claim that a Medigap policy is part of the Medicare Program or any other Federal program. Medigap is private health insurance.
- Claim that a Medicare Advantage Plan is a Medigap policy.
- Sell you a Medigap policy that can't legally be sold in your state. Check with your State Insurance Department (see pages 49–50) to make sure that the Medigap policy you are interested in can be sold in your state.
- Misuse the names, letters, or symbols of the U.S. Department of Health & Human Services (HHS), Social Security Administration (SSA), Centers for Medicare & Medicaid Services (CMS), or any of their various programs like Medicare. (For example, they can't suggest the Medigap policy has been approved or recommended by the Federal government.)
- Claim to be a Medicare representative if they work for a Medigap insurance company.
- Sell you a Medicare Advantage Plan when you say you want to stay in Original Medicare and buy a Medigap policy. A Medicare Advantage Plan isn't the same as Original Medicare. See page 5. If you enroll in a Medicare Advantage Plan you will be disenrolled from Original Medicare and can't use a Medigap policy.

If you believe that a Federal law has been broken, call the Inspector General's hotline at 1-800-HHS-TIPS (1-800-447-8477). TTY users should call 1-800-377-4950. Your State Insurance Department can help you with other insurance-related problems.

STEP 4: Buy the Medigap policy.

Once you decide on the insurance company and the Medigap policy you want, you should apply for your Medigap policy. The insurance company must give you a clearly worded summary of your Medigap policy when you apply. Read it carefully. If you don't understand it, ask questions. Remember the following when you buy your Medigap policy:

- **Filling out your application.** Fill out the application carefully and completely. If the insurance agent fills out the application, review it to make sure it's correct. Answer all of the medical questions carefully. If you buy your Medigap policy during your Medigap open enrollment period or provide evidence that you are entitled to a guaranteed issue right, the insurance company can't use any medical answers you give them to deny you a Medigap policy or change the price.

- **Paying for your Medigap policy.** It is best to pay for your Medigap policy by check, money order, or bank draft. Make it payable to the insurance company, not the agent. If buying from an agent, get a receipt with the insurance company's name, address, and telephone number for your records. Some companies may offer electronic funds transfer.

- **Starting your Medigap policy.** Ask for your Medigap policy to become effective when you want coverage to start. Generally, Medigap policies begin the first of the month after you apply. If, for any reason, the insurance company won't give you the effective date for the month you want, call your State Insurance Department. See pages 49–50.

  Note: If you already have a Medigap policy, ask for your new Medigap policy to become effective when your old Medigap policy coverage ends.

- **Getting your Medigap policy.** If you don't get your Medigap policy in 30 days, call your insurance company. If you don't get your Medigap policy in 60 days, call your State Insurance Department.

Remember, you don't need more than one Medigap policy. If you already have a Medigap policy, it is illegal for an insurance company to sell you a second policy unless you tell them in writing that you will cancel the first Medigap policy. However, don't cancel your old Medigap policy until the new one is in place, and you decide to keep it. See page 32. Once you get the new Medigap policy, you have 30 days to decide if you want to keep the new Medigap policy. This is called your "free look" period. The 30-day free look period begins on the day you get your Medigap policy.

SECTION 5

For people who already have a Medigap policy

You should read this section if any of these situations apply to you:

- You are thinking about switching to a different Medigap (also called "Medicare Supplement Insurance") policy. See pages 32–35.
- You are losing your Medigap coverage. See page 36.
- You have a Medigap policy with Medicare prescription drug coverage. See pages 36–38.

(If you just want a refresher about Medigap insurance, turn to page 9.)

Switching Medigap policies

If you're satisfied with your current Medigap policy's cost and coverage and the customer service you receive, you don't need to do anything. If you are thinking about switching to a new Medigap policy, below and pages 33–35 answer some common questions about switching Medigap policies.

Can I switch to a different Medigap policy?

