Medicare Supplements and Other Secondary Coverage

Basic SHIP Counselor Training
Acknowledgement

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What are Medigap Policies

How they help with costs for Original Medicare Parts A and B
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:** There are no couples in Medigap
Wisconsin is a ‘waiver’ State

- All plans in Wisconsin
  - Have the same basic core coverage/benefits
    - May have different riders
  - Premiums are different from plan to plan
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](https://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% Ded.)
  • Part B Deductible
  • Part B Copay/co-insurance (may reduce premiums)
  • Part B Excess Charges
  • Additional Home Health
  • Emergency Foreign Travel

Note: In 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 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 Polices
• 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.
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
  - Make the beneficiary wait for coverage
  - Eligible for preferred rates
  - Cannot be denied a Medigap policy
The Best Time to Buy a Medigap Policy

- If under 65 and have Medicare because of a disability or End-Stage Renal Disease (ESRD), you can purchase a Medigap in Wisconsin

  - 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

Cost (Monthly Premium) Varies Due To:

- Whether you’re in your Medigap Open Enrollment Period (OEP)
- Your age, in some states, age-rated or under 65
- Where you live (ZIP code, rural, urban, etc.)
- Which company is providing the policy/plan
- Whether it’s a Medicare SELECT policy
- Whether medical underwriting is used
- Whether the company offers discounts
Client Considerations

How to decide whether to buy a Medigap
Client Considerations

• Medigap only works with Original Medicare
  • Must be enrolled in Part A and B

• Other supplemental coverage
  • Employer,
  • Retiree coverage,
  • Military coverage,
  • Medicaid

• Medigap premium cost
  • Plus 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 Bundy is 64. He has had Medicare for 4 years due to a disability. He currently has a Medigap policy.

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 to help her with her out-of-pocket costs.

What does Frances need to consider?