

# Medigap Policies (Medicare Supplement Insurance)



## Frequently Asked Questions and Answers

### What is the purpose of a Medicare supplement policy?



People who do not enroll in a Medicare Advantage Plan have Original 'fee for service' Medicare coverage (Part A and B). That leaves some cost gaps for which beneficiaries are responsible. These include Medicare's deductibles, copays, and 20% coinsurance. Most people with Original Medicare have some type of supplemental policy to help with this cost sharing responsibility. A Medigap policy does not replace Medicare. It is an insurance policy that is sold by private companies and helps fill 'gaps' in Original Medicare. Thus, the nickname 'Medigap'. A Medicare Advantage plan is a different approach for Medicare coverage and doesn't work with Original Medicare. See [HICAP's WEB](#) information for more on Advantage Plans.

### How do the policies work with my providers?

Your provider first bills Medicare for services at their standard rate. Medicare limits the provider to the Medicare-approved amount and makes its share of the payment excluding deductibles and co-insurance. Then your Medigap policy finally pays for your obligation according to the terms of your plan contract. These plans make no medical decisions about what is covered or how much to pay because those are made by Medicare, your primary insurance. Usually, this process is transparent to you because the Medicare and Medigap computers are linked. Medigap policies will not pay for medical costs that are not covered by Medicare, although all offer extra days in the hospital and some offer foreign emergency coverage. A few plans offer innovative benefits like hearing and vision. Medigap policies do not include outpatient prescription drug coverage so you will need a separate Part D plan for that.

### Are there limits on where I can use these policies?

Medicare is your primary insurance and can be used anywhere in the USA. All physicians, labs, hospitals, and medical equipment providers that accept Medicare patients also accept all Medigap policies, regardless of the company or plan level. With a Medigap policy, you use both your Medicare card and your Medigap card. There are no provider networks, and prior approval is not required if the provider accepts Medicare patients (most providers do).



## What are the differences between plans offered?

Medigap policies are standardized, and are named by letters, Plans A–N. Each Standardized Medigap policy under the same plan letter must offer the same benefits, no matter which insurance company sells it. The only difference between plans of the same letter is the price! Some plans are being phased out and are only available to those who were eligible for Medicare Part A before 1/1/2020.

## Which plan should I choose?



Although there are 10 standard plans, by far the most popular plans across the entire USA are Plans G, N and G(HD). 99% of people at age 65 wanting a Medigap select one of these three. All 3 plans require the \$257 Part B (in 2025) annual deductible to be paid by you before Medicare or the plan make any payments. Plan G has the most comprehensive coverage and pays for all costs after the annual Part B deductible is met. Plan N typically has lower premiums because you take on a \$20 copay for provider visits and \$50 for a trip to the Emergency Room. Some companies offer a 'high-deductible' option for the Plan G. With a G(HD) plan, you pay a much lower monthly premium but must pay the first \$2,870 (in '25) of only the 'gap' costs for both Part A and Part B covered services not paid by Medicare. After you meet that deductible for the year, all Medicare covered services are fully covered for the rest of the year just like a regular Plan G.

Here is a summary of the cost sharing associated with Original Medicare for the three most popular plans (the other 7 plan costs are available from Medicare). Note how the 3 mentioned plans cover the 'gaps'. Perhaps the largest 'gap' is that there is no maximum out of pocket limit for the 20% Part B coinsurance. That can lead to high coinsurance for expensive procedures such as chemotherapy or kidney dialysis.