In most cases, you won't have a right under Federal law to switch Medigap policies, unless you are within your 6-month Medigap open enrollment period or are eligible under a specific circumstance for guaranteed issue rights. But, if your state has more generous requirements, or the insurance company is willing to sell you a Medigap policy, make sure you compare benefits and premiums before switching Medigap policies. If you bought your Medigap policy before 1992, it may offer coverage that isn't available in a newer Medigap policy. On the other hand, older Medigap policies might not be guaranteed renewable and might have bigger premium increases than newer standardized Medigap policies currently being sold.

If you decide to switch, don't cancel your first Medigap policy until you have decided to keep the second Medigap policy. On the application for the new Medigap policy, you will have to promise that you will cancel your first Medigap policy. You have 30 days to decide if you want to keep the new Medigap policy. This is called your "free look" period. The 30-day free look period starts when you get your new Medigap policy. You will need to pay both premiums for a month.

Words in red are defined on pages 51–54.

Switching Medigap policies (continued)

Do I have to switch Medigap policies if I have an older Medigap policy?

No. If you have an older Medigap policy that you bought before 1992, you don't have to switch to one of the standardized Medigap policies. If you buy a newer Medigap policy, you won't be able to go back to your old Medigap policy because older Medigap policies can no longer be sold.

Do I have to wait a certain length of time after I buy my first Medigap policy before I can switch to a different Medigap policy?

No. You should be aware that if you have had your old Medigap policy for less than 6 months, the Medigap insurance company may be able to make you wait up to 6 months for coverage of a pre-existing condition. However, if your old Medigap policy had the same benefits, **and** you had it for 6 months or more, the new insurance company can't exclude your pre-existing condition. If you've had your Medigap policy less than 6 months, the number of months you've had your current Medigap policy must be subtracted from the time you must wait before your new Medigap policy covers your pre-existing condition.

If the new Medigap policy has a benefit that isn't in your current Medigap policy, you may still have to wait up to 6 months before that benefit will be covered, regardless of how long you have had your current Medigap policy.

Switching Medigap policies (continued)

Why would I want to switch to a different Medigap policy?

There may be many reasons why you would want to switch to a different Medigap policy. Some reasons may include the following:

- You are paying for benefits you don't need.
- You need more benefits than you needed before.
- Your current Medigap policy has the right benefits, but you are unhappy with the insurance company.
- Your current Medigap policy has the right benefits, but you would like to find one that is less expensive.

It is important to compare the benefits in your current Medigap policy to the benefits listed on page 11. If you live in Massachusetts, Minnesota, or Wisconsin, see pages 44–46. To help you compare benefits and decide which Medigap policy you want, you can follow the **"Steps to buying a Medigap policy"** on pages 26–30. If you decide to change insurance companies, you can call the new insurance company and arrange to apply for your new Medigap policy. If your application is accepted, you can call your current insurance company and ask to have your coverage ended. The insurance company can tell you how to submit a request to end your coverage. As discussed on page 32, you should have your old Medigap policy coverage end **after** you have the new Medigap policy for 30 days. Remember, this is your 30-day free look period. You will need to pay both premiums for a month.

Switching Medigap policies (continued)

Can I keep my current Medigap policy (or Medicare SELECT policy) or switch to a different Medigap policy if I move out-of-state?

You can keep your current Medigap policy regardless of where you live as long as you are still in Original Medicare. If you want to switch to a different Medigap policy, you will have to check with the new insurance company to see if they will offer you a different Medigap policy. You may have to pay more for your new Medigap policy and answer some medical questions if you are buying a Medigap policy outside of your Medigap open enrollment period. See pages 14–15.

If you have a Medicare SELECT policy and you move out of the policy's area, you have the following choices:

- Buy a standardized Medigap policy from your current Medigap policy insurance company that offers the same or fewer benefits than your current Medicare SELECT policy. If you have had your Medicare SELECT policy for more than 6 months, you won't have to answer any medical questions.
- You have a guaranteed issue right to buy Medigap Plan A, B, C, F, K, or L that is sold in your state by any insurance company.

What happens to my Medigap policy if I join a Medicare Advantage Plan?

Words in red are defined on pages 51–54.

