HICAP 8-1-26

Medigap Policies (Medicare Supplement Insurance)

Frequently Asked Questions and Answers

What is the purpose of a Medicare supplement policy?

If you have Original Medicare, also called "fee-for-service" Medicare, you have Medicare Parts A and B. Original Medicare pays many health care costs, but you are still responsible for some expenses, such as deductibles, copays, and coinsurance. Many people buy a Medicare Supplement Insurance policy, also called Medigap, to help pay these remaining costs. Medigap does not replace Medicare. It works with Original Medicare and can only be used with Original Medicare, not with a Medicare Advantage Plan.

How do the policies work with my providers?

When you receive care, your provider bills Medicare first. Medicare decides the approved amount and pays its share. Your Medigap policy then pays some or all of the remaining Medicare-approved costs, depending on the plan you have. Medigap companies do not decide whether Medicare covers a service; Medicare makes that decision. In most cases, Medicare and the Medigap company coordinate payment electronically. Medigap policies cover only Medicare-approved expenses, although some plans include extra benefits such as additional hospital days, foreign travel emergency coverage, or limited hearing and vision benefits. Medigap policies do not include outpatient prescription drug coverage, so you will need to purchase a separate Part D drug plan.

Are there limits on where I can use these policies?

You can use a Medigap policy with any provider who accepts Medicare, no matter where the provider is located or which insurance company issued your Medigap policy. When you receive care, show both your Medicare card and your Medigap card. Medigap policies do not use provider networks or prior authorization, as long as the provider accepts Medicare.

What are the differences between plans offered?

Medigap policies are standardized and identified by letters A through N. A plan with the same letter has the same medical benefits no matter which company sells it. For example, every Plan G has the same benefits. The main differences between companies are the monthly premium, discounts, and any extra benefits they may offer such as gym membership.

Which plan should I choose?

Of the 10 standard Medigap plans, Plans G, N, and high-deductible G [G(HD)] are the most popular. At age 65, 99% of people who buy a Medigap policy choose one of these three plans. Each plan requires you to pay the annual Part B deductible ($283 in 2026) before coverage begins. After you pay the annual deductible, Plan G pays all covered copays for the rest of the year. Plan N usually has a lower monthly premium, but you may pay copays of up to $20 for provider visits and up to $50 for emergency room visits.

Some companies also offer a high-deductible version of Plan G. With G(HD), you pay a much lower monthly premium, but you must pay the first $2,950 in 2026 of the Medicare-approved costs that Medicare does not pay. This deductible applies to both Part A and Part B gap costs. Medicare still pays most of the provider's bill. After you meet the $2,950 deductible, Medicare-covered services are paid in full for the rest of the year.

The table below summarizes Original Medicare cost sharing for the three most popular Medigap plans. The other seven plan options are available from Medicare. The table shows how these three plans help cover Medicare's "gaps." One of the largest gaps in Original Medicare is that there is no yearly maximum out-of-pocket limit for the 20% Part B coinsurance. This can lead to high costs 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]
	(***Example:*** >$50,000 chemo treatment starting in January)	**>$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?

Insurance companies set their own Medigap premiums. Premiums may change each year based on your age, claims experience, and company costs. Medical benefits are the same for the same plan letter, no matter which company sells the policy. Only the premium, discounts, and any extra benefits may differ. HICAP suggests contacting several companies or a broker for current quotes on two or three lower-cost plans of the type you want. Ask for a quote based on your age, available discounts, and any extra benefits such as gym memberships or vision discounts. Then choose the plan that gives you the best overall value. Some plans sold in this area are listed below[3]. Table 2 shows how premiums can vary and increase with age[4]. The table uses five-year age ranges, but premiums usually change each year and are based on your exact age. You can look up current pricing for your age, other plans, and all companies at Medicare.gov. See the Appendix for step-by-step instructions.

TABLE 2 - Medicare Supplement (Medigap) Plans Contra Costa
Select Plan Monthly Rates[4] (sorted by Plan G at age 65)

		Age 65			Age 70			Age 75			Age 80		
Plan	Disc[4]	G	N	G(HD)	G	N	G(HD)	G	N	G(HD)	G	N	G(HD)
Plan 1	0%	173	134	45	223	173	55	271	219	66	313	266	79
Plan 2	0%	185	142	—	236	180	—	281	215	—	321	249	—
Plan 3	0%	194	185	—	211	217	—	253	258	—	315	299	—
Plan 4	6%	203	152	63	251	188	84	310	229	103	372	278	125
Plan 5	12%	232	174	80	234	176	93	250	187	86	295	221	102
Plan 6	0%	321	237	83	384	283	99	454	335	117	525	420	135

What do I need to do to obtain a policy?