**Table 1**

Medicare Cost Sharing for 2025			What you pay with a Medigap Plan		
Your Share - no supplement (Gap)			Plan G	Plan N	Plan G (HD)
HOSPITAL - A	Hospital Deductible Day 1	\$1,676	\$0	\$0	\$0 <sup>1</sup>
	Hospital Coinsurance after 60 days	\$419/day or more	\$0	\$0	\$0 <sup>1</sup>
	Skilled Nursing Coinsurance Days 21 to 100	\$209. <sup>50</sup>	\$0	\$0	\$0 <sup>1</sup>
OUTPATIENT - B	Annual Deductible	\$257	\$257	\$257	\$2,870
	Medical Coinsurance	20% (no limit)	\$0	\$20 per visit	\$0 <sup>1</sup>
	(Example: >\$50,000 chemo treatment starting in January)	>\$10,000	\$257	\$457 <sup>2</sup>	\$2,870
(USA Popularity for age 65 in '23)			53%	40%	6%
Lowest Cost Monthly Premium @ age 65			\$144	\$110	\$35

## Why are there differences in monthly premium costs?

Prices are set such that a company can make a profit after all claims are paid and costs met. Premiums are adjusted yearly based on both your age and the insurer's claim experience. The plans are standardized so other than premium, there are no differences between companies for the same policy type. Insurers can change their premiums at any time, so HICAP suggests contacting a few of the companies (or an insurance broker) for 2 or 3 of the lower price plans of the type you want. Ask for a current, specific quote based on your age, what kind of discounts they offer, any 'extras' like gym membership. Then, just choose the lowest cost plan. Listed below are some of the current lowest cost plans from over 20 sold here<sup>3</sup>. Table 2 shows how the premiums vary and increase as one gets older<sup>4</sup>. The table is summarized by 5-year increments, but premiums typically change annually and are based on your age.

Company Name	Contact Phone	Age 65			Age 70			Age 75		
		G	N	G(HD)	G	N	G(HD)	G	N	G(HD)
State Farm Mutual	See Agent	144	110	—	183	140	—	218	167	—
<sup>5</sup> USAA Life	800-531-8722	147	140	—	159	164	—	191	195	—
Blue Shield	800-393-6130	152	151	—	203	201	—	264	263	—
Blue Cross (Anthem)	800-684-1893	158	163	—	192	199	—	234	242	—
American Retirement (Cigna)	855-891-9368	161	131	59	199	162	73	243	197	88
Washington National	800-621-3724	162	131	42	209	170	50	254	214	61
Ace Property (Chubb)	608-788-1441	162	123	52	197	150	63	239	181	77
Manhattan Life	800-877-7703	165	128	—	188	145	—	230	177	—
<sup>5</sup> AARP/UHC Medicare Supp.	888-378-0849	168	142	—	207	175	—	<sup>6</sup>	<sup>6</sup>	—
Globe Life	888-678-3403	199	141	35	240	171	48	282	202	62

You can look up exact pricing for your age, other plans and all Insurance companies at Medicare.gov. See the Appendix for detailed instructions.

## What do I need to do in order to obtain a policy?

You can contact the insurance company directly or go through an insurance broker to obtain a policy. Most people sign up for a Medigap policy within 6 months of the effective date of their Medicare Part B or discontinuing their employer-based plan. This is called a 'Medigap Open Enrollment' period because insurers must sell you any plan they offer. It is the best time to get a plan because outside of this 'Guarantee Issue Period' period, they can deny you coverage or charge you more based on your medical history.



There are other 'Guaranteed Issue Periods' without health screening such as when a Medicare Advantage Plan leaves the area. Call HICAP for more information if you are outside your 'Medigap Open Enrollment' period.

## How do I pay for coverage?

When you have Original Medicare (Parts A and B) along with a Medigap plan, you'll pay two premiums: one for Medicare Part B (\$185 in 2025); and another for your Medigap plan. Medicare B premiums are deducted from your Social Security benefit or you are

sent an invoice if not yet receiving benefits. Medigap premiums are paid directly to the private insurance carrier that provides your coverage. All plans are guaranteed renewable regardless of your health situation if you pay your premium. They are also all portable and continue if you move elsewhere within the USA.



## What about foreign travel?

The three plans described in this document (G, N and GHD) will cover emergency and urgent care outside of the United States as follows: within 60 days from the start of your trip, the Medigap plan will require you to pay 20% of the costs and they will pay 80%.