Medigap policies can't work with Medicare Advantage Plans. If you decide to keep your Medigap policy, you will have to pay your Medigap policy premium, but the Medigap policy can't pay any deductibles, copayments, or coinsurance under a Medicare Advantage Plan. So, if you want to join a Medicare Advantage Plan, you may want to drop your Medigap policy. However, if you leave the Medicare Advantage Plan you might not be able to get the same Medigap policy back, or in some cases, any Medigap policy unless you have a "trial right" (see guaranteed issue right, **Situations #4 and #5** on page 23). Your rights to buy a Medigap policy may vary by state. You always have a legal right to keep the Medigap policy after you join a Medicare Advantage Plan.

Losing Medigap coverage

Can my Medigap insurance company drop me?

If you bought your Medigap policy **after 1992**, in most cases the Medigap insurance company can't drop you because the Medigap policy is guaranteed renewable. This means your insurance company can't drop you unless one of the following happens:

- You stop paying your premium.
- You weren't truthful about something on the Medigap policy application.
- The insurance company becomes bankrupt or insolvent.

However, if you bought your Medigap policy **before 1992**, it might not be guaranteed renewable. At the time these Medigap policies were sold, state laws might not have required that these Medigap policies be guaranteed renewable. This means the Medigap insurance company can refuse to renew the Medigap policy, as long as it gets the state's approval to cancel your Medigap policy. However, if this does happen, you have the right to buy another Medigap policy. See guaranteed issue right, (**Situation #6**) on page 23.

Medigap policies and Medicare prescription drug coverage

If you bought a Medigap policy ***before*** December 31, 2005, and it has coverage for prescription drugs, see below and page 37.

Medicare offers prescription drug coverage (Part D) for everyone with Medicare. If you have a Medigap policy with prescription drug coverage, that means you chose not to join a Medicare Prescription Drug Plan when you were first eligible. However, you can still join a Medicare Prescription Drug Plan. Your situation may have changed in ways that make a Medicare Prescription Drug Plan fit your needs better than the prescription drug coverage in your Medigap policy. It is a good idea to review your coverage each fall, because you can join a Medicare Prescription Drug Plan between November 15—December 31 each year.

Medigap policies and Medicare prescription drug coverage (continued)

Why would I want to change my mind and join a Medicare Prescription Drug Plan?

Under a Medigap policy, you pay the whole premium for your prescription drug benefit. Also, most Medigap policies have a maximum amount they will pay each year for prescription drugs. In a Medicare Prescription Drug Plan, you may have to pay a monthly premium, but a large part of the cost is paid for by Medicare. There is no maximum yearly amount. However, a Medicare Prescription Drug Plan might only cover certain prescription drugs (on its "formulary" or "drug list"). It is important that you check whether or not your current prescription drugs are on the Medicare Prescription Drug Plan's list of covered prescription drugs before you join. If your Medigap premium, or your prescription drug needs, were very low when you had your first chance to join a Medicare Prescription Drug Plan, your Medigap prescription drug coverage may have met your needs. However, if your Medigap premium, or the amount of prescription drugs you use, has increased recently, a Medicare Prescription Drug Plan might now be a better choice for you.

Will I have to pay a late enrollment penalty if I join a Medicare Prescription Drug Plan now?

This will depend on whether or not your Medigap policy includes "creditable prescription drug coverage." (This means that the Medigap policy's drug coverage pays, on average, at least as much as Medicare's standard prescription drug coverage.) If it **isn't** creditable coverage, and you join a Medicare Prescription Drug Plan now, you will probably pay a higher premium (a penalty added to your monthly premium) than if you had joined when you were first eligible. However, even with a somewhat higher premium it is quite possible that a Medicare Prescription Drug Plan could still better meet your needs at this time. You should also consider that your prescription drug needs could increase as you get older. Each month that you wait to join a Medicare Prescription Drug Plan will make your late enrollment penalty higher.

Medigap policies and Medicare prescription drug coverage (continued)

What if my Medigap policy includes creditable coverage?

