

MEDICARE SUPPLEMENT INSURANCE (Medigap)

What Is A Medigap Policy?

Medicare Supplement Insurance (Medigap) is specifically designed to fill the gaps in Medicare coverage. Regulated by federal and state laws, the policies can be purchased only by Medicare beneficiaries from a private company. You must have Medicare Parts A and B to purchase a Medigap policy.

Why Do I Need A Medigap Policy?

A Medigap policy offers reimbursement for out-of-pocket health service costs not covered by Medicare, and which are the beneficiary's share of costs. For example, a Medigap policy might cover the Part A deductible, the Part B outpatient co-insurance of 20% of allowed charges, and the mental health co-insurance of 50% of allowed charges, and other costs. ***Note that plans K and L only cover a percentage of these costs, while the other plans cover them in full.***

What Medigap Policies Are Available?

There are twelve standard Medigap policies available in the United States, designated "A" through "L." Each of the policies has the basic benefit package (which cannot be changed by adding or subtracting the provisions), plus a combination of additional benefits. Older Medigap policies from before the 1992 standardization are still in effect, but cannot be offered to new buyers. Individuals with an older policy can switch to a new, standard policy, but would not be allowed to go back to the old policy. Some of the older policies may provide better coverage, especially for extended skilled nursing care.

When can I Enroll in a Medigap Policy?

In New York State, you can purchase a Medigap policy at any time when you are enrolled in Medicare. You are guaranteed the opportunity to purchase a policy even if you are Medicare-eligible due to medical disability and are under age 65.

When Can I Switch Medigap Policies?

In New York State, you can switch the company from which you get the Medigap policy, as well as the type of Medigap policy, at any time. Some companies require you to remain in a certain plan for a period of time before switching to a different plan that they offer. However, you can still get the desired plan from a different company that offers that plan.

How Do I Choose A Medigap Policy?

Since plans A through L are standardized, you first need to decide the level of coverage you need. Once you establish which plan's set of benefits is right for you, you can compare the premium, service and reputation of the insurance companies. Most Medigap insurers have linked their computers with the computers at Medicare, so that your claims can be processed without additional paperwork ("electronic crossover"). In addition, companies can bill the premium monthly, quarterly or annually; your preference may be for a particular payment schedule.

How Am I Protected?

All standard Medigap policies sold today are guaranteed renewable. The insurance company cannot refuse to renew the policy unless you do not pay the premiums or you

made misrepresentations on the application. Federal law prohibits an insurance company or salesperson from selling you a second Medigap policy that duplicates coverage of one you already have, thus protecting you from pressure to buy more coverage than you need. You can switch Medigap policies whenever you need a different level of coverage. When your health needs are greater, you can arrange to purchase a Plan F, for example, if you find plan B is too limited. The new Medigap policy would replace the previous one. **DO NOT CANCEL THE OLD POLICY UNTIL THE NEW ONE IS IN EFFECT.**

How Are Premiums Determined?

In New York State, you are protected by “community rating.” The premium set by an insurance company for one of its standard Medigap policies is required to be the same without regard to age, gender or health condition. That means that the premium for Plan C from one insurance company will be the same for a woman, aged 72 in poor health as it will be for a man, aged 81, in good health. A chart of the twelve standard plans follows the description of the plans. The insurance companies and their premiums for NYC Medicare beneficiaries can be found on page 16.

When Will My Coverage Start if I Have a Pre-Existing Health Condition?

The maximum period that a Medigap policy’s coverage can be denied for a pre-existing health condition is the first six months of the new policy and only for those claims that are directly related to that health problem. A pre-existing condition is a condition for which medical advice was given, or treatment was recommended by, or received from, a physician within six months before the effective date of coverage. You may qualify for **immediate** coverage for a pre-existing health condition (1) if you buy a policy during the open enrollment period after turning 65 or (2) if you were covered under a previous health plan for at least six months without an interruption of more than 63 days. If your previous health plan coverage was less than six months, your new Medigap policy must credit you for the number of months you had coverage. Some policies have shorter or no waiting periods for pre-existing conditions.

