MODULE 7: MEDICARE SUPPLEMENT INSURANCE/MEDIGAP

Objective

Below are the goals for *Module 7*. This module will educate HIICAP counselors about Medicare Supplement (Medigap) Insurance. Counselors will obtain the tools needed to simplify for their clients, the process of choosing a Medigap policy.

At the end of this module are the Study Guide Test and Answer Keys.

What Is Medigap?

- Medigap is privately purchased health insurance that is designed to supplement Medicare
- Medigap policies coordinate benefits with Medicare. Medigap policies will pay as secondary only when Medicare approves payment of services

What are the Medigap Reform Laws?

- Established to prevent harsh sales practices and skyrocketing premium rates
- Reforms were part of the Omnibus Budget Reconciliation Act (OBRA90)
- Established uniform requirements to govern Medicare supplement insurance

Standardized Policies, What Does This Mean?

Currently, all Medigap Insurers can sell only 11 standard policies (A-N, including one high deductible plan). Each of these policies has precisely defined benefits.

As of June 1, 2010, changes to Medigap resulted in modifications to the standardized plans offered by insurers. Medigap plans H, I, and J, which included prescription drug benefits (prior to 2006), were eliminated. Plan E also was eliminated as it became identical to an already available plan. Two new plan options were added and are available to beneficiaries, which have higher cost-sharing responsibility and lower estimated premiums:

- Plan M includes 50 percent coverage of the Medicare Part A deductible and does not cover the Part B deductible.
- Plan N does not cover the Part B deductible and adds a new co-payment structure of (up to) $20 for each physician visit and $50 for each emergency room visit (waived upon admission to hospital).

Certain Medigap benefits were also modernized. The At-Home recovery benefit, which was previously offered in only Plans D, G, I, and J was eliminated. In its place, a new hospice care benefit was created and was added as a basic benefit available in every Medigap plan. The under-utilized Preventative Care Benefit, which was previously only offered in Plans E and J, was eliminated. The 80 percent Medicare Part B Excess benefit, available in Plan G, was changed to a 100 percent coverage benefit.

The available plans on and after June 1, 2010 are A, B, C, D, F, F+, G, K, L, M and N.

For more information about the plans, look for the 2013 Outline of Coverage.

Consumer Protections

- Consumers are guaranteed continuous open enrollment (New York State only)
- All Medigap buyers will be charged the same in their geographic area, regardless of age, health status or claims experience
- Guaranteed renewable (unless person with Medicare stops paying premium)

How does one choose a Medigap policy?

Choose a Medigap by studying benefits, insurance company reputation, customer service and reliability, and premiums

MEDIGAP BASICS

Medicare Supplement insurance, also known as **Medigap** insurance, is a special kind of health insurance coverage *available only to people who are enrolled in Medicare Parts A and B.* The Medicare program began in 1966 to help older adults pay health care costs. Beneficiaries soon learned that, even with Medicare protection, they were still responsible for considerable **out-of-pocket** costs, or gaps in Medicare coverage. **Gaps** in Medicare coverage included, and still do today, Medicare's deductibles, and coinsurance, excess charges by doctors who do not accept Medicare assignment, and medical services and supplies that Medicare does not cover at all.

A new type of private health insurance, Medicare Supplement or Medigap, was developed to provide extra protection beyond Medicare by filling some of the gaps in Medicare coverage.

Under state and federal laws, Medicare Supplement Insurance or Medigaps are defined as policies designed primarily to supplement Medicare benefits. The definition does not include all insurance products that may help people to cover out-of-pocket costs. Employer-sponsored retiree plans, including those that convert to a policy that supplements Medicare when a retiree turns 65 or those with standard major medical benefits, are discussed in *Module 15.* These retiree plans do supplement Medicare, but they are not considered actual Medicare supplements (or Medigaps). Limited benefit plans such as hospital indemnity insurance are also not Medigaps. These types of benefits do not qualify as Medicare supplement insurance because they do not provide the same benefits or protections that the eleven standard Medigap plans must provide.

All Medicare Supplement Insurance policies coordinate benefits with Medicare. This coordination of benefits means that a Medigap will generally pay only when Medicare approves payment of a health care expense. However, some Medigap policies will pay for emergency medical care outside the United States, certain at-home recovery expenses, and limited preventive care regardless of Medicare's approval.

MEDIGAP REFORMS

A host of problems have become evident in the years since the first Medigaps were sold. Gail Shearer of Consumers Union, one of many reform advocates, explained it this way:

"Consumers have complained bitterly about harsh sales practices, rip-off policies, and skyrocketing premium rates. Consumers were confused and overwhelmed by Medigap insurance... wasting money on unnecessary coverage, unable to tell a decent policy from a poor one, and having no one to turn to except the insurance agent for information."

-Gail Shearer, Consumers Union

In 1990, Congress passed Medigap reforms designed to solve these problems. The reforms were part of the Omnibus Budget Reconciliation Act (OBRA 90) and became effective in 1992. This legislation established uniform requirements to govern Medicare Supplement Insurance in every state. Previously, each individual state regulated these policies differently, using standards and recommendations set forth by the National Association of Insurance Commissioners. These reforms have encouraged increased price competition among insurance companies, decreased confusion among older Americans, and ensured greater availability of clear, unbiased information for those wishing to make sense of Medigap insurance. Older adults now find investigating and buying a Medigap to be an easier and safer process.

STANDARDIZED MEDIGAP POLICIES

How are Medigap reform laws helping? First, comparing policies is simpler. Prior to 1992, the benefits included in Medigap policies differed by insurance companies, which confused consumers when they tried to compare them.

Now, federal law prevents insurers throughout the country from selling any more than 11 standard Medigap policies. Selection is made from these 11 policy formats and each has precisely defined benefits. The policies are labeled A, B, C, D, F, F+, G, K, L, M and N, with Plan A being the most basic policy and Plan F the most comprehensive, and Plans K, L, M and N covering a percentage of benefits. Each insurer offering a Plan C, for example, will offer the same menu of benefits as other insurers offering a Plan C. So consumers can now compare Plan C prices and customer service from all insurers offering that policy.

In New York State, Medigap insurers are required to sell Plans A, B and either C or F and may then choose which of the remaining plans they wish to sell.

Medicare Select

Medicare Select is a type of Medigap policy that requires the insured to use specific hospitals and in some cases specific doctors (except in an emergency or where a service is not available) in order to be eligible for full benefits. Other than the limitation on hospitals and providers, Medicare Select policies must meet all the requirements that apply to a regular Medigap policy. Medicare Select policies may have lower premiums because of the requirement to use network providers.

When a person with Medicare uses the Medicare Select network hospitals and providers, Medicare pays its share of approved charges and the insurance company is responsible for all supplemental benefits in the Medicare Select policy. In general, Medicare Select policies are not required to pay any benefits if the person with Medicare does not use a network provider for non-emergency services. However, Medicare will still pay its share of approved charges no matter what provider is used.

The availability of Medicare Select coverage is limited to the geographic areas of the state serviced by the particular policy's network of hospitals and doctors.

Note: Currently no insurers are offering Medicare Select coverage in New York State.

Core Benefits: Plans A – G (Policies issued on or after June 1, 2010)

Medigap Plans A through G must include certain "core" benefits. Plan A, with only these core benefits, is the least expensive option, but one that fills several costly Medicare gaps such as Part A and Part B coinsurance and extra hospital days when Medicare coverage runs out. These gaps could be financially devastating if a person with Medicare had to pay the out-of-pocket cost.

Core benefits include payment of:

1. The Part A daily coinsurance for hospital care (days 61 through 90)
2. The Part A daily coinsurance for 60 additional lifetime reserve days (days 91 through 150)
3. Part A Hospitalization After Lifetime Reserve Days are Exhausted: Upon exhaustion of Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of one hundred percent of the costs incurred for hospitalization expenses of the kind covered by Medicare and recognized as medically necessary by Medicare, subject to a lifetime maximum benefit of an additional 365 days. The issuer may enter into reimbursement contracts with provider hospitals to stand in the place of Medicare and to make payment for the hospitalization expenses at the applicable prospective payment system (PPS) rate or other appropriate Medicare standard of payment, so long as there continues to be no cost to the insured person
4. Part B 20 percent (or 35 percent for mental health) coinsurance for Medicare Part B eligible expenses (regardless of hospital confinement), after the annual part B deductible is met
5. Cost of the first three pints of blood (unless replaced in accordance with federal regulations)
6. Hospice Care: Coverage of cost sharing for all Part A Medicare eligible hospice care and respite care expenses

Plan A, with the lowest premium of all Medicare supplement plans A through G, covers these core benefits including the coinsurance and extra hospital days that could result in a large expense to the person with Medicare. Buying insurance to protect against such large expenses makes good sense.

An outline of coverage must be given to the person with Medicare when they apply for a Medicare supplement policy. It must clearly show the services, Medicare payments, policy payments and the payments for each benefit plan offered by the insurance company.