You should still think about whether a Medicare Prescription Drug Plan might meet your needs better. If you decide to join a Medicare Prescription Drug Plan, you won't have to pay a late enrollment penalty as long as you don't drop your Medigap policy before you join the Medicare Prescription Drug Plan. You can only join a Medicare Prescription Drug Plan between November 15—December 31 each year unless you **lose** your Medigap policy (for example, if it isn't guaranteed renewable, and your company cancels it). In that case, you can join a Medicare Prescription Drug Plan at the time you lose your Medigap policy.

Can I join a Medicare Prescription Drug Plan and have a Medigap policy with prescription drug coverage?

No. If your Medigap policy covers prescription drugs, you must tell your Medigap insurance company if you join a Medicare Prescription Drug Plan so it can remove the prescription drug coverage from your Medigap policy. This information is important because as soon as you notify your Medigap insurance company, they must adjust your premium to reflect the removal of your Medigap prescription drug coverage.

What if I decide to drop my entire Medigap policy (not just the Medigap prescription drug coverage)?

If you decide to drop the entire Medigap policy, you need to be careful about the timing. For example, you may want a completely different Medigap policy (not just your old Medigap policy without the prescription drug coverage), or you might decide to switch to a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drugs. If you drop your entire Medigap policy and the prescription drug coverage wasn't creditable or you go more than 63 days before your new Medicare coverage begins, you **will** have to pay a late enrollment penalty. You can join a Medicare Advantage Plan between November 15—December 31 each year.

SECTION

6

Medigap policies for people with a disability or ESRD

Medigap policies for people under age 65 and eligible for Medicare because of a disability or End-Stage Renal Disease (ESRD)

You may have Medicare before age 65 due to a disability or ESRD (permanent kidney failure requiring dialysis or a kidney transplant).

If you are a person with Medicare under age 65 and have a disability or ESRD, you might not be able to buy the Medigap (also called "Medicare Supplement Insurance") policy you want, or any Medigap policy, until you turn age 65. Federal law doesn't require insurance companies to sell Medigap policies to people under age 65. However, some states require Medigap insurance companies to sell you a Medigap policy, even if you are under age 65. These states are listed on the next page.

Important: These are the minimum Federal standards. For your state requirements, call your State Health Insurance Assistance Program. See pages 49–50.

Medigap policies for people under age 65 and eligible for Medicare because of a disability or End-Stage Renal Disease (ESRD) (continued)

At the time of printing this guide, the following states required insurance companies to offer at least one kind of Medigap policy to people with Medicare under age 65:

- California*
- Colorado
- Connecticut
- Delaware**
- Hawaii
- Illinois
- Kansas
- Kentucky
- Louisiana
- Maine
- Maryland
- Massachusetts*
- Michigan
- Minnesota
- Mississippi
- Missouri
- New Hampshire
- New Jersey
- New York
- North Carolina
- Oklahoma
- Oregon
- Pennsylvania
- South Dakota
- Texas
- Vermont*
- Wisconsin

* A Medigap policy isn't available to people with ESRD under age 65.

** A Medigap policy is only available to people with ESRD under age 65.

Even if your state isn't on the list above, some insurance companies may voluntarily sell Medigap policies to people under age 65, although they will probably cost you more than Medigap policies sold to people over age 65, and they can use medical underwriting. Check with your state about what rights you might have under state law.

Words in red are defined on pages 51–54.

Remember, if you are already enrolled in Medicare Part B, you will get a Medigap open enrollment period when you turn age 65. You will probably have a wider choice of Medigap policies and be able to get a lower premium at that time. During the Medigap open enrollment period, insurance companies can't refuse to sell you any Medigap policy due to a disability or other health problem, or charge you a higher premium (based on health status) than they charge other people who are age 65.

Because Medicare (Part A and/or Part B) is creditable coverage, if you had Medicare for more than 6 months before you turned age 65, you probably won't have a pre-existing condition waiting period. For more information about the Medigap open enrollment period and pre-existing conditions, see pages 14–15. If you have questions, call your State Health Insurance Assistance Program. See pages 49–50.

SECTION 7

Medigap coverage charts

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Overview of Medigap Plans A through J

This chart gives you a quick look at the standardized Medigap Plans A through J (including Medicare SELECT) and their benefits. Every insurance company must make Medigap Plan A available if they offer any other Medigap policy. Some Medigap policies may not be available in your state. This chart doesn't apply if you live in Massachusetts, Minnesota, or Wisconsin. See pages 44–46. If you need more information, call your State Insurance Department or State Health Insurance Assistance Program. See pages 49–50.