What Paperwork Will I Receive From My Medigap Insurer?

A Medigap insurance company is required to send you an Explanation of Benefits to document that it paid its portion of your claims for your health benefits. Combined with the Medicare Summary Notice (MSN) which you receive from Medicare, you will have the total information about how your health care claim was processed.

How Can I Get Help In Choosing A Medigap Policy?

Trained HIICAP counselors have current information on Medigap policies and can assist you in determining your needs. They will not make the choice for you, but they will give you the specific information you need to decide.

How Does Medicare Part D Interact with Medigap Policies?

No new Medigap policies offer drug coverage. There is no interaction between newer Medigap policies and Part D.

STANDARD MEDIGAP PLANS

Below are the twelve standard plans, Plans A–L, and the benefits provided by each:

PLAN A (the basic policy) consists of these **basic benefits**

- Coverage for the Part A coinsurance amount (\$267 per day in 2009) for days 61-90 of hospitalization in each Medicare benefit period.
- Coverage for the Part A coinsurance amount (\$534 per day in 2009) for each of Medicare's 60 non-renewable lifetime hospital inpatient reserve days.
- After all Medicare hospital benefits are exhausted, coverage for 100% of the Medicare Part A eligible hospital expenses. Coverage is limited to a maximum of 365 days of additional inpatient hospital care during the policyholder's lifetime.
- Coverage under Medicare Parts A and B for the reasonable cost of the first 3 pints of blood or equivalent quantities of packed red blood cells per calendar year unless replaced in accordance with federal regulations.
- Coverage for the coinsurance amount for Part B services (generally 20% of approved amount; 50% of approved charges for outpatient mental health services), after the annual deductible is met (\$135 in 2009).

PLAN B includes the **basic benefit, plus**

- Coverage for the Medicare Part A inpatient hospital deductible (\$1,068 per benefit period in 2009).

PLAN C includes the **basic benefit, plus**

- Coverage for the Medicare Part A inpatient hospital deductible.
- Coverage for the skilled nursing facility care coinsurance amount (\$133.50 per day for days 21 through 100 per benefit period in 2009).
- Coverage of the Medicare Part B deductible (\$135 per calendar year in 2009).
- 80% coverage for medically necessary emergency care in a foreign country, after a \$250 deductible and \$50,000 lifetime maximum benefit.

PLAN D includes the **basic benefit, plus**

- Coverage for the Medicare Part A inpatient hospital deductible.
- Coverage for the skilled nursing facility care daily coinsurance amount.
- 80% coverage for medically necessary emergency care in a foreign country, after a \$250 deductible.
- Coverage for at home recovery. The at-home recovery benefit pays up to \$1,600 per year for short-term, at-home assistance with activities of daily living (bathing, dressing, personal hygiene, etc.) for those recovering from an illness, injury or surgery. There are various benefit requirements and limitations (see chart of standard Medicare supplement plans on page 15).

PLAN E includes the **basic benefit, plus**

- Coverage for the Medicare Part A deductible.
- Coverage for the skilled nursing facility care daily coinsurance amount.
- 80% coverage for medically necessary emergency care in a foreign country, after a \$250 deductible.
- Coverage for preventive medical care not covered by Medicare. The preventive medical care benefit pays up to \$120 per year for such things as a physical examination, hearing test, and thyroid function test.

PLAN F¹ includes the **basic benefit, plus**

- Coverage for the Medicare Part A deductible.
- Coverage for the skilled nursing facility care daily coinsurance amount.
- Coverage for the Medicare Part B deductible.
- Coverage for 100% of Medicare Part B excess charges².
- 80% coverage for medically necessary emergency care in a foreign country, after a \$250 deductible.

PLAN G includes the **basic benefit, plus**

- Coverage for the Medicare Part A deductible.
- Coverage for the skilled nursing facility care daily coinsurance amount.
- Coverage for 80% of Medicare Part B excess charges².
- Coverage for at-home recovery (see Plan D).
- 80% coverage for medically necessary emergency care in a foreign country, after a \$250 deductible.