Additional Benefits: Plans B-G

Part A Deductible Benefit: With this benefit, the policy pays the Part A hospital deductible for each benefit period. That benefit period ends after the person with Medicare has been out of the hospital or SNF for 60 consecutive days or more. It is possible to be responsible for more than one Part A deductible in a single year. (Plans B through G) (Plans K and M pay 50%; Plan L 75%; Plan N 100%)

Skilled Nursing Facility (SNF) Coinsurance Benefit for Days 21 through 100: If the person with Medicare qualifies for Medicare coverage in a skilled nursing facility, a policy with this benefit will pay the coinsurance for days 21-100. Many consumers read “skilled nursing facility benefit” and assume they have coverage for nursing home care. Remember that this benefit is limited. A Medigap with this benefit will only pay when Medicare approves skilled nursing facility care. Custodial care is not covered. (Plans C through G and M and N) (Plan K pays 50%; Plan L 75%) *(Please refer to Module 3 for Medicare’s requirements for skilled nursing facility coverage.)*

Part B Deductible Benefit: Policies that include this benefit will pay the Medicare Part B deductible. (Plans C and F)

100 Percent of Part B Excess Charges Benefit: The policy will pay the difference between the billed charge and the Medicare-approved amount when a person with Medicare’s doctor or other provider does not accept assignment. Federal and state laws limit the amount a doctor who does not accept assignment may charge. Since unassigned doctors’ charges in New York State are limited to

five percent (5%) above the Medicare approved amount for most services, this benefit will usually pay only an extra five percent (5%). Careful consideration must be given to whether the extra premium the person with Medicare pays for such a benefit will be beneficial, especially if most services and supplies are provided by doctors who accept assignment (Plans F and G)

Emergency Care Outside the United States: With this benefit, the policy will pay 80 percent of charges for medically necessary emergency hospital, physician, and medical care in a foreign country, after a $250 deductible is met. Emergency care, however, is paid only if it begins during the first 60 days of a trip. The deductible is first paid out of pocket. The policy will pay a lifetime maximum of $50,000 for foreign emergency care. This benefit is not sufficient coverage for people who plan lengthy stays in foreign countries. (Plans C through G and Plans M and N)

High Deductible Plan F+

This plan provides the same benefits as standard Plan F after a $2,110 (2013) deductible has been met. This high-deductible plan is generally less expensive than standard Plan F.

Benefits for Plans K and L cover:

1. Part A coinsurance and hospital benefits
2. A percentage of Part B coinsurance or co-payment (K pays 50 percent, L pays 75 percent). Both K and L pay 100 percent of coinsurance for Medicare Part B preventive services after Part B deductible is met
3. Medicare Part A deductible (K pays 50 percent, L pays 75 percent)
4. Blood: K pays 50 percent, L pays 75 percent, of first three pints of blood or equal amounts of packed red blood cells per calendar year, unless you or someone else donates blood to replace what you use
5. Skilled Nursing Facility (SNF) Coinsurance Benefit for Days 21 through 100 (K pays 50 percent, L pays 75%)
6. Hospice Care: K pays 50 percent; L pays 75 percent of hospice cost-sharing for Medicare Part A Medicare-covered expenses and respite care

Note: Plan K has a $4,800 (2013) out-of-pocket annual limit. Plan L has a $2,400 (2013) out-of-pocket annual limit. Once the annual limit is met, the plan pays 100 percent of the Medicare Part A and Part B co-payments and coinsurance for the rest of the calendar year. Charges exceeding the Medicare-approved amounts, called “excess charges,” aren’t covered and don’t count toward the out-of-pocket limit.

Benefits for Plans M and N cover:

1. Part A coinsurance and hospital benefits
2. A percentage of the Part A deductible (M pays 50 percent, N pays 100 percent). Plan M pays 100% of Part B coinsurance after Part B deductible is met. Plan N pays 100% of Part B coinsurance after the Part B deductible has been met, except for co-payments for office visits and emergency room (up to $20/office visit; $50/emergency room)
3. Cost of the first three pints of blood (unless replaced in accordance with federal regulations)
4. Skilled Nursing Facility (SNF) coinsurance benefit for days 21-100
5. Emergency care outside the United States
6. Hospice care coverage of cost sharing for all Part A Medicare eligible hospice care and respite care expenses

OUTLINE OF COVERAGE FOR POLICIES SOLD FOR EFFECTIVE DATES ON OR AFTER JUNE 1, 2010:

- Benefit Chart of Medicare Supplement Plans Sold for Effective Dates on or After June 1, 2010
- This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make available Plans "A" and "B" and either "C" or "F".
- Plans E, H, I, and J are no longer available for sale.

Basic Benefits:

- Hospitalization – Part A coinsurance plus coverage for 365 additional days in your lifetime after Medicare benefits end.
- Medical Expenses – Part B coinsurance (generally 20% of Medicare-approved expenses) or copayments for hospital outpatient services. Plans K, L and N require insureds to pay a portion of Part B coinsurance or copayments.
- Blood – First three pints of blood each year.
- Hospice – Part A coinsurance.

A	B	C	D	F	F*	G		K	L	M	N
Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance*		Basic, including 100% Part B coinsurance		Hospitali-zation and preventive care paid at 100%; other basic benefits paid at 50%	Hospitali-zation and preventive care paid at 100%; other basic benefits paid at 75%	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance, except up to $20 copayment for office visit, and up to $50 copayment for ER
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance		Skilled Nursing Facility Coinsurance		50% Skilled Nursing Facility Coinsurance	75% Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible		Part A Deductible		50% Part A Deductible	75% Part A Deductible	50% Part A Deductible	Part A Deductible
		Part B Deductible		Part B Deductible							
				Part B Excess (100%)		Part B Excess (100%)					
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency		Foreign Travel Emergency				Foreign Travel Emergency	Foreign Travel Emergency
								Out-of-pocket limit $[4,800]; paid at 100% after limit reached	Out-of-pocket limit $[2,400]; paid at 100% after limit reached		

* Plan F also has an option called a high deductible plan F. This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [$2,110] deductible. Benefits from high deductible plan F will not begin until out-of-pocket expenses exceed [$2,110]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan's separate foreign travel emergency deductible.

CONSUMER PROTECTIONS

The federal law reforming Medicare Supplement Insurance included important consumer protections to resolve many of the problems older adults faced when shopping for, when buying, and when using this type of insurance. New York State has mandated even more extensive consumer protections.

Open Enrollment Period

Older adults or disabled people who become eligible for Medicare may already have an illness or injury. Insurance companies call that illness or injury a **preexisting** condition. In the past, insurers could refuse to sell a person with Medicare a Medigap policy if they had a serious illness.

Federal Medigap reform now insures that they will be able to buy any Medigap policy during the first six months of their Medicare enrollment. This six-month period is called the "open enrollment period." The open enrollment period begins at age 65 when a person enrolls in Medicare.

In addition, a person age 65 may postpone signing up for Part B because they or their spouse work beyond age 65 and continue their employer plan as primary payer. In this case, their open enrollment period begins when they retire and enroll in Medicare Part B. They may still have to wait to be covered for a preexisting illness, but their waiting period will be no longer than six months.

New York State residents have even more protection. New York State laws and regulations continue this open enrollment period. A person enrolled in Medicare Parts A and B may purchase a Medigap policy at any time. Insurers may not consider an applicant's health status, claims experience, or age. However, there are limited circumstances when a person may not be sold a Medigap policy, such as where coverage may be duplicated.

Laws in New York also prohibit insurers from basing Medigap premiums on age and charging a higher premium as they grow older. An insurer must charge all Medigap buyers in their geographic area level premiums and the same premium amount for a specific policy, whatever their gender, health, or age. The premium for that policy will, however, vary from company to company and from area to area (e.g., a policy will cost more if your client lives in Manhattan than if they live in Corning). Nondiscrimination by age is especially important to those under age 65 who are eligible for Medicare because of disability. It guarantees that Medigap policies are available to all Medicare beneficiaries, even those not yet 65.

Preexisting Condition Limitation

Medigap insurers may impose up to a six-month waiting period to be covered for any preexisting conditions a person may have. Remember, federal law and New York State regulation define a preexisting condition as any condition for which medical advice was given or treatment was recommended by or received from a physician within six months before the effective date of coverage.

