

Q and A: What You and Your Clients Need to Know About Medigap webinar January 2019

Download the slides and access a recording of this webinar at: <https://www.ncoa.org/event/about-medigap/>

Can a person get a Medigap plan if they only have Medicare Part A and are delaying Part B?

No, an individual must have both Medicare Parts A and B to purchase a Medigap plan.

How many states do not offer Medicare Advantage plans?

The state of Alaska does not have any Medicare Advantage plans. Additionally, 149 counties in the United States also do not have MA plans per this [2018 Medicare Advantage Kaiser Family Foundation report](#).

The Medigap pricing slides was updated to reflect the correct definition of:

Issue Age -The premium for these policies is based on your age when you first buy the policy. Premiums are lower for people who buy at a younger age. Premiums may go up because of inflation and other factors but not because of age.

Attained Age -The premiums for these policies are based on your age each year. These policies are generally cheaper at 65, but their premium go up automatically as you get older. Premiums may also go up because of inflation and other factors.

When can you apply for a Medigap plan?

You can apply for a Medigap policy at any time after in enrolling into Medicare Parts A and B. The best time to buy a Medigap policy is during your 6-month Medigap open enrollment period. During that time, you can buy any Medigap policy sold in your state, even if you have health problems. This period starts when you are enrolled in Medicare Part B and are 65 (or older). After this enrollment period, you may not be able to buy a Medigap policy or may be subject to medical underwriting and/or higher premiums.

Can a Medigap plan be suspended more than once?

Excerpts from the Centers for Medicare & Medicaid Services (CMS) program memorandum dated December 2001 provide guidance on Medigap suspension due to Medicaid eligibility and are provided below. See the link below to read the entire program memorandum.

Section 1882(q)(5)(A) of the Social Security Act (the Act) allows a Medicare beneficiary who has a Medigap policy that was sold on or after November 5, 1990, and who later becomes eligible for Medicaid, to request that the Medigap policy be suspended for a period not to exceed 24 months.....

...The Medigap suspension right may be invoked whenever a beneficiary newly qualifies for Medicaid, if the Medigap policy has not been allowed to lapse.

...If more than 24 months have passed since the (Medigap) suspension went into effect, an individual who loses Medicaid eligibility may be treated by issuers as a new applicant or lapsed policyholder. That is, the individual can be subject to medical underwriting, which might result in denial of coverage or classification as a high risk for premium-setting purposes.

See the links below for CMS and Social Security guidance on suspending a Medigap plan due to Medicaid eligibility.

- <https://www.cms.gov/Medicare/Health-Plans/Medigap/downloads/mdgp0103.pdf>
- https://www.ssa.gov/OP_Home/ssact/title18/1882.htm

Does COBRA coverage allow me to delay enrolling into Medicare Part B?

To defer Medicare enrollment past age 65, an individual must have coverage through an employer group health plan, connected to current employment. Individuals on COBRA do not meet the requirement of having “current” or active employee group health plan coverage. Consequently, COBRA covered individuals who have delayed enrollment into Medicare Part B do not qualify for a special enrollment period (SEP) to enroll into Medicare Part B when their COBRA coverage ends. Only individuals who delay enrolling in Part B because they are covered under an employee group health plan (EGHP) by reason of "current" employment may take advantage of the Part B SEP rules. Individuals are reminded to enroll into Medicare Part B when the employer group health coverage ends.

Does COBRA coverage allow me to delay enrolling into Medicare Part D?

If the prescription drug plan offered under the COBRA policy is considered creditable, then individuals may delay enrolling into a Medicare Part D plan and qualify for a SEP to enroll in Part D at that time COBRA coverage ends. Individuals should contact the COBRA plan for a notice of creditable prescription drug plan coverage. Individuals have 63 days to enroll into a Medicare Part D drug plan.

Does loss of COBRA coverage provide me with a guarantee issue right for Medigap?

If you have Original Medicare and an employer group health plan (including retiree or COBRA coverage) or union coverage that pays after Medicare pays and that plan is ending. Beneficiaries have the right to buy in (2019) Medigap Plan A, B, C, F, K, or L that is sold in your state by any insurance company. Beginning in 2020 beneficiaries will have the right to buy Medigap Plan A, B, D, G, K, or L. Check with state of residence to determine if you have additional rights under state law. Additional resources on Medigap rights and protections can be found at the links below.



Center for Benefits Access

- <https://www.medicare.gov/find-a-plan/staticpages/learn/rights-and-protections.aspx>
- <https://www.cms.gov/Medicare/Health-Plans/Medigap/Downloads/mdgp0401.pdf>

If an individual leaves an employer secondary plan to join a Medigap plan, how long do they have to pick up a Medicare Part D plan?

The SEP to join a Part D plan lasts for two full months after employer coverage ends. The beneficiary will not be subject to a Medicare Part D late enrollment penalty as long as the employer plan provided credible prescription drug coverage.

After 2020, what advice can we give clients who struggle with the (potentially) increasing price of a Medigap Plan C and F?

If a plan becomes too expensive, beneficiaries can be reminded that they are free to shop for different plan at any time and they certainly should take advantage of any expanded guarantee issue rights available within their state. Often insurers allow beneficiaries to drop down to a lesser policy without medical underwriting which can result in a reduced premium. Beneficiaries should be counseled that a lesser policy may reduce the monthly premium but can raise out of pocket costs at the point of service.

Why is High Deductible Plan F being phased out?

High Deductible Plan F benefits covers the Part B deductible which means it could provide first dollar coverage for Part B benefits. Beginning in 2020, no Medigap plan can provide first dollar Part B coverage. Under High Deductible Plan G, the Part B deductible is not a covered benefit, thereby satisfying the no first dollar coverage requirement. It is important to keep in mind, however, that the Part B deductible cost (\$185 in 2019) does count towards the high deductible plan's deductible. [Get more information on the 2020 MACRA changes.](#)