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# SHIP Training: Medigap (Medicare Supplement Policies)

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Navigating Medicare

# Presentation Overview

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- **Medigap Policy Overview**
  - Medigap Policy Benefits & Mandates
- **Types of Medigap Policies in Wisconsin**
- **Medigap Policy Costs**
- **Medigap Policy Purchase Protections**
  - Open Enrollment Period
  - Guarantee Issue Period
- **Choosing a Medigap Policy**
  - Medigap Policy Pros and Cons
- **Medicare Advantage Trial Periods**

# MEDIGAP POLICY OVERVIEW



# How Medigap Policies Work

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- Medigap or Medicare Supplement policies are private health insurance policies that offer benefits that work with Original Medicare.
- Medigap policies may cover all or a portion of deductibles, coinsurance, and copayments for Medicare Part A or B services.
- Medigap policies only work with Original Medicare, if you have a Medicare Advantage plan you cannot buy a Medigap policy.
- Medigap policies 'supplement' Original Medicare costs.

# Medicare Coverage Choices

**Step 1:**  
Enroll in Medicare through Social Security.



The default coverage when enrolling with SSA is Medicare Parts A and/or B.

Individuals already receiving Social Security benefits are typically automatically enrolled in Medicare Parts A and B. If you are actively employed, you may want to waive Medicare Part B.

**Step 2:**  
Choose how you would like to get your coverage.

**Original Medicare**

**OR**

**Medicare Advantage (Part C)**

*Without electing coverage, you may incur penalties.*



**Part A**  
Hospital Insurance

And/or

**Part B**  
Medical Insurance

**Advantage plans combine hospital and medical insurance.**

You must have Medicare Parts A & B to be eligible to enroll.

**Check if the plan includes prescription drug coverage.**

Many advantage plans include drug coverage. If the plan does not include drug coverage you typically can't get a separate Part D Plan.

**Step 3:**  
Add prescription drug coverage.

**Medicare Part D**

*Without creditable drug coverage, you may incur penalties when enrolling in Medicare Part D later.*



**Part D:**  
Standalone coverage for Medicare-approved prescription drugs.

**Step 4:**  
Decide if you would like supplemental coverage.



**Medicare Supplement Policies (Medigap)**



You must have Medicare Parts A and B to be eligible.

*You cannot have and do not need a Medicare Supplement Policy.*

**Financial assistance programs**



Based on your income and/or assets you may be eligible for additional help with out-of-pocket costs. Contact the programs below to apply.

- **Wisconsin Medicaid:** Local Health and Human Services Department / [access.wi.gov](https://www.wisconsin.gov/access)
- **Extra Help for Part D:** 1-800-772-1213
- **Wisconsin SeniorCare:** 1-800-657-2038

[Link](#)

# Medigap Policy Basic Benefits & Wisconsin Mandates

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- **Copayment for days 61 to 90 of hospitalization.**
- **Copayment for days 91 to 150 of hospitalization.**
- **Copayment for days 21 to 100 of skilled nursing care in a skilled nursing facility. (Medicare Covered)**
- **175 days per lifetime of inpatient psychiatric care** in addition to Medicare's 190 days per lifetime.
- **First three pints of blood.**
- **40 home health care visits in addition to Medicare** – must also meet the insurance company's standards as medically necessary.