Under New York State regulation, the waiting period may be either reduced or waived entirely, depending upon whether an individual has had previous health insurance coverage. Medigap insurers are required to reduce the preexisting condition waiting period by the number of days an individual was covered under some form of "creditable" coverage so long as there were no breaks

in coverage of more than 63 calendar days. Coverage is considered "creditable" if it is one of the following types of coverage:

a. A group health plan;
b. Health insurance coverage;
c. Part A or B of Medicare – **Please note:** Credit for the time that a person was covered under Medicare shall be accepted only if the applicant submits an application for Medigap insurance prior to or during the six-month period beginning with the first day of the first month in which an individual is both 65 years of age or older and is enrolled for benefits under Medicare Part B;
d. Medicaid;
e. CHAMPUS and TRICARE health care programs for the uniformed military services;
f. A medical care program of the Indian Health Service or of a tribal organization;
g. A State health benefits risk pool;
h. Federal Employees Health Benefits Program;
i. A public health plan;
j. A health benefit plan issued under the Peace Corps Act; and
k. Medicare supplement insurance, Medicare select coverage or Medicare Advantage (Medicare HMO, PPO, or PFFS plan)

Note: Medical benefits from the Veterans Administration (VA) are considered to be creditable coverage for reducing the Medigap pre-existing condition waiting period.

Under New York State regulation, an individual applying for a Medigap policy always receives credit for previous coverage if it falls within the definition of creditable coverage and the break in coverage does not exceed 63 days. However, the credit for previous Medicare coverage is limited. Once an individual attains age 65 and has been enrolled in Medicare Part B for more than six months, he will not get credit for the previous Medicare coverage. In this situation, the preexisting condition waiting period would not be reduced by the Medicare coverage. For all other types of creditable coverage, the individual applying for a Medigap policy will have the policy's preexisting condition waiting period reduced or eliminated regardless of when such application is made so long as there is not a break in coverage of more than 63 days between the previous plan and the new Medigap plan.

Free Look Provision

Once a Medigap policy is purchased, a buyer has 30 days from the day the policy is received to review it. If they decide the policy does not meet their needs, they may return the policy to the insurer for a full refund during this free look period.

Guaranteed Renewability

Federal law and New York State law mandates that Medigap policies be **guaranteed renewable**. The policy cannot be canceled unless a person with Medicare stops paying the premium. If the policy they buy later becomes too expensive, they may downgrade to a less costly plan. <u>An insurer may limit changes in coverage initiated by a policyholder to an anniversary date or other regular interval, as long as the interval is every 12 months or less.</u>

Medicaid Provision

What happens if a person with Medicare buys a Medigap, but later becomes eligible for Medicaid? Beneficiaries do not need both Medicaid and a Medicare supplement policy. The person with Medicare may suspend their policy if they become eligible for Medicaid. If Medicaid eligibility ends within two years, they may reactivate their policy with no new waiting period for preexisting conditions.

Medigap Sales

Agents must note in writing what other insurance they have sold to an individual. With limited exceptions, it is against the law for agents to sell anyone a policy if they are covered by Medicaid.

Agents may sell an individual a new Medigap policy only if they agree to cancel their original Medigap policy. The new insurer must remind the insured within six months to terminate one of their Medigap policies.

Agents are not permitted to use high pressure or misleading statements to induce someone to switch policies. High pressure means any words or actions that force or frightens one into buying a policy.

Insurers and their agents are prohibited from using mailings or ads that promise Medicare information to solicit a person unless the mailing or ad clearly states that you will be approached by an insurance salesperson. Call the New York State Department of Financial Services at 1-800-342-3736 or go to http://www.dfs.ny.gov/consumer /fileacomplaint.htm to report any violations of these laws.

Accurate, Unbiased Information

Medigap reform laws have the potential to insure a fair and reasonable Medigap marketplace. However, they will work only if consumers know what these laws are, understand how they protect, and demand that they be adhered to and enforced. New York's HIICAP can provide the information and assistance consumers need. Medigap reform laws mandate grants to states throughout the country to enable programs like New York's HIICAP to provide unbiased information, counseling, and assistance on Medigap insurance and all available health insurance options from Medicare to long-term care.

CHOOSING A MEDIGAP

Should everyone enrolled in Medicare buy a Medigap policy?

It is a common misconception that once a person enrolls in Medicare, they will need to buy a Medicare supplement or Medigap policy. Not everyone enrolled in Medicare needs a Medigap policy.

If a person with Medicare qualifies for Medicaid, or the Qualified Medicare Beneficiary Program (QMB), they won't need to purchase a Medicare supplement policy, unless their doctors do not accept Medicaid patients. Medicaid, and QMB, can fill many of Medicare's gaps for those eligible. (Refer to *Module 9* for specific information on these programs.)

A retiree, who has health insurance from their former employer, may find it provides comprehensive coverage for a reasonable cost. A Medigap policy would, in most cases, duplicate

the hospital and medical benefits offered by their retiree plan and would be a waste of hundreds of dollars in premiums each year.

A person with Medicare covered by TRICARE-for-Life may not need a Medigap since TRICARE acts as a secondary payer to Medicare. If a TRICARE-eligible beneficiary has a Medigap policy, the Medigap will pay before TRICARE.

Caution: For retirees with very limited employer-sponsored health insurance benefits, a Medigap policy may be necessary.

They also will not need a Medigap if they elect Medicare coverage through a Medicare Advantage Plan (e.g. HMO, PPO or PFFS). Medicare Advantage plans usually provide coverage for most health care needs (Refer to *Module 5* for a description of **Medicare Health Maintenance Organizations (HMOs) and other types of Medicare Advantage Plans.)**

How to Choose

Choosing a Medigap plan that is best for a person with Medicare requires a three-part study:

1. The policy benefits
2. The insurance company's reputation, reliability, customer service, and financial status
3. The premium

Relate the study to their specific situation, and then answer the following questions: Is this a benefit that their medical history or their medical condition makes them likely to need? Is this insurer known for easy claim filing procedures and prompt, accurate payments? Will this insurer be ready to help when they have questions? Can they afford the premium, even if it increases in coming years?

SSAA-94 FACT SHEET

The Social Security Act Amendments of 1994 (SSAA-94) -- Public Law 103-432 -- (HR 5252) was signed into law in October of 1994. It makes amendments to the federal requirements for Medicare supplement (Medigap) insurance made by the Omnibus Budget Reconciliation Act (OBRA) of 1990.

Background

OBRA 90 made major reforms to the Medicare Supplement insurance marketplace. It called on the NAIC to develop 10 standardized Medigap packages. It barred the sale of two Medigaps to the same person. And it also barred the sale of policies that duplicate other coverage to which a consumer was entitled.

Insurers, fearful of the stiff financial penalty that was instituted for selling duplicative policies, stopped selling hospital and accident indemnity insurance to those with a Medigap or retiree plan. Unfortunately, insurers also refused to sell a Medigap to those who had any kind of retiree health insurance, even when that retiree plan was very limited.

Advocates rallied for technical corrections to OBRA 90 so that Medigap policies could be sold to retirees with health coverage from a former employer. Congress made this technical correction, but also narrowed the existing anti-duplication provisions. Summarized below are the major components of SSAA-94 relating to the Medigap provisions of the law, which have a direct impact on Medicare beneficiaries.

Summary of SSAA-94

- Illegal to sell a Medigap to a consumer who already has a Medigap
- Illegal to sell a Medigap to a Medicaid enrollee except:
  - When the state Medicaid program pays the Medigap premium
  - Medigap policies with prescription drug coverage may be sold to QMBs
  - Medigap policies may be sold to SLMBs
- Disclosure statements required beginning late June, 1995
- Retirees with employer plan may buy a Medigap

Medicaid, QMB, SLMB

Federal law prohibits the sale of Medigap policies to Medicaid beneficiaries. In addition to the existing exception for situations in which Medicaid pays the Medigap premium, the Federal statute allowed the sale of a Medigap policy to a Qualified Medicare Beneficiary (QMB) if the policy provides benefits for outpatient prescription drugs. This allowed insurers to sell Medigap standard plans H, I, and J to QMBs. However, plans H, I and J **with** drug coverage are no longer sold to **new** enrollees as of January 1, 2006.

Reminder: QMBs who are age 65 and over and reside in New York State may enroll in EPIC to help pay prescription costs.

In addition, the revised statute allows the sale of a Medigap policy to a person with Medicare who is only entitled to Medicaid as a Specified Low-Income Medicare Beneficiary (SLMB) (i.e., is only entitled to have Medicaid pay the monthly Medicare Part B premium). To repeat, there is no prohibition on the sale of Medigap policies to SLMBs.

Note: Often, with the SLMB payment for the monthly Part B premium, a low-income senior is more likely to be able to afford a Medigap premium.

Refer QMBs and SLMBs to their Medicaid agency to discuss the impact, if any, of a Medigap policy. For example, because Medicaid is the payer of last resort, it will not pay if a Medicaid recipient has other insurance that will pay for benefits Medicaid would otherwise cover for that individual. Therefore, individuals who receive Medicaid benefits should check with the county Medicaid agency about how additional health insurance would affect their Medicaid benefits.