Basic benefits are included in ALL Medigap Plans A through J:

- **Inpatient Hospital Care:** Covers the Part A coinsurance plus coverage for 365 additional days after Medicare coverage ends
- **Medical Costs:** Covers the Part B coinsurance (generally 20% of the Medicare-approved amount) or copayments for hospital outpatient services
- **Blood:** Covers the first 3 pints of blood each year

A	B	C	D	E	F*	G	H	I	J*
Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible	Medicare Part A Deductible
		Medicare Part B Deductible			Medicare Part B Deductible				Medicare Part B Deductible
					Medicare Part B Excess Charges (100%)	Medicare Part B Excess Charges (80%)		Medicare Part B Excess Charges (100%)	Medicare Part B Excess Charges (100%)
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency
			At-home Recovery			At-home Recovery		At-home Recovery	At-home Recovery
				Preventive Care (Not covered by Medicare)					Preventive Care (Not covered by Medicare)

* Medigap Plans F and J also offer a high-deductible option. You must pay the first $2,000 (high-deductible in 2009) in Medicare-covered costs before the Medigap policy pays anything. You must also pay a separate deductible for foreign travel emergency ($250 per year).

Overview of Medigap Plans K and L

This chart gives you a quick look at the standardized Medigap Plans K and L (including Medicare SELECT) and their benefits. This chart doesn't apply if you live in Massachusetts. See page 44. If you need more information, call your State Insurance Department or State Health Insurance Assistance Program. See pages 49–50.

Medigap Plan K	Medigap Plan L
Medicare Part A Coinsurance and all costs after hospital benefits are exhausted (100%)	Medicare Part A Coinsurance and all costs after hospital benefits are exhausted (100%)
Medicare Part A Deductible (50%)	Medicare Part A Deductible (75%)
Medicare Part B Coinsurance or Copayment (50%)	Medicare Part B Coinsurance or Copayment (75%)
Blood (50%)	Blood (75%)
Hospice Care Coinsurance or Copayment (50%)	Hospice Care Coinsurance or Copayment (75%)
Medicare-covered Preventive Care Coinsurance (100% of the Medicare-approved amount)	Medicare-covered Preventive Care Coinsurance (100% of the Medicare-approved amount)
Skilled Nursing Facility Coinsurance (50%)	Skilled Nursing Facility Coinsurance (75%)

Note: Medigap Plans K and L provide for different cost-sharing for items and services than Medigap Plans A through J. You will have to pay some out-of-pocket costs for some covered services (a deductible) until you meet the yearly limit (Medigap Plan K — $4,620 and Medigap Plan L — $2,310 in 2009). Once you meet the yearly limit, the Medigap policy pays 100% of the Medicare copayments, coinsurance, and deductibles for the rest of the calendar year. Charges from your doctor that exceed Medicare-approved amounts, called "excess charges," aren't covered and don't count toward the out-of-pocket limit. You will have to pay these excess charges. The out-of-pocket yearly limit can increase each year because of inflation.

Massachusetts—Chart of standardized Medigap policies

Basic benefits included in Medigap policies available in Massachusetts

- **Inpatient Hospital Care:** Covers the Medicare Part A coinsurance plus coverage for 365 additional days after Medicare coverage ends
- **Medical Costs:** Covers the Medicare Part B coinsurance (generally 20% of the Medicare-approved amount)
- **Blood:** Covers the first 3 pints of blood each year

Medigap Benefits	Core Plan	Supplement 1 Plan
Basic Benefits	✓	✓
Medicare Part A: Inpatient Hospital Deductible		✓
Medicare Part A: Skilled Nursing Facility Coinsurance		✓
Medicare Part B: Deductible		✓
Foreign Travel Emergency		✓
Inpatient Days in Mental Health Hospitals	60 days per calendar year	120 days per benefit year
State-Mandated Benefits (Annual Pap tests and mammograms. Check your plan for other state-mandated benefits.)	✓	✓

For more information on these Medigap policies, call your State Insurance Department. See pages 49–50. You can also visit www.medicare.gov, and select "Compare Health Plans and Medigap Policies in Your Area."

