

Medicare Supplements and Other Secondary Coverage

Basic SHIP Counselor Training



Acknowledgement

This project was supported by the Wisconsin Department of Health Services with financial assistance, in whole or in part, by grant number 90SAPG0091, from the U.S. Administration for Community Living, Department of Health and Human Services, Washington, D.C. 20201. Grantees undertaking projects with government sponsorship are encouraged to express freely their findings and conclusions. Points of view or opinions do not, therefore, necessarily represent official ACL policy.



Navigating Medicare

Objective

Build on your knowledge of Medicare Supplements

- Learn how Wisconsin is different from other states
- Learn when to buy a supplement in Wisconsin
- Learn the different enrollment periods and why they are important

Practice Scenario

What are Medigap Policies

How they help with costs for Original Medicare Parts A and B



Original Medicare

You can add Medicare Supplement Insurance (Medigap)



Medicare Advantage

NOTE: Medigap policies only work with Original Medicare.



Medicare Supplement Insurance (Medigap) Policies

Medicare Supplements aka Medigap Policies

- Sold by private insurance companies
- Fills gaps in Original Medicare coverage **ONLY**
 - Deductibles,
 - coinsurance,
 - copayments

Note: Just like Original Medicare, there are no couples in Medigap

Part A



Part B



You can add:

Part D



You can also add:

Supplemental coverage



This includes Medicare Supplement Insurance (Medigap). Or, you can use coverage from a former employer or union, or Medicaid.

Wisconsin is a 'waiver' State

- All Medigap plans in Wisconsin
 - Have the same basic core coverage/benefits
 - May have different riders
 - Premiums are different from plan to plan
 - May vary by county and zip code



Medigap Policies in Wisconsin

- Basic Benefits
 - Covers Part B 20% coinsurance
 - Copays for Part A,
 - Additional inpatient psychiatric days,
 - First 3 pints of blood and
 - 40 home health visits
 - Wisconsin Mandated Benefits ([PI-002.pdf \(wi.gov\)](#))
 - Chiropractic services,
 - 30 days non-Medicare Skilled Nursing Facility

Note: Policies purchased prior to 1/1/06 may still contain the diabetic mandate and the catastrophic prescription mandate if the beneficiary never enrolled into a PDP and they have not switched policies.



Medigap Policies in Wisconsin, continued

- Optional Riders
 - Part A Deductible (or Part A 50% Deductible)
 - Part B Deductible
 - Part B Copay/co-insurance (may reduce premiums)
 - Part B Excess Charges
 - Additional Home Health
 - Emergency Foreign Travel

Note: As of January 1, 2020 the Medicare Part B Deductible rider is no longer an option for people just starting Medicare. However, the rider is still available for those who are eligible for Medicare prior to 1/1/2020.

Check Your Knowledge



If you join a Medicare Advantage Plan, you can buy a Medigap policy to pay for out-of-pocket costs.

a. True

b. False

Countdown timer: Answer the question before the bar disappears!





Types of Policies

Options for level of coverage

Types of Medigap Policies

- Traditional Medigap Policies
- Medicare Select Policies
- Medicare Cost Plans
- Medicare Cost-Sharing Policies
- High-Deductible Policies

Note: The WI Office of the Commissioner of Insurance (OCI) publishes a [list of policies available in Wisconsin](#).

Medicare Cost Sharing Policies

- Some insurance companies offer Medicare Supplement or Medicare SELECT cost-sharing policies. These plans require a portion of the costs to be paid for Medicare-covered services until the out-of-pocket limit has been reached.