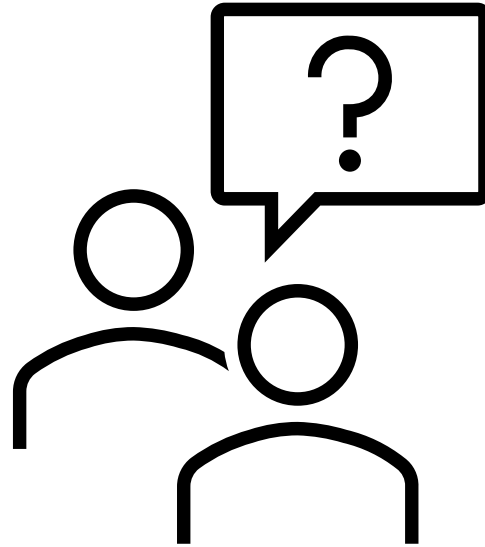


# Medigap Policy Basic Benefits & Wisconsin Mandates

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- **20% of Medicare's Part B services with no lifetime maximum.**
- **Coverage of non-Medicare-covered chiropractic care**, non-Medicare hospital and ambulatory surgery center charges, anesthetics for dental care, and non-Medicare-covered breast reconstruction.
  - Services must also meet the insurance company's standards as medically necessary.
- **Coverage for 30 days non-Medicare skilled nursing facility care** – no prior hospitalization required but must meet the insurance company's standards as medically necessary.

# Questions?



# TYPES OF MEDIGAP POLICIES



# Wisconsin: A Medigap Waiver State

- Wisconsin received a waiver from the federal standardization regulations on Medicare Supplement insurance.
- This is the standardization that created the 'alphabet soup' of policies that other states insurers offer.

Benefits	Medigap plans									
	A	B	C	D	F*	G*	K	L	M	N
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%***
Blood benefit (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
							Out-of-pocket limit in 2025**			
							\$7,220	\$3,610		

# Traditional or Basic Medigap Policy

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- All traditional or basic Medigap policies in Wisconsin include the Medigap basic benefits and Wisconsin Mandates.
- A traditional policy may have additional 'riders' attached to the policy at purchase to expand coverage similar to Medigap Plans offered in other states.
- Traditional policies are the most common type of Medigap policy purchased by beneficiaries in Wisconsin.

*Note: Riders must be added at time of purchase to avoid potential health underwriting.*

# Medigap Policy 'Riders'

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- **Part A Deductible Rider**

- Requires a Medigap Policy to cover the Medicare Part A Deductible.

- **Part B Deductible Rider (*Not Available After 1/1/2020*)**

- Requires a Medigap Policy to cover the Medicare Part B Deductible.

- **Part B Excess Charges Rider**

- Requires the Medigap policy to cover the difference between a provider's excess charge (up to 15%) and what Medicare has approved as the full payment amount.

- **Additional Home Health Care Rider**

- Extends the coverage of home healthcare from 40 days to 365 home health visits per year.

# Medigap Policy 'Riders' Continued

## ○ **Foreign Travel Emergency Rider**

- Requires Medigap policies to cover up to \$50,000 per lifetime for Medicare-eligible expenses incurred outside the United States. This rider pays at least 80% of the billed charges for medically necessary emergency care. Emergency care must begin during the first 60 consecutive days outside the United States.

## ○ **Part A 50% Deductible Rider**

- Requires a Medigap policy to cover 50% of the Medicare Part A deductible per benefit period.

## ○ **Part B Copayment/Coinsurance Rider\***

- Requires the policyholder to pay:
  - The Medicare Part B deductible
  - 20% copays (up to a maximum of \$20) per doctor's office visit
  - 20% copays (up to \$50 maximum) per emergency room visit

# High Deductible Medigap Policy

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- High Deductible Medigap policies require policy holders to pay all costs after Medicare on Medicare approved services (typically 20%) until the deductible (**\$2,870 in 2025**) is met.
- Once the policy deductible is met, the supplement policy will cover the costs after Medicare pays for covered services.
  - Similar to a traditional policy with all of the riders (*except copayment*).
- The policy holder is responsible for the Medicare Part A deductible and the Part B deductible until their policy deductible is met.
- The deductible amount can change each year.



# Cost Sharing Medigap Policy

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- Cost sharing policies include full Medicare Supplement benefit coverage after the annual Medicare Part B deductible and out-of-pocket limit have been met.
  - Out-of-pocket costs that count towards the limit are determined based on the 20% Original Medicare does not cover being shared between the policy holder and insurer.
  - Cost sharing is either **50% insurer and 50% policyholder** or **75% insurer and 25% policyholder**. Out-of-pocket limits change each year.
- Cost sharing policies out-of-pocket limits correspond to Plans K & L in other states.