Note: The check marks in this chart mean the benefit is covered.

Minnesota—Chart of standardized Medigap policies

Medigap Plans K and L are also available in Minnesota. **See page 43.** **These plans are known as "50% and 75% Coverage Plans" in Minnesota. In addition, there are two basic plans. See below.**

Basic benefits included in Medigap policies available in Minnesota

- **Inpatient Hospital Care:** Covers the Medicare Part A coinsurance
- **Medical Costs:** Covers the Medicare Part B coinsurance (generally 20% of the Medicare-approved amount)
- **Blood:** Covers the first 3 pints of blood each year

Medigap Benefits	Basic Plan	Extended Basic Plan
Basic Benefits	✓	✓
Medicare Part A: Inpatient Hospital Deductible		✓
Medicare Part A: Skilled Nursing Facility (SNF) Coinsurance	✓ (Provides 100 days of SNF care)	✓ (Provides 120 days of SNF care)
Medicare Part B: Deductible		✓
Foreign Travel Emergency	80%	80%*
Outpatient Mental Health	50%	50%
Usual and Customary Fees		80%*
Medicare-covered Preventive Care	✓	✓
At-home Recovery		✓
Physical Therapy	20%	20%
Coverage while in a Foreign Country		80%*
State-Mandated Benefits (Diabetic equipment and supplies, routine cancer screening, reconstructive surgery, and immunizations)	✓	✓

Optional Riders

- Medicare Part A: Inpatient Hospital Deductible
- Medicare Part B: Deductible
- Usual and Customary Fees
- Non-Medicare Preventive Care
- At-home recovery

Insurance companies are allowed to offer five additional riders that can be added to a Basic Plan. You may choose any one or all of the riders to design a Medigap policy that meets your needs.

* **Pays 100% after you spend $1,000 in out-of-pocket costs for a calendar year.**

Note: The check marks in this chart mean the benefit is covered.

Important: The Basic and Extended Basic benefits are available when you enroll in Part B, regardless of age or health problems. If you return to work and drop Part B to elect your employer's health plan, you will get another 6-month Medigap open enrollment period after you retire from that employer when you can elect Part B again.

Wisconsin—Chart of standardized Medigap policies

Medigap Plans K and L are also available in Wisconsin. See page 43. These plans are known as "50% and 25% Cost-sharing Plans" in Wisconsin. In addition, there is a Basic Plan. See below.

Basic benefits included in Medigap policies available in Wisconsin

- **Inpatient Hospital Care:** Covers the Medicare Part A coinsurance
- **Medical Costs:** Covers the Medicare Part B coinsurance (generally 20% of the Medicare-approved amount)
- **Blood:** Covers the first 3 pints of blood each year

Medigap Benefits	Basic Plan
Basic Benefits	✓
Medicare Part A: Skilled Nursing Facility Coinsurance	✓
Inpatient Mental Health Coverage	175 days per lifetime in addition to Medicare
Home Health Care	40 visits in addition to those paid by Medicare
Outpatient Mental Health	✓

Optional Riders
• Medicare Part A Deductible • Additional Home Health Care (365 visits including those paid by Medicare) • Medicare Part B Deductible • Medicare Part B Excess Charges • Foreign Travel Insurance companies are allowed to offer additional riders to a Medigap policy.

For more information on these Medigap policies, call your State Insurance Department. See pages 49–50. You can also visit www.medicare.gov, and select "Compare Health Plans and Medigap Policies in Your Area."

Note: The check marks in this chart mean the benefit is covered.

SECTION

For more information

Where to get more information

On pages 49–50, you will find telephone numbers for your State Health Insurance Assistance Program and State Insurance Department.