You can enroll directly through an insurance company or through an insurance broker. The best time to buy is during your Medigap Open Enrollment period. This period lasts for six months after your Medicare Part B start date or after your employer coverage ends. During this time, you cannot be denied coverage or charged more because of your health history. If you apply later, an insurance company may deny your application or charge a higher premium. Other Guaranteed Issue periods may also apply, such as when a Medicare Advantage Plan leaves your area or when you move outside your Medicare Advantage Plan's service 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 8/1/2026 from SHIPTA. 'Disc' 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.

How do I pay for coverage?

With Original Medicare and a Medigap policy, you usually pay two monthly premiums: one for Medicare Part B ($202.90 in 2026) and one for your Medigap plan. The Part B premium is usually deducted from your Social Security benefits. The Medigap premium is paid directly to your insurance company. Medigap plans are guaranteed renewable, which means the company cannot cancel your policy because of your health as long as you pay the premium.

What about foreign travel?

Plans G, N, and G(HD) cover emergency and urgent care outside the United States during the first 60 days of a trip. The Medigap policy pays 80% of Medicare-approved costs after a $250 annual deductible, and you pay the remaining 20%. There is a $50,000 lifetime limit. Medicare does not pay for foreign travel care, even in emergencies.

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

There is no fall Annual Enrollment Period or general Open Enrollment period for Medigap plans. In California, the "Birthday Rule" allows people who already have a Medigap policy to switch each year beginning on their birthday and continuing for 59 days after. During this period, you may switch to the same plan or to a plan with equal or lesser benefits from any company offering that plan. Contact HICAP for help using Medicare's Plan Finder or look up current rates yourself using the Appendix.

If you want to switch from a Medicare Advantage Plan to Original Medicare with a Medigap and Part D prescription plan, contact HICAP for help. HICAP also has a more detailed handout about switching during your birthday period.

Do I get any drug coverage with a Medigap?

Medigap policies may help pay for Medicare-covered medications that are injected or infused, such as some osteoporosis shots or chemotherapy drugs. However, Medigap policies do not include outpatient prescription drug coverage. You should consider enrolling in a separate Part D Prescription Drug Plan. See HICAP's information about Part D Prescription Drug Plans for more details.

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SHIP State Health Insurance Assistance Program
Navigating Medicare

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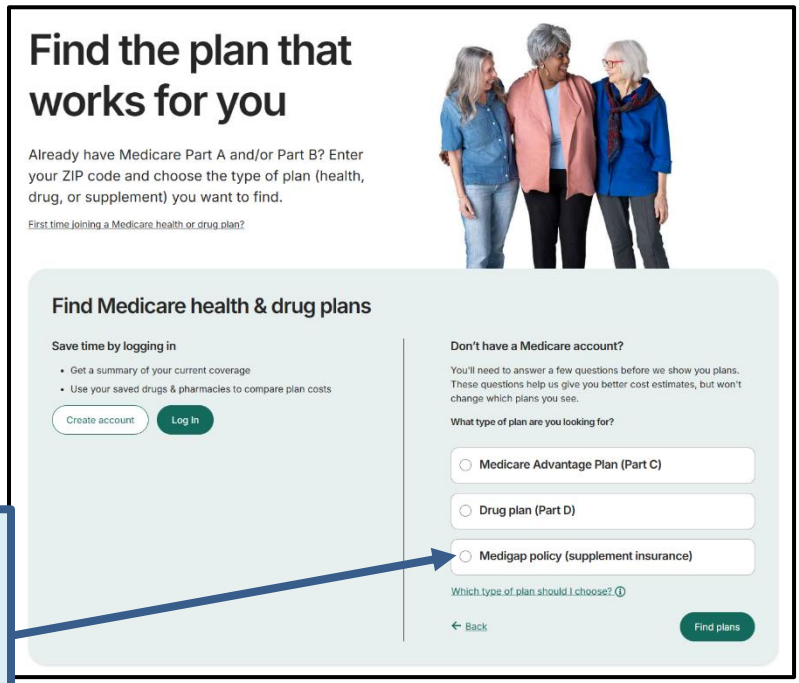
Contra Costa County Employment & Human Services

Appendix - Pricing for your exact age and discounts

The steps below explain how to use Medicare's database to find Medigap pricing in your area based on your exact age and available discounts.