There is a \$250 deductible per year and \$50,000 lifetime limit.

Medicare pays nothing for foreign travel care, even in emergencies.

## Can I change policies if my Plan raises its prices?

There is no Fall Annual Open Enrollment period for Medigaps. But, after your initial enrollment period ends, in California you have a 'guaranteed issue' opportunity each year on your birthday and 59 days thereafter. You can switch your existing plan to the same or another plan type offering less coverage with any company that sells that plan. This is called the 'California Birthday Rule'. This option is only available for those who have an existing Medigap Plan and not those wanting to join a plan for the first time. Check in with [HICAP](#) on your birthday for updated pricing for plans other than the one you have. Or use the Appendix to look it up yourself.



If you currently have a Medicare Advantage plan and wish to switch to Original Medicare plus a Medigap and a Part D Drug Plan, please contact HICAP.

Medigap policies do not include outpatient prescription drug coverage, so you should consider enrolling in a stand-alone Prescription Drug Plan (see HICAP's information about [Part D Prescription Drug Plans](#)).

### Contra Costa County Health Insurance Counseling and Advocacy Program (HICAP)

Contact Us: 925-655-1393, (800) 510-2020 or (800) 434-0222

Visit: [www.cchicap.org](http://www.cchicap.org) then 'Contact Us' Email: [ehsdhicap@ehsd.cccounty.us](mailto:ehsdhicap@ehsd.cccounty.us)



Navigating Medicare



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#### Endnotes:

- 1 - Co-Insurance for G(HD) assumes annual deductible of \$2,870 already met. Annual deductible applies to both Part A and B costs.
- 2 - Assumes 10 doctor face-to-face encounters for Chemo treatment.
- 3 - HICAP does not endorse any insurer and makes no claims as to the insurer's financial status, reputation, or sales practices. All are approved to do business in the state and are regulated by the California Department of Insurance.
- 4 - Sample Premiums as of 11/1/2024 from Medicare PlanFinder. Dashes with a line reflect that plan is not offered by the company. See Medicare's Planfinder for rates offered in Contra Costa County for all plans at all ages.
- 5 - Some form of membership required. AARP is \$20/year. USAA membership is free and available to non-military via phone.
- 6 - Call AARP for pricing if your age is 75 or over as their pricing system depends on your Part B enrollment date.

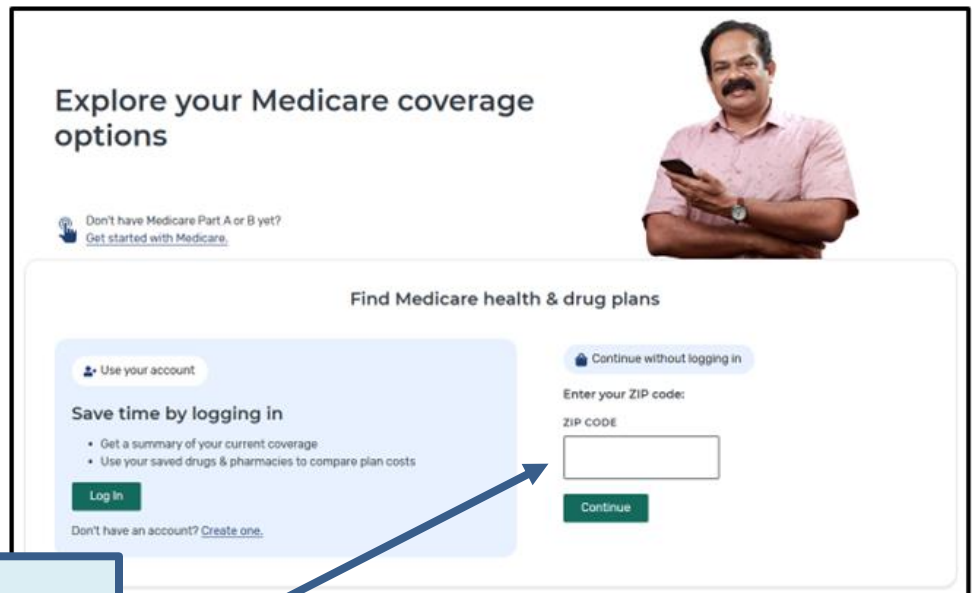
## Appendix - Pricing for your exact age and discounts

Here are step-by-step instructions to use Medicare's database to help you determine pricing for a Supplement Plan (Medigap) in your area for your exact age.