PLAN H includes the **basic benefit, plus**

- Coverage for the Medicare Part A deductible.
- Coverage for the skilled nursing facility care daily coinsurance amount.
- 80% coverage for medically necessary emergency care in a foreign country, after a \$250 deductible.

PLAN I includes the **basic benefit, plus**

- Coverage for the Medicare Part A deductible.
- Coverage for the skilled nursing facility care daily coinsurance amount.
- Coverage for 100% of Medicare Part B excess charges².
- 80% coverage for medically necessary emergency care in a foreign country, after a \$250 deductible.
- Coverage for at-home recovery (see Plan D).

¹ Plan F also has a "high deductible option." If you choose the "high deductible option," you will first have to pay a \$2,000 deductible in 2009 before the plan pays anything. This amount can go up every year. High deductible policies have lower premiums, but if you get sick, your costs will be higher.

² Plan pays a specified percentage of the difference between Medicare's approved amount for Part B services and the actual charges (up to the amount of charge limitations set by either Medicare or state law).

PLAN J includes the **basic benefit, plus**

- Coverage for the Medicare Part A deductible.
- Coverage for the skilled nursing facility care daily coinsurance amount.
- Coverage for the Medicare Part B deductible.
- Coverage for 100% of Medicare Part B excess charges³.
- 80% coverage for medically necessary emergency care in a foreign country, after a \$250 deductible.
- Coverage for preventive medical care (see Plan E).
- Coverage for at home recovery (see Plan D).

Effective January 2006, as a result of Medicare Part D, Medigap policies H, I and J with a drug benefit are no longer sold to new policyholders; however, they are still available for purchase without the drug benefit. Individuals with an old H, I or J policy with drug coverage cannot have a Part D drug plan at the same time.

PLAN K⁴ includes the **basic benefit, plus:**

- Coverage for 50% of Part B coinsurance after you meet the yearly deductible for Medicare Part B, but 100% coinsurance for Part B preventive services.
- Coverage for 50% of the Medicare Part A hospital deductible.
- Coverage for 100% of the Part A coinsurance amount for days 61-90 of hospitalization in each Medicare benefit period.
- Coverage for 100% of the Part A coinsurance amount for each of Medicare's 60 non-renewable lifetime hospital inpatient reserve days used.
- After all Medicare hospital benefits are exhausted, coverage for 100% of the Medicare Part A eligible hospital expenses. Coverage is limited to a maximum of 365 days of additional inpatient hospital care during the policyholder's lifetime.
- Coverage for 50% hospice cost-sharing.
- Coverage for 50% of Medicare-eligible expenses for the first 3 pints of blood.
- Coverage for 50% of the skilled nursing facility care daily coinsurance amount.
- Annual out of pocket limit of \$4,620 in 2009.

³Plan pays a specified percentage of the difference between Medicare's approved amount for Part B services and the actual charges (up to the amount of charge limitations set by either Medicare or state law).

⁴ The basic benefits for plans K and L include similar services as plans A-J, but the cost-sharing for the basic benefits is at different levels. The annual out-of-pocket limit increases each year for inflation.

PLAN L⁵ includes the **basic benefit, plus**

- Coverage for 75% of Part B coinsurance after you meet the yearly deductible for Medicare Part B, but 100% coinsurance for Part B preventive services.
- Coverage for 75% of Medicare Part A hospital deductible.
- Coverage for 100% of the Part A coinsurance amount for days 61-90 of hospitalization in each Medicare benefit period.
- Coverage for 100% of the Part A coinsurance amount for each of Medicare's 60 non-renewable lifetime hospital inpatient reserve days used.
- After all Medicare hospital benefits are exhausted, coverage for 100% of the Medicare Part A eligible hospital expenses. Coverage is limited to a maximum of 365 days of additional inpatient hospital care during the policyholder's lifetime.
- Coverage for 75% hospice cost-sharing.
- Coverage for 75% of Medicare-eligible expenses for the first 3 pints of blood.
- Coverage for 75% of the skilled nursing facility care daily coinsurance amount.
- Annual out of pocket limit of \$2,310 in 2009.