Disclosure

Policies which are not Medigap policies and which duplicate Medicare or Medicaid benefits will be required to carry a clear, written statement with the application for insurance that discloses the extent to which the policy duplicates any of the person with Medicare's Medicare benefits. This disclosure statement will explain that the policy may pay for a service or supply for which Medicare already pays. The National Association of Insurance Commissioners has developed these disclosure statements.

Before a person with Medicare purchases a Medigap policy, guide them through these steps:

- **Compare plans A through N.** Decide which plan best suits both their health care needs and their financial situation. Policies that add benefits beyond Plan A's core benefits will have premiums that increase with the number of added benefits. Consider the new Medigap plans K and L, which have higher initial out-of-pocket expenses but, in return, lower premiums.

- **Compare at least three different companies.** Companies differ in service and financial stability.
- **Know whom your client is dealing with**. Be sure the companies they are considering are registered and the agents licensed by the New York State Department of Financial Services. When in doubt, call the Department of Financial Services at 1-800-342-3736.
- **Investigate the insurer's credit rating.** Independent rating firms such as A. M. Best, Standard and Poor's, and Weiss Research report on insurance companies' financial fitness. Choose an insurance company with highest grades from at least two of these agencies.
- **Compare premiums.** The premium for Plan C, for example, varies from one insurer to another. When two insurers are equal in service and financial stability, premiums may be your client's deciding factor. Go to the Department of Financial Services website to see current premiums for all carriers in New York State at http://www.dfs.ny.gov/consumer/caremain.htm
- **Consider personal health status.** Then find out how long, if at all, they'll have to wait to be covered for their preexisting conditions. Be aware that only a recent or current health condition, which was diagnosed or treated in the six months before the policy was purchased, can be considered a preexisting condition.
- **Be aware of the policy's maximum payment, if any, for each benefit.** This limit is expressed in terms of dollars payable or number of payable days and generally coordinates with Medicare payments. For example, Medicare pays part of the costs for days 21 through 100 in a skilled nursing facility when certain requirements are met, after which benefits end. Standardized Medigap plans that include the skilled nursing facility benefit will pay a beneficiary's coinsurance only to the same limit of 100 days.

  Encourage a person with Medicare to take their time. Don't let a high-pressure salesperson rush them into buying a particular policy. Follow the steps above and seek unbiased information from their local HIICAP if they need further assistance.

If they buy...

The following actions should be taken that prevent problems before they occur.

- **Complete the application form carefully.** Omitting information or providing incorrect information can result in denied claims.
- **Expect an outline of coverage.** The outline should be a clearly worded summary of the policy. The beneficiary should read it carefully.
- **Never pay cash.** Pay by check or money order made payable to the insurance company, not to the agent.
- **Use the free look provision.** The law gives the person with Medicare 30 days from the day they receive their policy to examine it and return the policy for a full refund if it does not meet their needs.
- **And expect prompt delivery of their policy or a refund.** If 60 days go by without receiving information, the person with Medicare should contact the New York State Department of Financial Services at 1-800-342-3736.

Caution: Before deciding to replace an existing policy, with a more comprehensive Medigap plan, compare the two policies, benefits and premiums. Plan F for example, adds payment for doctors' excess charges, but has a higher premium than Plan C. Even if a person's doctors generally do not accept assignment, this additional benefit may not pay back in five percent (5%) excess charges what they would be paying in extra premiums each year.

Sources of Assistance

NYS OFA HIICAP Hotline **1-800-701-0501**

Medicare Hotline **1-800-MEDICAR(E)**
www.medicare.gov **1-800-633-4227**

NYS State Office for Aging Senior Hotline **1-800-342-9871**

Insurance Questions, Problems, and Complaints

NYS Department of Financial Services **1-800-342-3736**
Consumer Assistance Unit **1-518-474-6600**
1 Commerce Plaza
Albany, NY 12257
www.dfs.ny.gov

NYS Department of Financial Services **1- 212-480-6400**
Consumer Assistance Unit
One State Street
New York, NY 10004

Additional Resources

- *2012 Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare,* CMS Product #02110 (December 2011)
    - http://www.medicare.gov/Publications/Pubs/pdf/02110.pdf

Insurance Carriers with Approved Standardized Medicare Supplement Benefit Plans (as of August 1, 2012).

Medicare Supplement Insurance Carrier For carrier contact information, select this link	**Pre-Ex Wait (months)**	**Benefit Plan Offered**										
		A	**B**	**C**	**D**	**F**	**F+**	**G**	**K**	**L**	**M**	**N**
Aetna Life Insurance Company (Individual)	6	X	X			X						
American Progressive Life & Health Insurance Company of New York (Individual)	6	X	X	X	X	X		X				
Bankers Conseco Life Insurance Company (Individual)	0	X	X			X	X	X	X	X	X	X
CDPHP Universal Benefits, Inc. (CDPHP) (Individual)	0	X	X			X						X
Empire HealthChoice Assurance, Inc. (doing business as Empire Blue Cross and Blue Shield) (Individual & Group)	6	X	X			X	X	X				X
Excellus Health Plan, Inc. (doing business as Excellus BlueCross BlueShield) (Individual & Group)	6	X	X	X		X	X					
Excellus Health Plan, Inc. (doing business as Univera Healthcare) (Individual & Group)	6	X	X	X		X	X					
First United American Life Insurance Company (Individual & Group)	2	X	X	X	X	X	X	X	X	X		X
Group Health Incorporated (GHI) (Individual)	6	X	X	X		X						
Hartford Life Insurance Company (Group)	6	X	X	X	X	X		X				

Medicare Supplement Insurance Carrier For carrier contact information, select this link	**Pre-Ex Wait (months)**	**Benefit Plan Offered**										
		A	**B**	**C**	**D**	**F**	**F+**	**G**	**K**	**L**	**M**	**N**
HealthNow New York Inc. (doing business as BlueShield of Northeastern New York) (Individual)	6	X	X	X		X	X				X	X
HealthNow New York Inc. (doing business as BlueCross BlueShield of Western New York) (Individual)	6	X	X	X		X	X				X	X
HealthNow New York Inc.(Individual)	6	X	X	X		X	X				X	X
Humana Insurance Company of New York (Individual)	3	X	X	X		X	X		X	X		
Mutual of Omaha Insurance Company (Individual)	6	X	X	X	X	X		X			X	
State Farm Mutual Automobile Insurance Company (Individual)	0	X	X	X		X						
Sterling Life Insurance Company (Individual)	0	X	X			X			X			X
Transamerica Financial Life Insurance Company (Group)	6	X	X	X	X	X		X	X	X	X	X
UnitedHealthCare Insurance Company of New York (American Association of Retired Persons) (Group Association)	6	X	X	X		X			X	X		X

Addresses and Telephone Numbers
Medicare Supplement Insurers (as of April 1, 2012)

Aetna Life Insurance Company 151 Farmington Avenue Hartford, Connecticut 06156 1-800-345-6022 www.aetna.com	**American Progressive Life & Health Insurance Co. of New York** 6 International Drive, Suite 190 Rye Brook, New York 10573-1068 (914) 934-8300 or 1-800-332-3377 www.amerprog.com
Bankers Conseco Life Insurance Co. Administrative Office 222 Merchandise Mart Plaza Chicago, Illinois 60666 (312) 396-6515 www.bankersconseco.com	**CDPHP Universal Benefits, Inc.** 500 Patroon Creek Blvd. Albany, New York 12206-1057 (518) 641-3950 or 1-888-248-6522 www.cdphp.com
EmpireHealthChoice (doing business as Empire Blue Cross and Blue Shield) P.O. Box 1407 Church Street Station New York, New York 10008-1407 (212) 476-1000 or 1-800-261-5962 www.empireblue.com	**Excellus Health Plan, Inc** (doing business as Excellus BlueCross BlueShield Central New York): Medicare Supplement products **Excellus BlueCross BlueShield** P.O. Box 22999 Rochester, New York 14692 1-800-633-6066 www.excellusbcbs.com
Excellus Health Plan, Inc. (doing business as UniveraHealthCare): Medicare Select products **Western New York Region** 205 Park Club Lane Buffalo, New York 14221 1-800-659-1986 www.univerahealthcare.com	**First United American Life Insurance Co.** P.O. Box 3125 Syracuse, New York 13220-3125 (315) 451-2544 or 1-800-331-2512 www.firstunitedamerican.com
Group Health Incorporated (GHI) 77 Broadway, Suite 200 Buffalo, New York 14203 (716) 852-7722 or 1-800-444-2333 www.ghi.com	**Hartford Life Insurance Co.** 16 International Way Warwick, Rhode Island 02886 1-800-717-7410 www.membernetusa.com
HealthNow New York Inc. (doing business as BlueShield of Northeastern New York) P.O. Box 13599 Albany, New York 12212 1-877-258-7453 www.bsneny.com **Hearing Impaired (TTD):** 1-877-513-1470	**HealthNow New York Inc.** (doing business as BlueCross BlueShield of Western New York) 257 West Genesee Street Buffalo, NY 14202 1-877-587-2583 www.bcbswny.com **Hearing Impaired (TTD):** 1-877-286-5710

