

Medigap Policies (Medicare Supplement Insurance)



Frequently Asked Questions and Answers

What is the purpose of a Medicare supplement policy?



Individuals who do not enroll in a Medicare Advantage Plan have Original “fee for service” Medicare coverage (Parts A and B), which leaves certain costs such as deductibles, copays, and coinsurance for beneficiaries to pay. Most people with Original Medicare obtain supplemental coverage to help manage these expenses. Medigap policies, sold by private insurers, are designed to fill these “gaps” in coverage. It is important to note that Medigap does not replace Medicare; rather, it works in tandem with it. Unlike Medicare Advantage Plans, Medigap policies are compatible only with Original Medicare.

How do the policies work with my providers?

When you receive services, your provider bills Medicare first. Medicare determines the eligible amount and pays its portion, leaving deductibles and coinsurance unpaid. Your Medigap policy then covers some or all of these remaining costs, according to its terms. Medigap policies do not make medical decisions regarding coverage amounts — these decisions are made by Medicare. The process is usually seamless, with electronic coordination between Medicare and the Medigap issuer. Medigap policies cover only Medicare-approved expenses, though some plans may offer additional benefits such as extra hospital days and foreign emergency coverage. A few plans offer innovative benefits like hearing and vision benefits. They do not include outpatient prescription drug coverage, so a separate Part D plan is needed

Are there limits on where I can use these policies?

All providers who accept Medicare also accept all Medigap policies, regardless of the location, plan, or insurer. With Medigap, you present both your Medicare and Medigap cards. There are no provider networks or prior authorization requirements, as long as your provider accepts Medicare.



What are the differences between plans offered?

Medigap policies are standardized and designated by letters A–N. Each plan letter offers identical benefits across companies; the only difference is price.

Which plan should I choose?



Of the 10 standard plans, Plans G, N, and G(HD) are the most popular. At age 65, 99% opt for one of these three. All require the annual Part B deductible (\$283 in 2026) to be paid before coverage begins. Plan G provides the most comprehensive coverage after the deductible. Plan N usually has lower premiums because you agree to pay copays (\$20 for provider visits, \$50 for emergency room visits). 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 \$2,950 (in 2026) of only the 'gap' costs for both Part A and Part B covered services not paid by Medicare. So Medicare still pays most of the provider's bill. After reaching \$2,950 in out of pocket costs, all Medicare-covered services are paid in full for the rest of the year.

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, which can lead to high coinsurance for treatments such as chemotherapy or kidney dialysis.

Table 1

Medicare Cost Sharing for 2026			What you pay with a Medigap Plan		
Your Share - no supplement (Gap)			Plan G	Plan N	Plan G (HD)
	(USA Popularity for age 65 in '23)		53%	40%	6%
	Lowest Cost Monthly Premium @ age 65		\$166	\$135	\$45
HOSPITAL - A	Hospital Deductible Day 1	\$1,736	\$0	\$0	\$0 ¹
	Hospital Coinsurance after 60 days	\$434/day or more	\$0	\$0	\$0 ¹
	Skilled Nursing Coinsurance Days 21 to 100	\$217	\$0	\$0	\$0 ¹
OUTPATIENT - B	Annual Deductible	\$283	\$283	\$283	\$2,950
	Medical Coinsurance	20% (no limit)	\$0	\$20 per visit	\$0 ¹
	<i>(Example: >\$50,000 chemo treatment starting in January)</i>	>\$10,000	\$283	\$483 ²	\$2,950

1 - Co-Insurance for G(HD) assumes annual deductible of \$2,950 already met. Annual deductible applies to both Part A and B costs.

2 - Assumes 10 doctor face-to-face encounters for Chemo treatment.

Why are there differences in monthly premium costs?