# Check Your Knowledge

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True or False

All Wisconsin Medicare Supplement policies include Basic Benefits, Wisconsin Mandates, and Part A deductible coverage.

**Please Comment Your Response**

## Check Your Knowledge - Answer

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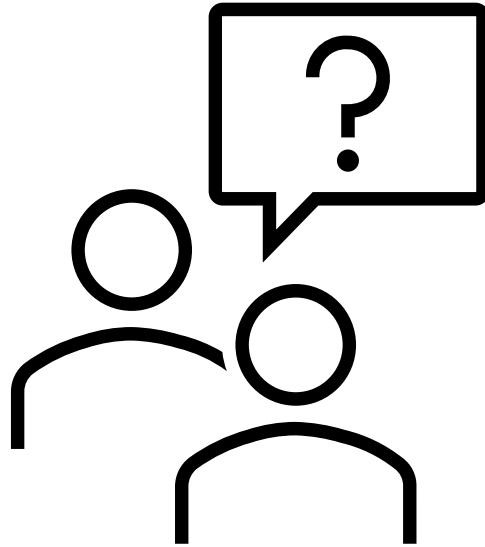
*All Wisconsin Medicare Supplement policies include Basic Benefits, Wisconsin Mandates, and Part A deductible coverage.*

**Answer: False**

High Deductible, Cost Sharing policy may include Part A deductible coverage after the out-of-pocket limit or deductible is met.

Traditional policies do not include Part A deductible coverage without selecting the corresponding rider.

# Questions?



# MEDIGAP POLICY COSTS



# Medigap Policy Costs

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**What are the costs associated with Original Medicare and Medigap Policy coverage?**

- Medicare Part A & B premiums
- Medigap Premiums
- Out of Pocket Costs (Deductibles, Copays, Coinsurance)
  - Typically, lower than Medicare Advantage.
- Prescription Coverage Costs
  - Medigap policies do not include Part D coverage.

# Medigap Premiums

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What factors affect Medigap premium costs?

- **Purchase protections utilized (Open Enrollment & Guarantee Issue)**
  - Medical underwriting may affect premiums.
- **Your age**
  - If under 65 premiums may be higher.
- **Where you live (Zip Code)**
- **Insurer or Company**
- **Household or other discounts**
  - Some insurers offer discounts when households both have the same Medigap policy.

# MEDIGAP POLICY PURCHASE PROTECTIONS





# When Can You Buy a Medigap Policy?

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- Typically, beneficiaries purchase a Medigap Policy:
  - When they first enroll in Medicare.
  - When turning age 65.
- A beneficiary may also buy a Medigap Policy:
  - Anytime, whenever an insurer agrees to sell the policy.
    - Typically, this will require the beneficiary to answer health underwriting questions.

*Note: Unless a beneficiary has additional purchase protections an insurer may deny the sale of a Medigap policy for any reason.*

# Medigap Open Enrollment

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## **When is the Medigap Open Enrollment period?**

- 6-months from your Medicare Part B effective date.

*Note: If a beneficiary has Medicare prior to age 65, they will have an additional open enrollment period at age 65.*

## **What are the purchase protections included in the Medigap Open Enrollment period?**

- Insurer cannot refuse to sell any Medigap policy they offer to other beneficiaries (open book of sale).
- Insurer cannot charge a higher premium based on past or present health conditions.

# Medigap Guarantee Issue Period

## **What are the purchase protections included in a Medigap guarantee issue period?**

- Insurer cannot refuse to sell any Medigap policy they offer to other beneficiaries (open book of sale).
- Insurer cannot charge a higher premium based on past or present health conditions.
- Insurer cannot apply a pre-existing condition waiting period.

## **When are Medigap guarantee issue periods?**

- Guarantee issue periods are triggered by qualifying events. These periods typically last 63-days. For example:
  - Loss of eligibility for a medical assistance program, which you were previously eligible for.
  - Loss of an employer group plan primary to Medicare.