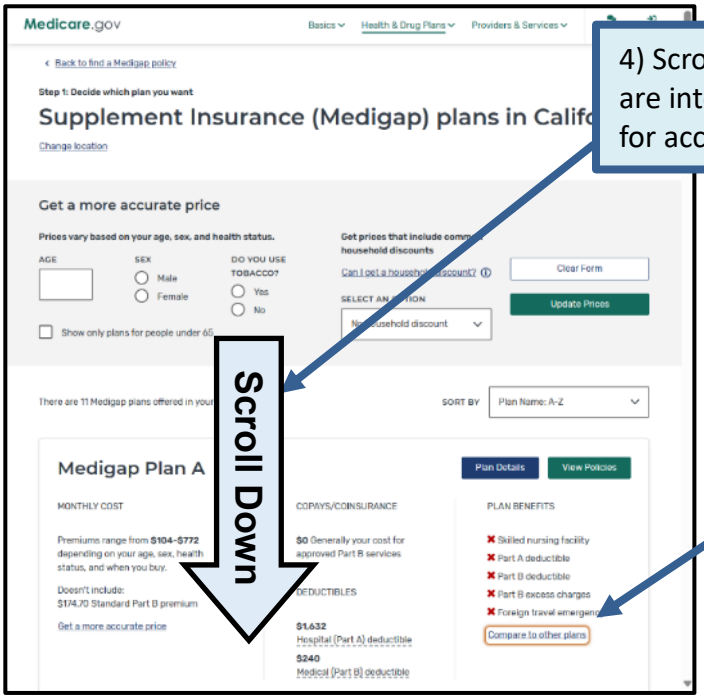
1) From any internet browser, use medicare.GOV (not COM) to get to Medicare. They often change the picture.

2) An option to find plans is always available. Click on "Find health and drug plans."



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.

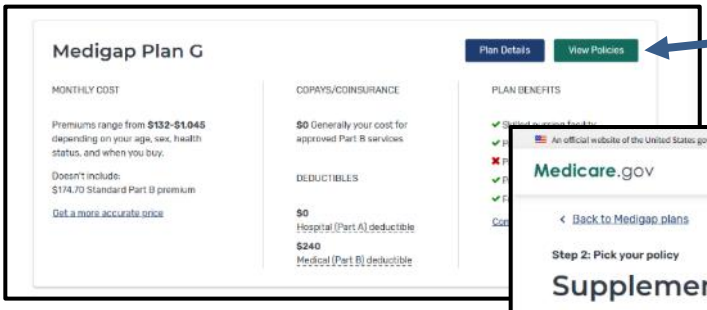
Appendix – Pricing for … (Continued)



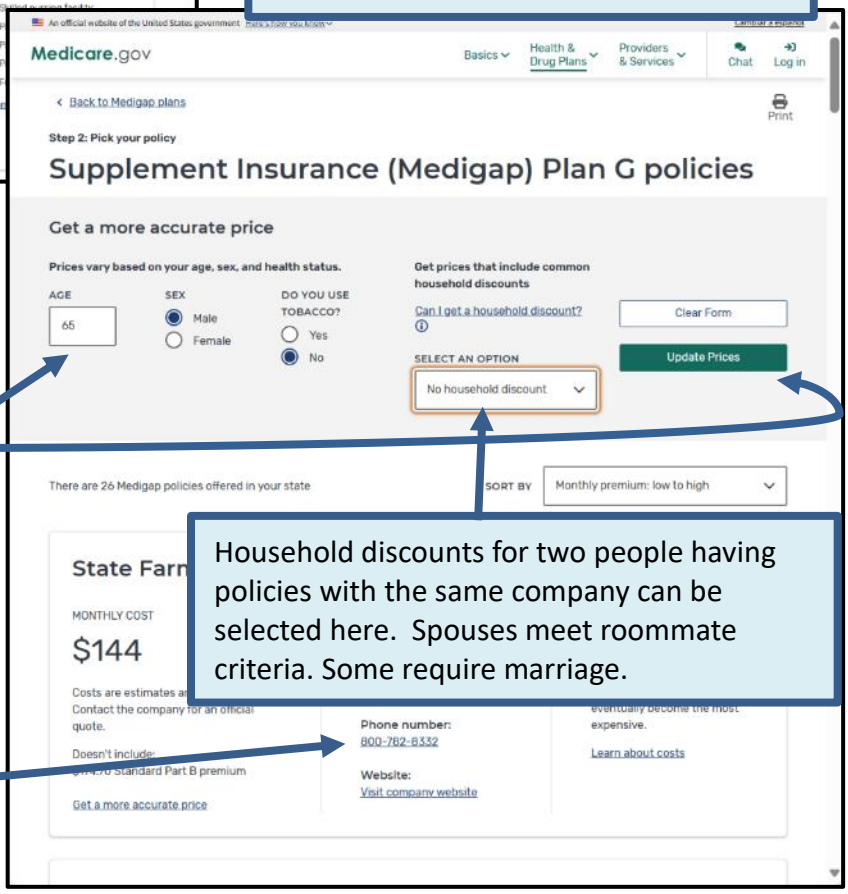
Scroll Down

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.

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