Premiums are set by insurers to remain profitable after claims and costs. They are adjusted annually based on age and claims experience. There are no differences in benefits between companies for the same plan letter; only premiums vary. 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 or vision plan discounts. Then, just choose the lowest cost plan. Listed below are some of the current lowest cost plans from over 20 sold in this area³. Table 2 shows how the premiums vary and increase as one gets older⁴. The table is summarized by 5 year increments, but premiums typically change annually and are based on your age.

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

Company Name	Contact Phone	Dis ⁴	Age 65			Age 70			Age 75		
			G	N	G(HD)	G	N	G(HD)	G	N	G(HD)
⁵ USAA Life	800-515-8687	0%	166	158	—	180	185	—	216	221	—
Washington National	800-446-5018	0%	173	135	45	223	173	55	271	219	66
American Retirement (Cigna)	877-607-6002	6%	174	141	63	215	174	78	261	212	95
State Farm	See Agent	0%	185	142	—	236	180	—	281	215	—
Blue Shield	800-393-6130	7%	192	165	—	228	216	—	294	280	—
⁵ AARP/UHC Medicare Supp.	888-378-0849	7%	193	145	—	217	184	—	⁶	⁶	—
AFLAC	866-990-2668	0%	195	148	—	226	168	—	278	208	—
Anthem Blue Cross	888-211-9813	0%	195	206	—	238	251	—	290	305	—
Health Net (innovative)	800-944-7287	0%	199	168	83	243	207	104	310	267	134
Humana	877-426-1269	0%	267	197	69	320	236	82	378	279	97

What do I need to do to obtain a policy?

You can enroll directly through insurance companies or via an insurance broker. The "Medigap Open Enrollment" period (the six months after your Medicare Part B start date or the end of employer coverage) is the best time to buy. You cannot be denied coverage or charged higher premiums due to health history. Outside of this period, insurers may deny coverage or charge higher premiums. Other "Guaranteed Issue Periods" exist, such as when Medicare Advantage Plans exit your area.

Call HICAP for more information if you are outside your 'Medigap Open Enrollment' period.



- 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 4/1/2026 from SHIP TA. 'Dis' stands for potential household discount. Dashes with a line reflect that plan is not offered by the company. See Medicare's Plan Finder for current 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 those with no military if call on the phone.
- 6 - Call UHC for pricing if your age is 75 or over as their pricing system depends on your Part B enrollment date.

How do I pay for coverage?

With Original Medicare and a Medigap policy, you pay two premiums: one for Medicare Part B (\$202.90 in 2026) and one for your Medigap plan. The Medicare B premium is typically deducted from Social Security benefits, while the Medigap premium is paid directly to your insurer. All Medigap plans are guaranteed renewable regardless of your health and are portable across the United States.



What about foreign travel?

Plans G, N, and G(HD) cover emergency and urgent care outside the United States for the first 60 days of travel. The Medigap policy covers 80% of Medicare approved costs, with you responsible for the remaining 20%. There is a \$250 annual deductible and a \$50,000 lifetime limit. Medicare pays nothing for foreign travel care, even in emergencies. But beware, most plans only cover costs up to the Medicare limiting charge. A cruise ship will charge a lot more for an urgent care visit.

Can I change policies if my Plan raises its prices?

There is no Fall Annual or Open enrollment for Medigap plans. In California, the "Birthday Rule" allows those with an existing Medigap policy to switch plans annually on their birthday and for 59 days after. You may switch to the same or a lesser coverage plan with any insurer offering that plan. Check with HICAP for pricing information or use Medicare's Planfinder to look up current rates per the Appendix.

If you wish to switch from a Medicare Advantage plan to Original Medicare plus Medigap and Part D, contact HICAP for assistance.

Do I get any drug coverage with a Medigap?

Medigap policies will cover medications which are injected such as osteoporosis shots or infused chemotherapy drugs. But, they 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).