Medicare SELECT: In addition to the standard Medigap policies A-L, Medicare SELECT is a type of Medigap policy that can cost less than standard Medigap plans. However, you can only go to certain hospitals and in some cases, certain doctors for your care. Visit www.ins.state.ny.us.caremain.htm for information on Medicare SELECT plans available in New York State.

Always consider inquiring about a particular membership or group insurance rate that might be less expensive than purchasing an individual plan on your own.

See tables on pages 15 and 16 for more information on Medigap policies.

For further information, dial 311.

⁵ The basic benefits for plans K and L include similar services as plans A-J, but the cost-sharing for the basic benefits is at different levels. The annual out-of-pocket limit increases each year for inflation.

Chart of the Twelve Standard Medicare Supplement Plans

This chart shows the benefits included in each Medigap plan.

Basic Benefit: Included in All Plans

- **Hospitalization:** Part A coinsurance, coverage for 365 additional days after Medicare benefits end, and coverage for 60 lifetime reserve days coinsurance.
- **Medical Expenses:** Part B coinsurance (generally 20% of Medicare-approved expenses).
- **Blood:** First 3 pints of blood each year.

*****There are additional services provided in the Basic Benefits for plans and L. Please contact plans directly.**

A	B	C	D	E	F	G	H	I	J	K	L
Basic Benefit	Basic Benefit	Basic Benefit	Basic Benefit	Basic Benefit	Basic Benefit	Basic Benefit	Basic Benefit	Basic Benefit	Basic Benefit	Basic Benefit***	Basic Benefit***
		Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance (50%)	Skilled Nursing Coinsurance (75%)
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible (50%)	Part A Deductible (75%)
		Part B Deductible			Part B Deductible				Part B Deductible		
					Part B Excess (100%)	Part B Excess (80%)		Part B Excess (100%)	Part B Excess (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		
										Out of Pocket limit \$4,620	Out of Pocket limit \$2,310
				Preventive Care					Preventive Care	Preventive Care Coinsurance (100%)	Preventive Care Coinsurance (100%)

For additional information dial 311.

MEDICARE SUPPLEMENT INSURANCE POLICIES

Prepared by the NYC Department for the Aging's Health Insurance Information Counseling Assistance Program (HIICAP) 1-212-341-3978. Please call the individual companies directly for their most current monthly rates as they are subject to change. Updated rate charts are available at the NY State Department of Insurance website at www.ins.state.ny.us/medplan/medsup09.pdf.

<u>PLAN</u>	<u>Aetna</u>	<u>American Progressive</u>	<u>Bankers Conesco</u>	<u>Empire Blue Cross Blue Shield</u>	<u>1st United American</u>	<u>GHI</u>	<u>Humana</u>	<u>Mutual of Omaha</u>	<u>State Farm</u>	<u>Sterling Life</u>	<u>United Health (AARP)</u>
	800 345- 6022	800 332-3377	312 396- 6515	800 261- 5962	315 451- 2544	800 444- 2333	800 486- 2620	800 775- 1000	866 855- 1212	888 858- 8551	888 687- 2277
A	\$194.92	\$179.63	\$185.17	\$139.70	\$153.00	\$158.19	\$219.00	\$198.84	\$217.79	\$226.71	\$148.00
B	\$226.01	\$260.43	\$233.93	\$183.63	\$222.00	\$209.77	232.00	\$332.27	\$291.49	\$267.32	\$202.00
C		\$333.18	\$278.40	\$203.86	\$275.00	\$252.86	269.00		\$337.56		\$232.25
D		\$301.92	\$261.98		\$268.00						\$217.25
E		\$295.14	\$263.13								\$217.75
F	\$267.24	\$347.20	\$281.19	\$270.89	\$277.00		270.00	\$358.78	\$371.64		\$233.50
F+		\$138.60	\$87.53		\$92.00		108.00				
G		\$313.98	\$264.94		\$269.00			\$209.96			\$218.25
H				\$253.00							\$247.50
I											\$249.75
J			\$282.14								\$276.25
K			\$138.35	\$107.86	\$128.00		130.00			\$127.61	\$107.25
L			\$196.98	\$146.90	\$180.00		188.00				\$149.25