Addresses and Telephone Numbers
Medicare Supplement Insurers (as of April 1, 2012)

Mutual of Omaha Insurance Co. Customer Service Individual Policyowner Services Mutual of Omaha Plaza Omaha, Nebraska 68175 1-800-228-9999 www.mutualofomaha.com	**Humana Insurance Company of New York** 500 West Main Street Louisville, Kentucky 40202 1-800-486-2620 www.humana.com
Sterling Life Insurance Company P.O. Box 5348 Bellingham, WA 98227-5348 1-888-858-8551 www.sterlingplans.com	**State Farm Mutual Automobile Insurance Co.** P.O. Box 3070 Newark, Ohio 43058-3070 1-866-855-1212 www.statefarm.com
United HealthCare Insurance Co. of New York AARP Health Care Options P.O. Box 1017 Montgomeryville, Pennsylvania 18936 1-800-523-5800 www.aarphealthcare.com	**Transamerica Financial Life Insurance Co.** 520 Park Avenue Baltimore, Maryland 21201 1-800-752-9797 www.medsuppinfo.com

COMPARISON OF YEAR 2013 COMMUNITY RATED STANDARDIZED MEDICARE SUPPLEMENT MONTHLY PREMIUMS (PREMIUMS IN EFFECT AS OF March 1, 2014)

PLAN A	ALBANY	BUFFALO	LONG ISLAND	MID-HUDSON	NYC PROPER	ROCHESTER	SYRACUSE	UTICA	WATERTOWN	WESTCHESTER
FIRST THREE DIGITS OF ZIP CODE:	120-23 & 128-29	140-43 & 147	110 & 115-19	124-27	100-04 & 111-14	144-46	130-32 & 137-39 & 148-49	133-35	136	105-109
Aetna Life Insurance	$230.05	$199.65 $220.94	$306.08	$254.38	$306.08	$199.65 $220.94	$199.65 $220.94	$199.65 $220.94	$220.94	$306.08
American Progressive	$202.85*	$184.66*	$231.09*	$202.85*	$231.09*	$184.66*	$184.66*	$184.66*	$184.66*	$231.09*
Bankers Conseco	$254.88	$221.80	$321.11	$254.88	$321.11	$221.80	$221.80 $254.88	$221.80	$221.80	$254.88 $321.11
CDPHP Universal Benefits Inc.	$98.27 $99.40 $115.28	$96.57		$96.57 $98.27 $115.28		$96.57	$96.57 $99.40	$96.57 $98.27 $99.40	$96.57 $98.27	$115.28
Excellus Health Plan, Inc. (d/b/a Excellus BlueCross BlueShield)	$128.68			$128.68		$131.94 $142.45	$131.94 $142.45 $128.68	$128.68	$128.68	
Excellus Health Plan, Inc. (d/b/a Univera Healthcare)		$155.64				$155.64	$155.64			
First United American	$170.00	$170.00	$208.00	$170.00	$208.00	$170.00	$170.00	$170.00	$170.00	$208.00
Group Health Incorporated (a/k/a GHI)	$161.29	$152.57	$169.45	$161.29	$169.45	$152.57	$157.73	$152.57	$152.57	$169.45
HealthNow New York Inc.	$169.36		$226.30	$169.36	$226.30	$161.83	$161.83 $169.36	$161.83 $169.36	$169.36	$226.30
HealthNow New York Inc. (d/b/a BC/BS of Western New York)		$161.83				$161.83	$161.83			
HealthNow New York Inc. (d/b/a BS of Northeastern New York)	$169.36			$169.36 $197.30				$169.36		$197.30
Humana	$173.93	$173.93	$254.55	$173.93 $215.60	$254.55	$173.93	$173.93	$173.93	$173.93	$254.55
Mutual Of Omaha	$162.93 $172.17	$162.93 $172.17	$216.57	$172.17	$216.57	$162.93	$162.93	$162.93	$162.93	$172.17 $216.57
State Farm Mutual Auto	$255.35 $265.43	$255.35	$275.60	$265.43	$275.60	$255.35	$255.35	$255.35	$255.35	$275.60
Sterling Life	$191.83 $207.14	$191.83 $196.83 $207.14	$297.11	$191.83 $207.14 $297.11	$297.11	$191.83 $207.14	$191.83 $196.83	$191.83 $196.83 $207.14	$191.83	$297.11
United HealthCare Insurance (AARP Program)	$108.25 $125.75	$108.25	$156.50	$125.75	$156.50	$108.25	$108.25 $125.75	$108.25 $125.75	$108.25	$125.75 $156.50

* There is a one-time $25 policy fee charged at issue.

NOTE: If a premium is shown within a region, that premium may be offered in a part or all of the region.

COMPARISON OF YEAR 2013 COMMUNITY RATED STANDARDIZED MEDICARE SUPPLEMENT MONTHLY PREMIUMS (PREMIUMS IN EFFECT AS OF March 1, 2014)

PLAN B	ALBANY	BUFFALO	LONG ISLAND	MID-HUDSON	NYC PROPER	ROCHESTER	SYRACUSE	UTICA	WATERTOWN	WESTCHESTER
FIRST THREE DIGITS OF ZIP CODE:	120-23 & 128-29	140-43 & 147	110 & 115-19	124-27	100-04 & 111-14	144-46	130-32 & 137-39 & 148-49	133-35	136	105-109
Aetna Life Insurance	$261.98	$227.30 $251.57	$348.62	$282.40	$348.62	$227.30 $251.57	$227.30 $251.57	$227.30 $251.57	$251.57	$348.62
American Progressive	$284.22*	$257.46*	$322.51*	$284.22*	$322.51*	$257.46*	$257.46*	$257.46*	$257.46*	$322.51*
Bankers Conseco	$303.10	$263.74	$381.92	$303.10	$381.92	$263.74	$263.74 $303.10	$263.74	$263.74	$303.10 $381.92
CDPHP Universal Benefits Inc.	$118.28 $119.63 $138.75	$116.23		$116.23 $118.28 $138.75		$116.23	$116.23 $119.63	$116.23 $118.28 $119.63	$116.23 $118.28	$138.75
Excellus Health Plan, Inc. (d/b/a Excellus BlueCross BlueShield)	$172.90			$172.90		$177.29 $191.41	$177.29 $172.90 $191.41	$172.90	$172.90	
Excellus Health Plan, Inc. (d/b/a Univera Healthcare)		$209.13				$209.13	$209.13			
First United American	$234.00	$234.00	$286.00	$234.00	$286.00	$234.00	$234.00	$234.00	$234.00	$286.00
Group Health Incorporated (a/k/a GHI)	$216.47	$204.82	$226.14	$216.47	$226.14	$204.82	$211.71	$204.82	$204.82	$226.14
HealthNow New York Inc.	$210.86		$281.75	$210.86	$281.75	$201.93	$201.93 $210.86	$201.93 $210.86	$210.86	$281.75
HealthNow New York Inc. (d/b/a BC/BS of Western New York)		$201.93				$201.93	$201.93			
HealthNow New York Inc. (d/b/a BS of Northeastern New York)	$210.86			$210.86 $247.02				$210.86		$247.02
Humana	$189.11	$189.11	$276.90	$189.11 $234.47	$276.90	$189.11	$189.11	$189.11	$189.11	$276.90
Mutual Of Omaha	$249.71 $263.95	$249.71 $263.95	$332.29	$263.95	$332.29	$249.71	$249.71	$249.71	$249.71	$263.95 $332.29
State Farm Mutual Auto	$342.04 $355.61	$342.04	$369.19	$355.61	$369.19	$342.04	$342.04	$342.04	$342.04	$369.19
Sterling Life	$238.01 $253.42	$238.00 $238.01 $253.42	$344.79	$238.01 $253.42 $344.79	$344.79	$238.01 $253.42	$238.00 $238.01	$238.00 $238.01 $253.42	$238.01	$344.79
United HealthCare Insurance (AARP Program)	$151.50 $176.00	$151.50	$219.00	$176.00	$219.00	$151.50	$151.50 $176.00	$151.50 $176.00	$151.50	$176.00 $219.00

* There is a one-time $25 policy fee charged at issue.

NOTE: If a premium is shown within a region, that premium may be offered in a part or all of the region.