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Visit: cchicap.org then 'Contact Us' Email: ehsdhicap@ehsd.cccounty.us

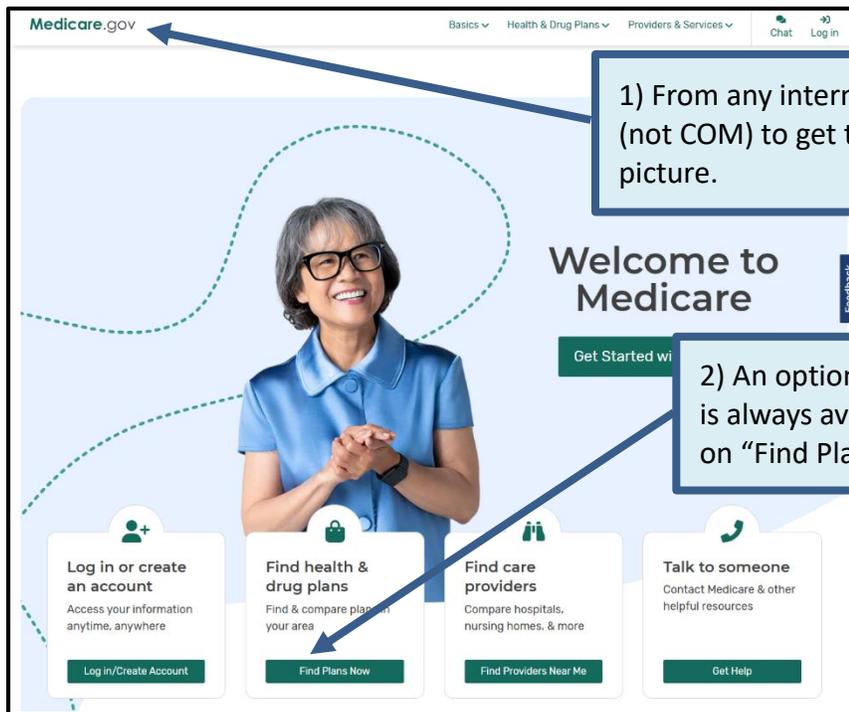


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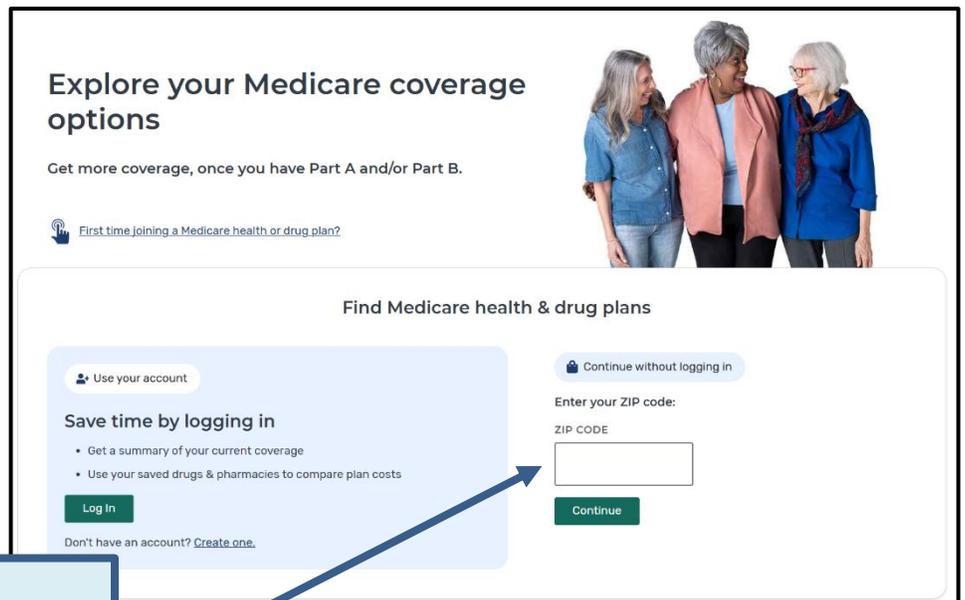
Appendix - Pricing for your exact age and discounts

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 (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)

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.

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

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. Spouses meet roommate criteria. Some require marriage.

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

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