High Deductible Plan

- Some insurance companies may offer a Medicare Supplement high-deductible plan.
 - **High-deductible Medicare Supplement plans offer benefits after a calendar year deductible has been paid.**

Medigap Policies Comparison Chart

See a comparison chart of coverage and costs between different types of Medigap policies on the [Wisconsin SHIP Cheat Sheet Packet](#), which can be found on the:

- [SHIP Technical Assistance \(TA\) Center](#)
- [GWAAR Medicare Outreach and Assistance Resources webpage](#) under Tools for Professionals



Enrollment

When and how to buy a Medigap policy

Steps to Buy a Medigap Policy



STEP 1

Decide which benefits you want, then decide which of the standardized Medigap policies meet your needs

STEP 2

Find out which insurance companies sell Medigap policies in Wisconsin

STEP 3

Call insurance companies that sell the Medigap policies you're interested in and compare costs

STEP 4

Buy the Medigap policy

How to enroll without an agent

- Many insurance companies have websites
- Most can enroll online
 - Application process is usually very simple
- Payment can be set up as an
 - Automatic bank withdrawal
 - Monthly paper billing
- Does not necessarily need any outside help
- Medicare Plan Finder has a Medigap plan finder section
 - Can use to see basic information on Wisconsin plans

Medigap Open Enrollment

- Begins the month turning age 65 or older AND enrolled in Part B
 - Is available to all Medicare beneficiaries.
 - No age requirement
 - Lasts 6 months from Part B effective date
 - Beneficiary has consumer protections
- Includes a second OEP at age 65 for those on Medicare due to disability.
- During the Medigap OEP, companies cannot:
 - Refuse to sell any Medigap policy they offer
 - Charge a higher premium because of a past/present health problem
- Guaranteed Issue
 - Can not make the beneficiary wait for coverage
 - Can not apply a pre-existing waiting period
 - Eligible for preferred rates
 - Can not be denied a Medigap policy

The Best Time to Buy a Medigap Policy

- If 65+ and enrolled in Part A and B
- If under 65 and have Medicare because of
 - Disability
 - End-Stage Renal Disease (ESRD)
- A beneficiary may also buy a Medigap policy
 - Whenever a company agrees to sell one
 - May have health underwriting
 - If later, there may be restrictions unless there is a guaranteed issue right