- Call your State Health Insurance Assistance Program for help with any of the following:
  - Buying a Medigap (also called "Medicare Supplement Insurance") policy or long-term care insurance
  - Dealing with payment denials or appeals
  - Medicare rights and protections
  - Choosing a Medicare plan
  - Deciding whether to suspend your Medigap policy
  - Questions about Medicare bills
- Call your State Insurance Department if you have questions about the Medigap policies sold in your area or any insurance-related problems.

How to get help with Medicare and Medigap questions

If you have questions about Medicare, Medigap, or need updated telephone numbers for the contacts listed on pages 49–50, you can do the following:

Visit www.medicare.gov:

- For Medigap policies in your area, select "Compare Health Plans and Medigap Policies in Your Area."
- For updated telephone numbers, select "Find Helpful Phone Numbers and Websites."

Call 1-800-MEDICARE (1-800-633-4227):

- Customer service representatives are available 24 hours a day, 7 days a week. TTY users should call 1-877-486-2048.

This page has been intentionally left blank. The printed version contains phone number information. For the the most recent phone number information, please visit the Helpful Contacts section of our web site at www.medicare.gov/contacts/home.asp on the web. Thank you.

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SECTION 9

Definitions

Benefit Period—The way that Original Medicare measures your use of hospital and skilled nursing facility (SNF) services. A benefit period begins the day you go to a hospital or skilled nursing facility. The benefit period ends when you haven't received any inpatient hospital care (or skilled care in a SNF) for 60 days in a row. If you go into a hospital or a skilled nursing facility after one benefit period has ended, a new benefit period begins.

Coinsurance—An amount you may be required to pay as your share of the costs for services, after you pay any plan deductibles. Coinsurance is usually a percentage (for example, 20%).

Copayment—An amount you may be required to pay as your share of the cost for a medical service or supply, like a doctor's visit or a prescription. A copayment is usually a set amount, rather than a percentage. For example, you might pay $10 or $20 for a doctor's visit or prescription.

Deductible—The amount you must pay for health care or prescriptions, before Original Medicare, your prescription drug plan, or other insurance begins to pay.

Excess Charges—If you have Original Medicare, and the amount a doctor or other health care provider is legally permitted to charge is higher than the Medicare-approved amount, the difference is called the excess charge.

Guaranteed Issue Rights (also called "Medigap Protections")—Rights you have in certain situations when insurance companies are required by law to sell or offer you a Medigap policy. In these situations, an insurance company can't deny you a Medigap policy, or place conditions on a Medigap policy, such as exclusions for pre-existing conditions, and can't charge you more for a Medigap policy because of past or present health problems. See pages 21–24.

Guaranteed Renewable—An insurance policy that can't be terminated by the insurance company unless you make untrue statements to the insurance company, commit fraud, or don't pay your premiums. All Medigap policies issued since 1992 are guaranteed renewable.

Health Maintenance Organization (HMO) Plan—A type of Medicare Advantage Plan (Part C) available in some areas of the country. In most HMOs, you can only go to doctors, specialists, or hospitals on the plan's list except in an emergency. Most HMOs also require you to get a referral from your primary care doctor.

Lifetime Reserve Days—In Original Medicare, these are additional days that Medicare will pay for when you are in a hospital for more than 90 days. You have a total of 60 reserve days that can be used during your lifetime. For each lifetime reserve day, Medicare pays all covered costs except for a daily coinsurance ($534 in 2009).

Medicaid—A joint Federal and state program that helps with medical costs for some people with limited incomes and resources. Medicaid programs vary from state to state, but most health care costs are covered if you qualify for both Medicare and Medicaid.

Medical Savings Account (MSA) Plan—MSA Plans combine a high deductible Medicare Advantage Plan and a bank account. The plan deposits money from Medicare into the account. You can use the money in this account to pay for your health care costs, but only Medicare-covered expenses count toward your deductible. The amount deposited is usually less than your deductible amount so you generally will have to pay out-of-pocket before your coverage begins.

Medical Underwriting—The process that an insurance company uses to decide, based on your medical history, whether or not to take your application for insurance, whether or not to add a waiting period for pre-existing conditions (if your state law allows it), and how much to charge you for that insurance.