COMPARISON OF YEAR 2013 COMMUNITY RATED STANDARDIZED MEDICARE SUPPLEMENT MONTHLY PREMIUMS (PREMIUMS IN EFFECT AS OF March 1, 2014)

PLAN C	ALBANY	BUFFALO	LONG ISLAND	MID-HUDSON	NYC PROPER	ROCHESTER	SYRACUSE	UTICA	WATERTOWN	WESTCHESTER
FIRST THREE DIGITS OF ZIP CODE:	120-23 & 128-29	140-43 & 147	110 & 115-19	124-27	100-04 & 111-14	144-46	130-32 & 137-39 & 148-49	133-35	136	105-109
American Progressive	$355.11*	$319.74*	$400.57*	$355.11*	$400.57*	$319.74*	$319.74*	$319.74*	$319.74*	$400.57*
Excellus Health Plan, Inc. (d/b/a Excellus BlueCross BlueShield)	$207.41			$207.41		$212.66 $229.60	$207.41 $212.66 $229.60	$207.41	$207.41	
Excellus Health Plan, Inc. (d/b/a Univera Healthcare)		$250.86				$250.86	$250.86			
First United American	$281.00	$281.00	$344.00	$281.00	$344.00	$281.00	$281.00	$281.00	$281.00	$344.00
Group Health Incorporated (a/k/a GHI)	$262.31	$248.11	$273.50	$262.31	$273.50	$248.11	$256.44	$248.11	$248.11	$273.50
HealthNow New York Inc.	$252.91		$337.94	$252.91	$337.94	$248.80	$248.80 $252.91	$248.80 $252.91	$252.91	$337.94
HealthNow New York Inc. (d/b/a BC/BS of Western New York)		$248.80				$248.80	$248.80			
HealthNow New York Inc. (d/b/a BS of Northeastern New York)	$252.91			$252.91 $297.38				$252.91		$297.38
Humana	$225.84	$225.84	$330.80	$225.84 $280.09	$330.80	$225.84	$225.84	$225.84	$225.84	$330.80
Mutual Of Omaha	$271.27 $286.75	$271.27 $286.75	$361.03	$286.75	$361.03	$271.27	$271.27	$271.27	$271.27	$286.75 $361.03
State Farm Mutual Auto	$396.10 $411.82	$396.10	$427.53	$411.82	$427.53	$396.10	$396.10	$396.10	$396.10	$427.53
United HealthCare Insurance (AARP Program)	$177.00 $205.75	$177.00	$256.00	$205.75	$256.00	$177.00	$177.00 $205.75	$177.00 $205.75	$177.00	$205.75 $256.00

* There is a one-time $25 policy fee charged at issue.

NOTE: If a premium is shown within a region, that premium may be offered in a part or all of the region.

PLAN D	ALBANY	BUFFALO	LONG ISLAND	MID-HUDSON	NYC PROPER	ROCHESTER	SYRACUSE	UTICA	WATERTOWN	WESTCHESTER
FIRST THREE DIGITS OF ZIP CODE:	120-23 & 128-29	140-43 & 147	110 & 115-19	124-27	100-04 & 111-14	144-46	130-32 & 137-39 & 148-49	133-35	136	105-109
American Progressive	$352.95*	$317.79*	$398.11*	$352.95*	$398.11*	$317.79*	$317.79*	$317.79*	$317.79*	$398.11*
First United American	$277.00	$277.00	$339.00	$277.00	$339.00	$277.00	$277.00	$277.00	$277.00	$339.00
Mutual Of Omaha	$237.58 $251.12	$237.58 $251.12	$316.10	$251.12	$316.10	$237.58	$237.58	$237.58	$237.58	$251.12 $316.10

* There is a one-time $25 policy fee charged at issue.

NOTE: If a premium is shown within a region, that premium may be offered in a part or all of the region.

COMPARISON OF YEAR 2013 COMMUNITY RATED STANDARDIZED MEDICARE SUPPLEMENT MONTHLY PREMIUMS (PREMIUMS IN EFFECT AS OF March 1, 2014)

PLAN F	ALBANY	BUFFALO	LONG ISLAND	MID-HUDSON	NYC PROPER	ROCHESTER	SYRACUSE	UTICA	WATERTOWN	WESTCHESTER
FIRST THREE DIGITS OF ZIP CODE:	120-23 & 128-29	140-43 & 147	110 & 115-19	124-27	100-04 & 111-14	144-46	130-32 & 137-39 & 148-49	133-35	136	105-109
Aetna Life Insurance	$305.54	$265.09 $293.41	$406.73	$377.94	$406.73	$265.09 $293.41	$265.09 $293.41	$265.09 $293.41	$293.41	$406.73
American Progressive	$368.38*	$333.42*	$417.43*	$368.38*	$417.43*	$333.42*	$333.42*	$333.42*	$333.42*	$417.43*
Bankers Conseco	$372.46	$324.05	$469.36	$372.46	$469.36	$324.05	$324.05 $372.46	$324.05	$324.05	$372.46 $469.36
CDPHP Universal Benefits Inc.	$138.70 $140.29 $162.70	$136.30		$136.30 $138.70 $162.70		$136.30	$136.30 $140.29	$136.30 $138.70 $140.29	$136.30 $138.70	$162.70
Excellus Health Plan, Inc. (d/b/a Excellus BlueCross BlueShield)	$209.35			$209.35		$214.66 $231.76	$214.66 $209.35 $231.76	$209.35	$209.35	
Excellus Health Plan, Inc. (d/b/a Univera Healthcare)		$253.22				$253.22	$253.22			
First United American	$266.00	$266.00	$325.00	$266.00	$325.00	$266.00	$266.00	$266.00	$266.00	$325.00
Group Health Incorporated (a/k/a GHI)	$264.93	$250.59	$276.24	$264.93	$276.24	$250.59	$250.59	$250.59	$250.59	$276.24
HealthNow New York Inc.	$254.04		$339.44	$254.04	$339.44	$249.99	$249.99 $254.04	$249.99 $254.04	$254.04	$339.44
HealthNow New York Inc. (d/b/a BC/BS of Western New York)		$249.99				$249.99	$249.99			
HealthNow New York Inc. (d/b/a BS of Northeastern New York)	$254.04			$254.04 $298.73				$254.04		$298.73
Humana	$230.40	$230.40	$337.51	$230.40 $285.76	$337.51	$230.40	$230.40	$230.40	$230.40	$337.51
Mutual Of Omaha	$309.79 $327.48	$309.79 $327.48	$412.39	$327.48	$412.39	$309.79	$309.79	$309.79	$309.79	$327.48 $412.39
State Farm Mutual Auto	$396.92 $412.67	$396.92	$428.42	$412.67	$428.42	$396.92	$396.92	$396.92	$396.92	$428.42
Sterling Life	$270.18 $287.49	$270.18 $273.91 $287.49	$375.86	$270.18 $287.49 $375.86	$375.86	$270.18 $287.49	$270.18 $273.91	$270.18 $273.91 $287.49	$270.18	$375.86
United HealthCare Insurance (AARP Program)	$177.75 $206.50	$177.75	$257.00	$206.50	$257.00	$177.75	$177.75 $206.50	$177.75 $206.50	$177.75	$206.50 $257.00

* There is a one-time $25 policy fee charged at issue.

NOTE: If a premium is shown within a region, that premium may be offered in a part or all of the region.

COMPARISON OF YEAR 2013 COMMUNITY RATED STANDARDIZED MEDICARE SUPPLEMENT MONTHLY PREMIUMS (PREMIUMS IN EFFECT AS OF March 1, 2014)

PLAN F+ (HIGH DEDUCTIBLE)	ALBANY	BUFFALO	LONG ISLAND	MID-HUDSON	NYC PROPER	ROCHESTER	SYRACUSE	UTICA	WATERTOWN	WESTCHESTER
FIRST THREE DIGITS OF ZIP CODE:	**120-23 & 128-29**	**140-43 & 147**	110 & 115-19	124-27	100-04 & 111-14	**144-46**	**130-32 & 137-39 & 148-49**	**133-35**	**136**	**105-109**
Bankers Conseco	$74.14	$64.61	$93.21	$74.14	$93.21	$64.61	$64.61 $74.14	$64.61	$64.61	$74.14 $93.21
Excellus Health Plan, Inc. (d/b/a Excellus BlueCross BlueShield)	$83.05			$83.05		$85.16 $91.94	$85.16 $91.94 $83.05	$83.05	$83.05	
Excellus Health Plan, Inc. (d/b/a Univera Healthcare)		$100.45				$100.45	$100.45			
First United American	$52.00	$52.00	$64.00	$52.00	$64.00	$52.00	$52.00	$52.00	$52.00	$64.00
HealthNow New York Inc.	$107.52		$143.67	$107.52	$143.67	$107.99	$107.52	$107.52	$107.52	$143.67
HealthNow New York Inc. (d/b/a BC/BS of Western New York)		$107.99				$107.99	$107.99†			
HealthNow New York Inc. (d/b/a BS of Northeastern New York)	$107.52			$107.52‡ $123.22				$107.52		$123.22
Humana	$79.51	$79.51	$115.86	$79.51 $98.30	$115.86	$79.51	$79.51	$79.51	$79.51	$115.86

NOTE: If a premium is shown within a region, that premium may be offered in a part or all of the region.