[3.39 \(34\)](#) - Wisconsin Admin Code Guarantee Issue Provisions

# Medigap Pre-existing Condition Waiting Period

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- What is a pre-existing condition?
  - Health condition for which you were treated or diagnosed within 6 months before your Medigap coverage start date.
- What is the pre-existing condition waiting period when purchasing a Medigap policy?
  - Medigap policy insurers can refuse to cover excluded condition for up to 6 months (“look-back period”) if a policyholder did not have creditable coverage.
    - If a policyholder had at least 6 months of continuous prior creditable coverage (with no break in coverage for more than 63 days), insurers cannot impose a waiting period.

## Check Your Knowledge

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Your client is turning 65 September 1st, 2025, and wants to limit their out-of-pocket expenses with Original Medicare as much as possible. What purchase protection considerations may they have? What type of Medigap policy would limit their out of pocket costs the most? What additional information might you need to assist this client?

**Please Comment Your Response**

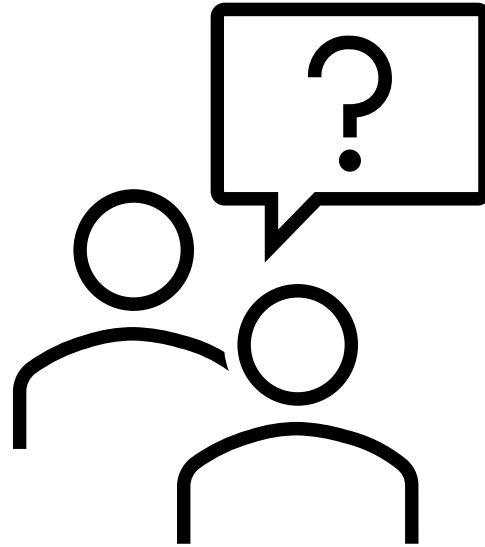
# Check Your Knowledge - Answer

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## **Answer:**

- Purchase Protections:
  - Open Enrollment will begin on their Part B effective date, potentially 9/1/25 and then last 6-months. Consider creditable coverage to avoid any pre-existing condition waiting period.
- Type of Policy:
  - Traditional Policy with Part A Deductible, Part B excess charges, Home Health Care, and Foreign Travel riders. Not eligible for Part B deductible rider.
- Other Questions:
  - What is their current coverage? Are they continuing to work? What other priorities do they have with their coverage?

# Questions?



# CHOOSING A MEDIGAP POLICY





# Medigap Policy Pros and Cons

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## Pros

- Flexible provider selection
  - Any provider that accepts Medicare Assignment
- No prior authorization requirements
- Low or limited out of pocket costs depending on type of policy.

## Cons

- Typically, higher premiums than Medicare Advantage
- Does not include Part D prescription drug coverage
- No extra benefits like many advantage plans
  - Dental, vision, etc.

# Steps to Purchasing a Medigap Policy

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- 1) Identify if you have guarantee issue or open enrollment protections to purchase the policy. *If not, you may need to pass health underwriting and may be denied a policy.*
- 2) Determine which type of policy you are interested in purchasing.
- 3) Find out which insurance companies sell Medigap policies in Wisconsin. ([PI-010.pdf](#))
- 4) Contact multiple insurers that sell the type of policy you are looking for and compare costs.
- 5) Purchase the Medigap Policy.

# MEDICARE ADVANTAGE TRIAL PERIODS



# What is a Medicare Advantage Trial Period?

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- A time period (12-months) which a beneficiary can try a Medicare Advantage Plan and still have the opportunity to return to Original Medicare and purchase a Medigap policy.
- When using a 'trial period' beneficiaries will have the ability to purchase a Medigap policy, or return to their previous policy with guarantee issue protections.