Medicare Advantage Plan (Part C)—A type of Medicare health plan offered by a private company that contracts with Medicare to provide you with all your Medicare Part A and Part B benefits. Medicare Advantage Plans include Health Maintenance Organizations, Preferred Provider Organizations, Private Fee-for-Service Plans, Special Needs Plans, and Medicare Medical Savings Account Plans. If you are enrolled in a Medicare Advantage Plan, Medicare services are covered through the plan and aren't paid for under Original Medicare. Most Medicare Advantage Plans offer prescription drug coverage.

Medicare-approved Amount—In Original Medicare, this is the amount a doctor or supplier that accepts assignment can be paid. It includes what Medicare pays and any deductible, coinsurance, or copayment that you pay. It may be less than the actual amount a doctor or supplier charges.

Medicare Cost Plan—A type of Medicare health plan. In a Medicare Cost Plan, if you get services outside of the plan's network without a referral, your Medicare-covered services will be paid for under Original Medicare. Your Cost Plan pays for emergency services, or urgently needed services.

Medicare Prescription Drug Plan (Part D)—A stand-alone drug plan that adds prescription drug coverage to Original Medicare, some Medicare Cost Plans, some Medicare Private-Fee-for-Service Plans, and Medicare Medical Savings Account Plans. If you have a Medigap policy without prescription drug coverage, you can also add a Medicare Prescription Drug Plan. These plans are offered by insurance companies and other private companies approved by Medicare. Medicare Advantage Plans may also offer prescription drug coverage that follows the same rules as Medicare Prescription Drug Plans.

Medicare SELECT—A type of Medigap policy that may require you to use hospitals and, in some cases, doctors within its network to be eligible for full benefits.

Open Enrollment Period (Medigap)—A one-time-only, 6-month period when Federal law allows you to buy any Medigap policy you want that is sold in your state. It starts in the first month that you are covered under Medicare Part B **and** you are age 65 or older. During this period, you can't be denied a Medigap policy or charged more due to past or present health problems. Some states may have additional open enrollment rights under state law. See pages 14–16.

Original Medicare—Original Medicare is fee-for-service coverage under which the government pays your health care providers directly for your Part A and/or Part B benefits.

Pre-existing Condition—A health problem you had before the date that a new insurance policy starts.

Preferred Provider Organization (PPO) Plan—A type of Medicare Advantage Plan (Part C) available in some areas of the country in which you pay less if you use doctors, hospitals, and other health care providers that belong to the plan's network. You can use doctors, hospitals, and providers outside of the network for an additional cost.

Premium—The periodic payment to Medicare, an insurance company, or a health care plan for health care or prescription drug coverage.

Private Fee-for-Service (PFFS) Plan—A type of Medicare Advantage Plan (Part C) in which you can generally go to any doctor or hospital you could go to if you had Original Medicare, if the doctor or hospital agrees to treat you. The plan determines how much it will pay doctors and hospitals, and how much you must pay when you receive care. A Private Fee-for-Service Plan is very different than Original Medicare, and you must follow the plan rules carefully when you go for health care services. When you're in a Private Fee-for-Service Plan, you may pay more, or less, for Medicare-covered benefits than in Original Medicare.

Special Needs Plans—A special type of Medicare Advantage Plan (Part C) that provides more focused and specialized health care for specific groups of people, such as those who have both Medicare and Medicaid, who reside in a nursing home, or have certain chronic medical conditions.

State Health Insurance Assistance Program (SHIP)—A state program that gets money from the Federal government to give free local health insurance counseling to people with Medicare.

State Insurance Department—A state agency that regulates insurance and can provide information about Medigap policies and other private insurance.

SECTION 10

List of topics

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Use this page to write down important notes or phone numbers.

Notes

Important Information about this Guide

The information, telephone numbers, and web addresses in this guide were correct at the time of printing. Changes may occur after printing. To get the most up-to-date information and Medicare telephone numbers, visit www.medicare.gov or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

The "2009 Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare" isn't a legal document. Official Medicare Program legal guidance is contained in the relevant statutes, regulations, and rulings.

U.S. DEPARTMENT OF
HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

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Penalty for Private Use, $300

CMS Publication No. 02110
Revised September 2008

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