PLAN G	ALBANY	BUFFALO	LONG ISLAND	MID-HUDSON	NYC PROPER	ROCHESTER	SYRACUSE	UTICA	WATERTOWN	WESTCHESTER
FIRST THREE DIGITS OF ZIP CODE:	**120-23 & 128-29**	**140-43 & 147**	110 & 115-19	124-27	100-04 & 111-14	**144-46**	**130-32 & 137-39 & 148-49**	**133-35**	**136**	**105-109**
American Progressive	$344.85*	$310.41*	$388.83*	$344.85*	$388.83*	$310.41*	$310.41*	$310.41*	$310.41*	$388.83*
Bankers Conseco	$313.88	$273.14	$395.53	$313.88	$395.53	$273.14	$273.14 $313.88	$273.14	$273.14	$313.88 $395.53
First United American	$248.00	$248.00	$303.00	$248.00	$303.00	$248.00	$248.00	$248.00	$248.00	$303.00
Mutual Of Omaha	$257.01 $271.66	$257.01 $271.66	$342.01	$271.66	$342.01	$257.01	$257.01	$257.01	$257.01	$271.66 $342.01
American Progressive	$344.85*	$310.41*	$388.83*	$344.85*	$388.83*	$310.41*	$310.41*	$310.41*	$310.41*	$388.83*

* There is a one-time $25 policy fee charged at issue.

NOTE: If a premium is shown within a region, that premium may be offered in a part or all of the region.

COMPARISON OF YEAR 2013 COMMUNITY RATED STANDARDIZED MEDICARE SUPPLEMENT MONTHLY PREMIUMS
(PREMIUMS IN EFFECT AS OF March 1, 2014)

PLAN K	ALBANY	BUFFALO	LONG ISLAND	MID-HUDSON	NYC PROPER	ROCHESTER	SYRACUSE	UTICA	WATERTOWN	WESTCHESTER
FIRST THREE DIGITS OF ZIP CODE:	**120-23 & 128-29**	**140-43 & 147**	110 & 115-19	124-27	100-04 & 111-14	**144-46**	**130-32 & 137-39 & 148-49**	**133-35**	**136**	**105-109**
Bankers Conseco	$92.58	$80.66	$116.48	$92.58	$116.48	$80.66	$80.66 $92.58	$80.66	$80.66	$92.58 $116.48
First United American	$104.00	$104.00	$128.00	$104.00	$128.00	$104.00	$104.00	$104.00	$104.00	$128.00
Humana	$119.82	$119.82	$175.07	$119.82 $148.38	$175.07	$119.82	$119.82	$119.82	$119.82	$175.07
Sterling Life	$109.55 $117.58	$109.55 $110.98 $117.58	$162.13	$109.55 $117.58 $162.13	$162.13	$109.55 $117.58	$109.55 $110.98	$109.55 $110.98 $117.58	$109.55	$162.13
United HealthCare Insurance (AARP Program)	$63.50 $73.75	$63.50	$91.75	$73.75	$91.75	$63.50	$63.50 $73.75	$63.50 $73.75	$63.50	$73.75 $91.75

PLAN L	ALBANY	BUFFALO	LONG ISLAND	MID-HUDSON	NYC PROPER	ROCHESTER	SYRACUSE	UTICA	WATERTOWN	WESTCHESTER
FIRST THREE DIGITS OF ZIP CODE:	**120-23 & 128-29**	**140-43 & 147**	110 & 115-19	124-27	100-04 & 111-14	**144-46**	**130-32 & 137-39 & 148-49**	**133-35**	**136**	**105-109**
Bankers Conseco	$189.05	$164.55	$238.11	$189.05	$238.11	$164.55	$164.55 $189.05	$164.55	$164.55	$189.05 $238.11
First United American	$147.00	$147.00	$180.00	$147.00	$180.00	$147.00	$147.00	$147.00	$147.00	$180.00
Humana	$162.72	$162.72	$238.06	$162.72 $201.65	$238.06	$162.72	$162.72	$162.72	$162.72	$238.06
United HealthCare Insurance (AARP Program)	$103.50 $120.50	$103.50	$149.75	$120.50	$149.75	$103.50	$103.50 $120.50	$103.50 $120.50	$103.50	$120.50 $149.75

PLAN M	ALBANY	BUFFALO	LONG ISLAND	MID-HUDSON	NYC PROPER	ROCHESTER	SYRACUSE	UTICA	WATERTOWN	WESTCHESTER
FIRST THREE DIGITS OF ZIP CODE:	**120-23 & 128-29**	**140-43 & 147**	110 & 115-19	124-27	100-04 & 111-14	**144-46**	**130-32 & 137-39 & 148-49**	**133-35**	**136**	**105-109**
Bankers Conseco	$249.76	$217.35	$314.65	$249.76	$314.65	$217.35	$217.35 $249.76	$217.35	$217.35	$249.76 $314.65
Mutual Of Omaha	$231.44 $244.63	$231.44 $244.63	$307.92	$244.63	$307.92	$231.44	$231.44	$231.44	$231.44	$244.63 $307.92

NOTE: If a premium is shown within a region, that premium may be offered in a part or all of the region.

COMPARISON OF YEAR 2012 COMMUNITY RATED STANDARDIZED MEDICARE SUPPLEMENT MONTHLY PREMIUMS (PREMIUMS IN EFFECT AS OF AUGUST 1, 2012)

PLAN N	ALBANY	BUFFALO	LONG ISLAND	MID-HUDSON	NYC PROPER	ROCHESTER	SYRACUSE	UTICA	WATERTOWN	WESTCHESTER
FIRST THREE DIGITS OF ZIP CODE:	120-23 & 128-29	140-43 & 147	110 & 115-19	124-27	100-04 & 111-14	144-46	130-32 & 137-39 & 148-49	133-35	136	105-109
American Progressive	$181.53*	$171.80*	$233.02*	$181.53*	$233.02*	$171.80*	$171.80*	$171.80*	$171.80*	$233.02*
Bankers Conseco	$196.72	$171.24	$247.79	$196.72	$247.79	$171.24	$171.24 $196.72	$171.24	$171.24	$196.72 $247.79
CDPHP Universal Benefits Inc.	$113.00 $114.29 $132.55	$111.05		$111.05 $113.00 $132.55		$111.05	$111.05 $114.29	$111.05 $113.00 $114.29	$111.05 $113.00	$132.55
Excellus Health Plan, Inc. (d/b/a Excellus BlueCross BlueShield)	$168.25			$168.25		$172.52 $186.26	$168.25 $172.52 $186.26	$168.25	$168.25	
Excellus Health Plan, Inc. (d/b/a Univera Healthcare)		$203.50				$203.50	$203.50			
First United American	$184.00	$184.00	$225.00	$184.00	$225.00	$184.00	$184.00	$184.00	$184.00	$225.00
Humana	$143.62	$143.62	$210.04	$143.62 $177.95	$210.04	$143.62	$143.62	$143.62	$143.62	$210.04
Sterling Life	$200.42 $214.24	$200.42 $202.61 $214.24	$285.88	$200.42 $214.24 $285.88	$285.88	$200.42 $214.24	$200.42 $202.61	$200.42 $202.61 $214.24	$200.42	$285.88
UnitedHealthcare (AARP Program)	$119.50 $139.00	$119.50	$173.00	$139.00	$173.00	$119.50	$119.50 $139.00	$119.50 $139.00	$119.50	$139.00 $173.00
American Progressive	$181.53*	$171.80*	$233.02*	$181.53*	$233.02*	$171.80*	$171.80*	$171.80*	$171.80*	$233.02*
Bankers Conseco	$196.72	$171.24	$247.79	$196.72	$247.79	$171.24	$171.24 $196.72	$171.24	$171.24	$196.72 $247.79

* There is a one-time $25 policy fee charged at issue.

NOTE: If a premium is shown within a region, that premium may be offered in a part or all of the region..

STUDY GUIDE MODULE 7: MEDICARE SUPPLEMENT (MEDIGAP) INSURANCE

MEDICARE SUPPLEMENT INSURANCE, PART 1

Medicare Supplement Insurance, also known as Medigap insurance, is privately purchased health insurance specifically designed to help pay some of the costs that Medicare does not pay.

Use the information from your *HIICAP Notebook*, and the *Medicare & You* handbook for the following lessons regarding Medicare Supplement Insurance.

1. MEDIGAP BASICS

Choose a partner and explain to each other how you might show an older adult the following Medicare Supplement Insurance basics:

a. Not all Medicare enrollees need a Medigap policy

b. No Medigap policy pays all costs after Medicare

c. Medigap policies base their payment on Medicare's approved amount

d. When Medicare does not approve payment for a service or supply, a Medigap policy will usually not pay either, with limited exceptions

2. NOT EVERYONE SHOULD BUY A MEDIGAP POLICY

Refer to the "Medicare Supplement Insurance" section of your HIICAP Notebook. Name three groups of beneficiaries who may not need a Medigap policy. Explain why.