Link - [Medicare Advantage Trial Periods 10.24.pdf](#)

# Federal Trial Periods

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## **Medicare Advantage Special Enrollment Period Age 65**

Allows beneficiaries who enrolled in a Medicare Advantage Plan at age 65 during their Medicare Initial Enrollment Period 12 months to return to Original Medicare and purchase a Medigap policy.

## **Medicare Advantage "Trial Period"**

Allows beneficiaries of any age, enrolling into a Medicare Advantage plan for the first time when dropping a Medigap policy the ability to disenroll from their Advantage plan and return to Original Medicare and their Medigap policy, if still available. They must make this 'return' within the first 12 months of enrollment in their Advantage plan.

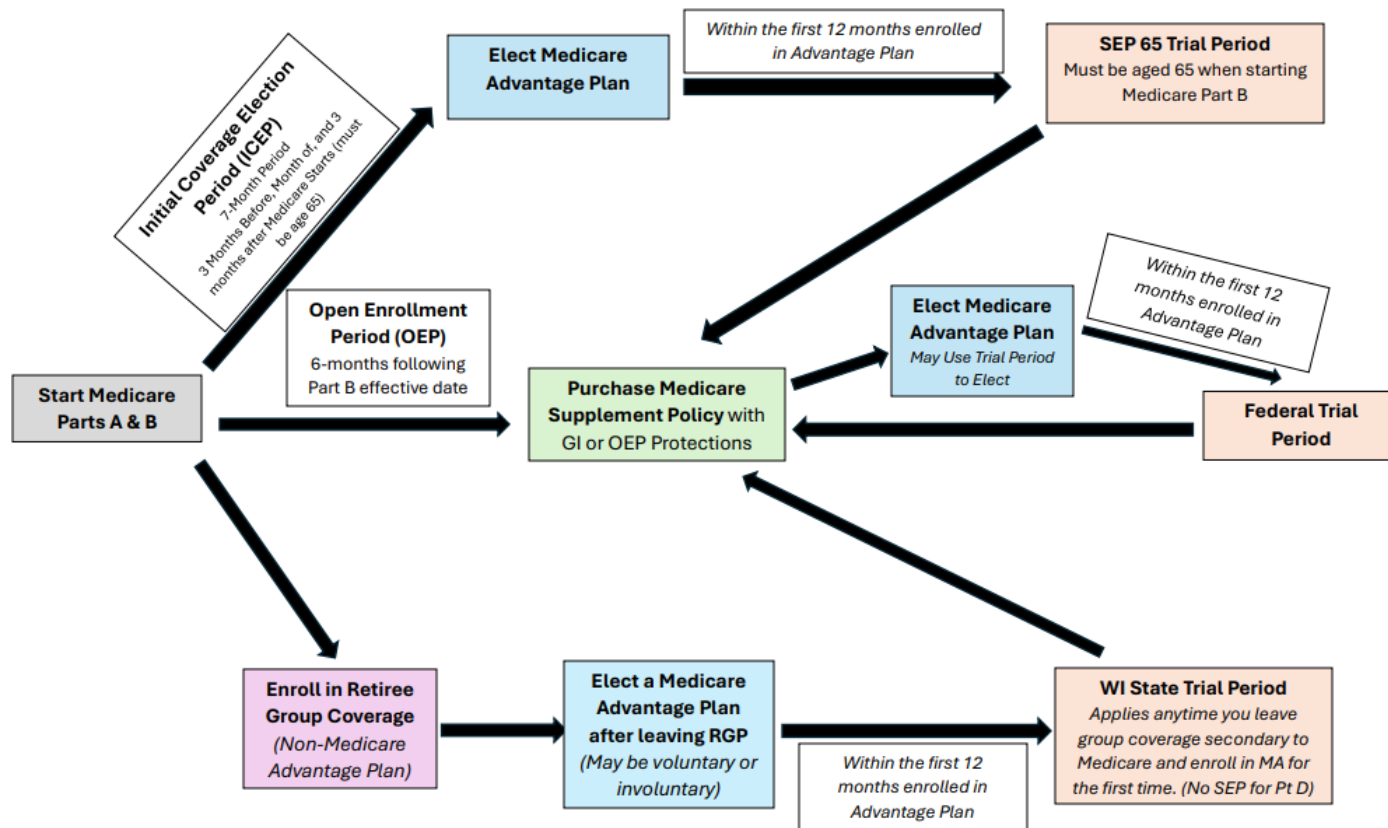
# Wisconsin State Trial Period

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- If a beneficiary leaves an employer-sponsored group health plan to enroll into a **Medicare Advantage plan for the first time**, the beneficiary is given guarantee issue to purchase a Medigap policy as long as a beneficiary disenrolls from the advantage plan within the first 12 months of that coverage.
- To disenroll from the Advantage plan, a beneficiary needs to use a federal enrollment periods to switch back to Original Medicare.
- This Trial Period does not have a 'built in' special enrollment period.

# Medicare Federal and Wisconsin State Trial Periods Flowchart

11.24