Medigap and Pre Existing Conditions

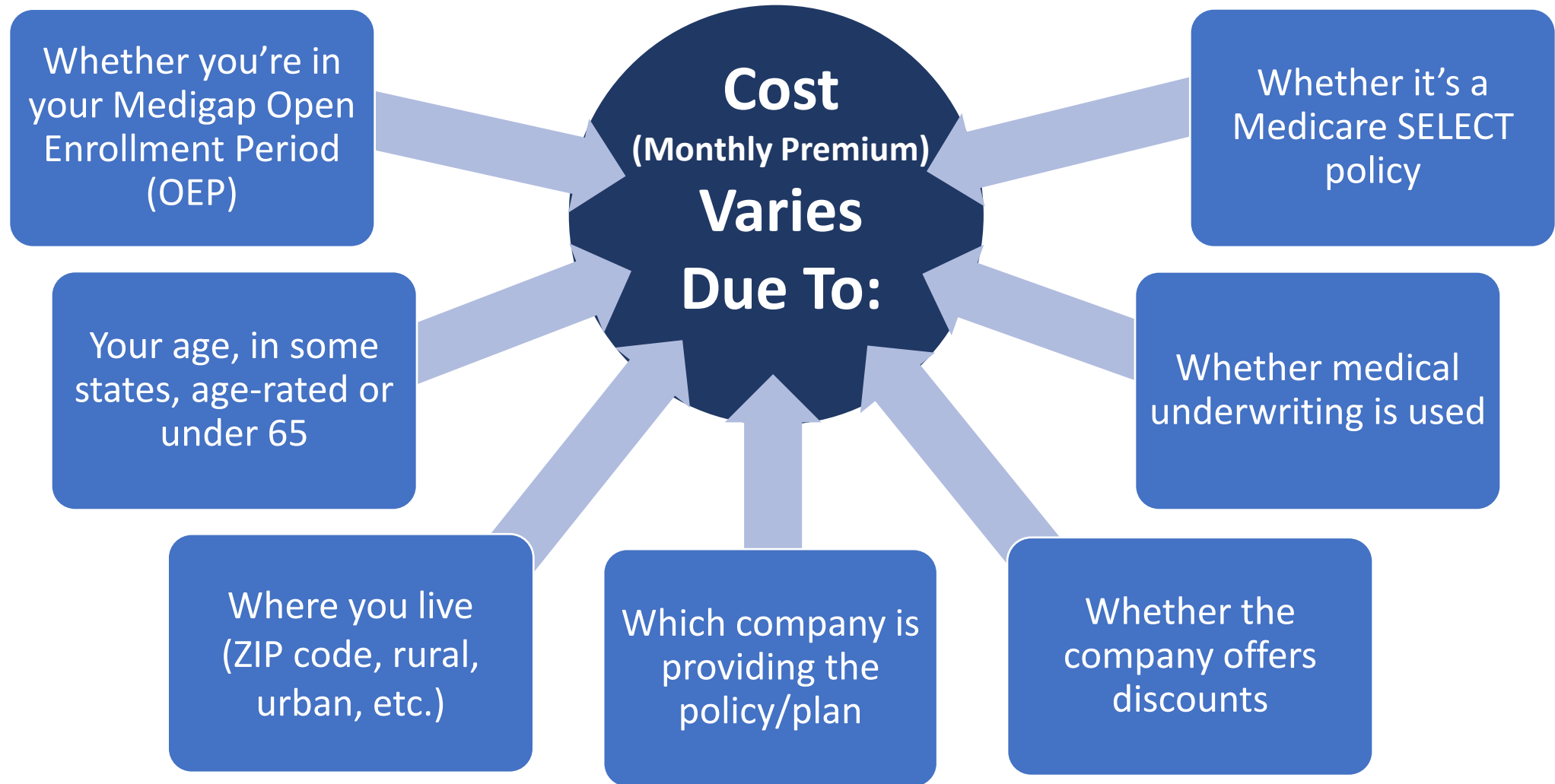
- Pre-existing condition – Health problem for which you were treated or diagnosed within 6 months before coverage start date
- Pre-existing condition waiting period – Insurance companies can refuse to cover out-of-pocket costs for excluded condition for up to 6 months (“look-back period”)
- If you had at least 6 months of continuous prior creditable coverage (with no break in coverage for more than 63 days), insurance companies can’t make you wait before covering your pre-existing conditions



Costs

Medigap cost-sharing

Medigap Costs



Client Considerations

How to decide whether to buy a Medigap

Client Considerations

- Medigap only works with Original Medicare
 - Absolutely **will not** coordinate with Medicare Advantage
- Other supplemental coverage
 - Employer (may be primary or secondary depending on size and disability/age status)
 - Retiree coverage,
 - Military coverage,
 - Medicaid
- Medigap premium cost
 - Additional Riders

Check Your Knowledge



If you're 65 or older, your Medigap _____ begins when you enroll in Part B and it can't be changed or repeated.

- a. Initial Enrollment Period (IEP)
- b. General Enrollment Period (GEP)
- c. Open Enrollment Period (OEP)**

Countdown timer: Answer the question before the bar disappears!



Medigap Scenario 1

Ted B. is 64. He has had Medicare for 4 years due to a disability. He currently has a Medigap policy that he enrolled in online without the help of an agent. He wants to know if he has to make any changes with his Medigap when he turns 65.

What changes will occur when Ted turns 65 next year?

Medigap Scenario 2

Frances is 70 and healthy. She retired last month, and her employer-sponsored health coverage ended. She was enrolled in Medicare Part A and just enrolled in Medicare Part B. Her twin Francis has a medigap policy and likes it. She's interested in buying a Medigap policy like his to help her with her out-of-pocket costs.

What does Frances need to consider?