1.

2.

3.

3. THE 11 STANDARDIZED MEDIGAP POLICIES

Why did Medigap reform laws limit the number of policies available for sale?

Refer to your *HIICAP Notebook*. Use it to answer the following questions:

A package of "core benefits" is included in plans A through N. Which Medicare gaps do the "core benefits" fill?

Which plans add coverage for the Medicare Part A hospital deductible per benefit period? For the Medicare Part B annual deductible?

Discuss your answers with your group.

All insurers in New York are required to sell plan A, plan B and either plan C or plan F. Compare premiums.

Use the information from your *HIICAP Notebook*, and the Medicare & You Handbook for the following lessons regarding Medicare Supplement Insurance.

1. MEDIGAP CONSUMER PROTECTIONS

How will these consumer protections benefit seniors buying a Medigap policy?

a. Open-enrollment period

b. Maximum six-month waiting period for preexisting conditions

c. Level premium

d. Credit toward preexisting conditions

e. Medigap policy suspension during Medicaid

f. Guaranteed renewability

g. Ability to downgrade to a less costly Medigap policy

2. REQUIREMENTS FOR MEDIGAP INSURERS

Reference the appropriate insurer requirement for each of the following situations.

a. An insurance agent tells a person with Medicare that they should buy the Medigap policy he's selling because their present insurer is about to go out of business.

b. An insurer's application form asks what other health insurance a person with Medicare currently has. The form asks if they intend to replace their present health insurance with the new Medigap policy they are applying for.

c. A postcard arrives promising "Medicare information" if a person with Medicare returns it. It does not identify itself as a health insurance solicitation.

d. An application form for a Medigap policy requires that a person with Medicare answer the following question: "Are you currently covered by Medicaid?"

3. NEW YORK STATE'S DEPARTMENT OF FINANCIAL SERVICES

Check the statements that explain the role of the New York State Department of Financial Services regarding Medicare Supplement Insurance:

a. ____ Approves all Medigap policies sold in New York State

b. ____ Sets minimum standards for Medigap policies

c. ____ Requires appropriate sales practices by insurance agents

d. ____ Requires Medigap insurers to accept all eligible applicants regardless of age or medical condition

e. ____ Provides Medigap educational guides

f. ____ Publishes health insurance company complaints rankings

g. ____ Licenses insurance agents

h. ____ Investigates consumer complaints

Discuss situations for which a complaint should be filed.

In Summary: Review these basic concepts of Medicare Supplement Insurance.

Older adults who have very low income, and those who have a retiree health plan, will probably not need Medigap insurance.

No Medicare supplement policy will cover all of my costs after Medicare.

Standardized policies are labeled "Plan A" through "Plan N," with "Plan A" being the most basic policy and "Plan F" the most comprehensive. Plans "K", "L", "M" and "N" are new standardized plans that offer similar benefits with higher cost sharing.

Choosing a plan that is best for an individual requires a three-pronged study: the policy benefits, the insurance company's reputation and reliability, and the premium.

ANSWER KEY MODULE 7: MEDICARE SUPPLEMENT (MEDIGAP) INSURANCE

MEDICARE SUPPLEMENT INSURANCE, PART 1

Medicare Supplement Insurance, also known as Medigap insurance, is privately purchased health insurance specifically designed to help pay some of the costs that Medicare does not pay.

1. MEDIGAP BASICS

Choose a partner and explain to each other how you might show an older adult the following Medicare Supplement Insurance basics:

a. Not all Medicare enrollees need a Medigap policy.

b. No Medigap policy pays all costs after Medicare.

c. Medigap policies base their payment on Medicare's approved amount.

d. When Medicare does not approve payment for a service or supply, a Medigap policy will usually not pay either, with limited exceptions.

2. NOT EVERYONE SHOULD BUY A MEDIGAP POLICY

Refer to the "Medicare Supplement Insurance" section of your HIICAP Notebook. Name three groups of beneficiaries who may not need a Medigap policy. Explain why.

1. *Low-income seniors who qualify for Medicaid or the QMB Program.*
2. *Retirees whose former employer offers comprehensive group health insurance.*
3. *Beneficiaries enrolled in a Medicare Advantage plan*

3. THE 11 STANDARDIZED MEDIGAP POLICIES

Why did Medigap reform laws limit the number of policies available for sale?

1. *To discourage health insurance sales fraud and abuse.*
2. *To enable seniors to "comparison" shop between similar policies.*

Refer to your *HIICAP Notebook*. Use it to answer the following questions:

a. A package of "core benefits" is included in plans A through N. Which Medicare gaps do the "core benefits" fill? *Days 61-90 inpatient hospital care coinsurance, days 91-150 (lifetime reserve days) coinsurance, 365 additional lifetime hospital days, Parts A & B blood deductible, 20 percent Part B coinsurance. Part A Hospice Care Coinsurance or Copayment. Medicare Preventive care Part B Coinsurance.*

b. Which plans add coverage for the Medicare Part A hospital deductible per benefit period? For the Medicare Part B annual deductible? *Part A hospital deductible covered by plans "B" through "N"; Part B annual deductible covered by plans "C" and "F".*

Discuss your answers with your group.

All insurers in New York are required to sell plan A, plan B and either plan C or plan F. Compare premiums.

Use the information from your *HIICAP Notebook* and the *Medicare & You Handbook* for the following lessons regarding Medicare Supplement Insurance.

1. MEDIGAP CONSUMER PROTECTIONS

How will these consumer protections benefit seniors buying a Medigap policy?

a. Open enrollment period - *enables seniors to buy any Medigap policy sold in New York State at any time, regardless of their health. New York's Community Rating Law extends the six-month federal open enrollment period indefinitely.*

b. Maximum six-month waiting period for preexisting conditions - *guarantees coverage of a preexisting condition within a short time period.*

c. Level premium - *premium increase not tied to age.*

d. Credit toward preexisting conditions - *reduces or eliminates any new preexisting condition waiting period.*

e. Medigap-policy suspension during Medicaid - *allows a person with Medicare to "reactivate" their Medigap policy coverage without a preexisting condition waiting period.*

f. Guaranteed renewability - *protects beneficiaries from having a policy cancelled because of age or high claims experience.*

g. Ability to downgrade to a less costly Medigap policy - *allows beneficiaries to easily reduce coverage and premium costs.*

2. REQUIREMENTS FOR MEDIGAP INSURERS

Reference the appropriate insurer requirement for each of the following situations.

a. An insurance agent tells a person with Medicare that they should buy the Medigap policy he's selling because their present insurer is about to go out of business. *High-pressure sales tactics are prohibited.*

b. An insurer's application form asks what other health insurance a person with Medicare currently has. The form asks if they intend to replace their present health insurance with the new Medigap policy they are applying for. *Agents may sell a person with Medicare a Medigap policy only if the person with Medicare agrees to cancel their original Medigap policy.*

c. A postcard arrives promising "Medicare information" if a person with Medicare returns it. It does not identify itself as a health insurance solicitation. *A misleading mailing, which does not identify itself as a health insurance promotion, is prohibited.*

d. An application form for a Medigap policy requires that a person with Medicare answer the following question: "Are you currently covered by Medicaid?" *It is against the law for agents to sell a person with Medicare a policy if they qualify for Medicaid.*

3. NEW YORK STATE'S DEPARTMENT OF FINANCIAL SERVICES

Check the statements that explain the role of the New York State Department of Financial Services regarding Medicare Supplement Insurance:

a. ___✓___ Approves all Medigap policies sold in New York State

b. ___✓___ Sets minimum standards for Medigap policies

c. ___✓___ Requires appropriate sales practices by insurance agents

d. ___✓___ Requires Medigap insurers to accept all eligible applicants regardless of age or medical condition

e. ___✓___ Provides Medigap educational guides

f. ___✓___ Publishes health insurance company complaints rankings

g. ___✓___ Licenses insurance agents

h. ___✓___ Investigates consumer complaints

Discuss situations for which a complaint should be filed.

Duplicate sales of Medigap policies, sale of Medigap policy when a person with Medicare qualifies for Medicaid, use of high-pressure sales tactics or misleading statements or written materials, excessive delay in refund, agent requests cash payment.

In Summary: Review these basic concepts of Medicare Supplement Insurance.

Older adults who have very low income, and those who have a retiree health plan, will probably not need Medigap insurance.

No Medicare supplement policy will cover all of my costs after Medicare.

Standardized policies are labeled "Plan A" through "Plan N," with "Plan A" being the most basic policy and "Plan F" the most comprehensive. Plans E, H, I, and J are no longer available after June 1, 2010. Plans "K", "L", "M" and "N" are new standardized plans that offer similar benefits with higher cost sharing.

Choosing a plan that is best for an individual requires a three-pronged study: the policy benefits, the insurance company's reputation and reliability, and the premium.