



## Learn These Steps to Buying Medicare Supplement Insurance Plans

### Description

You may have heard that a Medicare Supplement (Medigap) insurance plan can help you pay for out-of-pocket costs associated with Original Medicare, such as copayments, coinsurance, and deductibles. The methods outlined below may assist you in your search for and enrollment in a Medicare Supplement insurance plan.

### Step 1: Determine your eligibility for a Medicare Supplement insurance plan.



Supplemental Medicare insurance options are not available to everyone. The first prerequisite is enrollment in Medicare Parts A and B. When you reach the age of 65, you may choose between Original Medicare (Parts A and B) and a Medicare Advantage plan that covers your Medicare hospital and medical benefits (except for hospice care, which Part A still covers).

Many Medicare Advantage plans also include extra benefits like routine dental care. You cannot be sold a Medicare Supplement insurance plan if you have Medicare Advantage. In some places, you must be 65 or older to apply. The federal government does not mandate insurance firms to sell



Medicare Supplement insurance plans to persons under age 65. Some states, however, require insurance carriers to sell Medicare Supplement insurance plans to those under 65 who qualify for Medicare due to disability or disease. People under the age of 65 may have a more limited variety of plans than those 65 and above.

## **Step 2: Evaluate the benefits of Medicare Supplement insurance plans.**

Medicare plans provide various benefits, with some plans covering more than others. Most states provide up to ten Medicare Supplement insurance plans and a high-deductible Plan F alternative.

The plans are labeled A, B, C\*, D\*, F\*, G, K, L, M, and N. All plans generally cover 100% of Medicare Part A coinsurance and hospital costs (up to 365 days after Medicare benefits are spent).

Aside from this benefit, the plans differ in that they cover varying amounts of a typical set of Medicare out-of-pocket expenses. Plan A of Medicare Supplement insurance (not to be confused with Medicare Part A) is the most limited, covering only:

- Coinsurance or copayment for Medicare Part B
- Blood (first 3 quarts) (first 3 pints)
- Hospice care coinsurance or copayment under Part A

Plan F is the most complete, including everything in Plan A as well as five extra benefits:

- Coinsurance for skilled nursing facility care
- Deductible for Part A
- Part B excess charges\* Part B deductible
- Medical emergencies during international travel account for 80% of all cases (up to plan limits)

Keep in mind that prices for more comprehensive plans may be more.

\*Medicare Supplement Plans C and F will not be sold to anyone eligible for Medicare on or after January 1, 2020. These plans may include coverage for the Medicare Part B deductible.

If you become Medicare eligible before that date, you may still be able to purchase one of these plans. You are not required to abandon your current Plan C or Plan F.

## **Step 3: Determine the cost of Medicare Supplement insurance plans.**

In most jurisdictions, Medicare Supplement insurance plans are standardized, which means that programs with the same letter provided by different businesses must cover the same essential benefits. However, pricing for the same package may vary from provider to company.

Insurance firms price Medicare Supplement insurance plans in three ways:



- Issue-age-rated or “entry-age-rated”: The premium is based on the age that you buy the policy and is lower for younger people.
- Attained-age-rated: The premium is based on your current age and goes up as you get older.

Compare pricing for your plan from various carriers because premiums might vary substantially.

## **Step 4: Purchase the Medicare Supplement insurance policy.**

If you have Original Medicare and are 65 or older, you may be able to apply at any time for a Medicare Supplement insurance plan. However, the timing of your application may influence whether or not a company accepts it.

The insurance company may sometimes use medical underwriting to analyze your application.

Medical underwriting is the procedure by which your previous or present health conditions may raise your premiums or potentially refuse coverage.

Apply for a Medicare Supplement insurance plan during your Open Enrollment Period to avoid medical underwriting. Your Medicare Supplement Open Enrollment Period is six months long and begins on the first day of the month you are both 65 or older and enrolled in Medicare Part B. During this time, the insurance provider cannot refuse you a Medicare Supplement insurance plan or charge you more than someone who does not have health concerns.

You will also not be subjected to medical underwriting if you have guaranteed-issue rights. Guaranteed issue is only available in limited situations, such as if you have Medicare Supplement and your insurance carrier goes bankrupt or if you have Medicare Advantage and want to switch to Original Medicare during the first year of enrolling in the Medicare Advantage plan. During your Open Enrollment Period, consider carefully which benefits you want from a Medicare Supplement insurance plan. You may not be able to switch later due to medical underwriting.

### **Category**

1. Insurance

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