Note: The SEP 65 and Federal Trial periods contain SEPs to enroll in Medicare Part D and disenroll from Medicare Advantage as applicable. The Wisconsin state trial period does not contain these SEPs to disenroll or enroll from Advantage plans and Part D respectively.

# Medigap Helpline Online Resources

Webpage - <https://longtermcare.wi.gov/Pages/Medigap/Medigap.aspx>

Medigap Helpline Services	
Medicare	+
Medicare Supplements (Medigap)	+
Medicare Advantage Plans	+
Prescription Drug Options	+
Other Types of Coverage	+
Long Term Care Insurance (LTC)	+
Resources	

BOALTC > Resources

## Resources

### Medigap Helpline Publications

Publication ID Number	Publication Name & Link	Publication Source
Medicare Supplement Policy and Medicare Advantage Plan Resources		
6	<a href="#">Medigap Chart - WI SHIP Cheat Sheet.pdf</a>	Board on Aging and Long Term Care (BOALTC)
7	<a href="#">Med Supp Open Window and Guaranteed Issue Periods.pdf</a>	BOALTC
8	<a href="#">Wisconsin Medicare Supplement Policy Types and Riders.pdf</a>	BOALTC
10	<a href="#">Your Medicare Coverage Choices.pdf</a>	BOALTC
11	<a href="#">Medicare Advantage Information.pdf</a>	BOALTC
12	<a href="#">2025 Medicare Advantage County Landscapes WI.pdf</a>	BOALTC



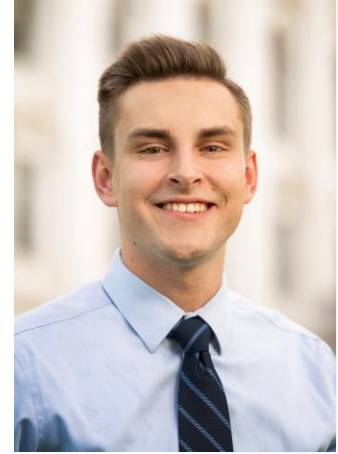
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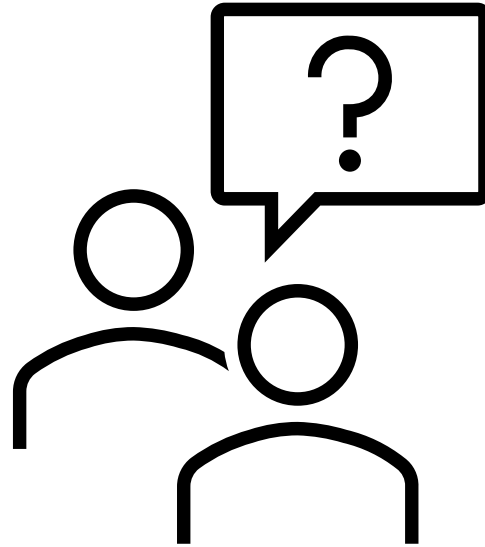
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# Questions?



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# THANK YOU!

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