1) From any internet browser, use [www.medicare.GOV](http://www.medicare.GOV) (not COM) to get to Medicare. They often change the picture.

2) An option to find plans is always available. Click on "Find Plans Now".



3) Enter Zip Code and then "Continue". The screen will change to give you the option to select "Medigap policy". Finally, click "Find Plans". No need to log in or establish an account.



# Appendix – Pricing for ... (Continued)

Medicare.gov

Basics Health & Drug Plans Providers & Services

Back to find a Medigap policy

Step 1: Decide which plan you want

### Supplement Insurance (Medigap) plans in California

Change location

Get a more accurate price

Prices vary based on your age, sex, and health status.

AGE: [input field]

SEX:  Male  Female

DO YOU USE TOBACCO?:  Yes  No

Can I get a household discount? [input field] Clear Form

SELECT AN OPTION: No household discount Update Prices

There are 11 Medigap plans offered in your state

Sort by: Plan Name: A-Z

#### Medigap Plan A

MONTHLY COST: Premiums range from \$104-\$772 depending on your age, sex, health status, and when you buy. Doesn't include: \$174.70 Standard Part B premium. Get a more accurate price

COPAYS/COINSURANCE: \$0 Generally your cost for approved Part B services

DEDUCTIBLES: \$1,632 Hospital (Part A) deductible \$240 Medical (Part B) deductible

PLAN BENEFITS: Skilled nursing facility, Part A deductible, Part B deductible, Part B excess charges, Foreign travel emergency. Compare to other plans

4) Scroll down to the Plan type you are interested in. There is no need for accurate price at this point

5) You can click this link to see what is covered for all the standardized benefits for 10 Plan types offered in California.

#### Medigap Plan G

MONTHLY COST: Premiums range from \$132-\$1,045 depending on your age, sex, health status, and when you buy. Doesn't include: \$174.70 Standard Part B premium. Get a more accurate price

COPAYS/COINSURANCE: \$0 Generally your cost for approved Part B services

DEDUCTIBLES: \$0 Hospital (Part A) deductible \$240 Medical (Part B) deductible

PLAN BENEFITS: Skilled nursing facility, Part A deductible, Part B deductible, Foreign travel emergency. Compare to other plans

6) Recall that most choose a G Plan. From that Plan, click "View Policies".

Medicare.gov

Basics Health & Drug Plans Providers & Services Chat Log in

Back to Medigap plans

Step 2: Pick your policy

### Supplement Insurance (Medigap) Plan G policies

Get a more accurate price

Prices vary based on your age, sex, and health status.

AGE: 65

SEX:  Male  Female

DO YOU USE TOBACCO?:  Yes  No

Can I get a household discount? [input field] Clear Form

SELECT AN OPTION: No household discount Update Prices

There are 26 Medigap policies offered in your state

Sort by: Monthly premium: low to high

#### State Farm Mutual Auto

MONTHLY COST: \$144

Costs are estimates and may change. Contact the company for an official quote.

Doesn't include: \$174.70 Standard Part B premium. Get a more accurate price

Bloomington, IL 61710

Phone number: 800-782-8332

Website: Visit company website

as you get older and can eventually become the most expensive. Learn about costs

7) Enter your age, sex and tobacco use to get more exact pricing. Click on "Update Prices"

Household discounts for two people having policies with the same company can be selected here.

In addition to pricing for your age and zip code, there is contact information for calling directly to the Plan to enroll