

## Medigap Plans

### How to read the chart:

If a check mark appears in a column of this chart, the Medigap policy covers 100% of the described benefit. If a row lists a percentage, the policy covers that percentage of the described benefit. If a row is blank, the policy doesn't cover that benefit. **Note:** The Medigap policy covers coinsurance only after you have paid the deductible (unless the Medigap policy also covers the deductible).

	Medigap Plans										
Medigap Benefits	A	B	C	D	F*	G	K	L	M	N	
Medicare Part A Coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓***	
Blood (First 3 Pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓	
Part A Hospice Care Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓	
Skilled Nursing Facility Care Coinsurance			✓	✓	✓	✓	50%	75%	✓	✓	
Medicare Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓	
Medicare Part B Deductible			✓		✓						
Medicare Part B Excess Charges					✓	✓					
Foreign Travel Emergency (Up to Plan Limits)			✓	✓	✓	✓			✓	✓	

Out-of-Pocket Limit\*\*

\$4,660	\$2,330
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\*Plan F also offers a high-deductible plan. If you choose this option, this means you must pay for Medicare-covered costs up to the deductible amount of \$2,070 in 2012 before your Medigap plan pays anything.

\*\*After you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$140 in 2012), the Medigap plan pays 100% of covered services for the rest of the calendar year.

\*\*\*Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.

## Why is it important to buy a Medigap policy when I'm first eligible?

It's very important to understand your [Medigap open enrollment period](#). Medigap insurance companies are generally allowed to use [medical underwriting](#) to decide whether to accept your application and how much to charge you for the Medigap policy. However, if you apply during your Medigap open enrollment period, you can buy any Medigap policy the company sells, even if you have health problems, for the same price as people with good health. If you apply for Medigap coverage **after** your open enrollment period, there is no guarantee that an insurance company will sell you a Medigap policy if you don't meet the medical underwriting requirements, **unless** you're eligible because of one of the limited situations listed on pages 22–23.

It's also important to understand that your Medigap rights may depend on when you choose to enroll in Medicare Part B. If you're 65 or older, your Medigap open enrollment period begins when you enroll in Part B **and** can't be changed or repeated. In most cases, it makes sense to enroll in Part B when you're first eligible, because you might otherwise have to pay a Part B late enrollment penalty.

However, if you have group health coverage through an employer or union, because either you or your spouse is currently working, you may want to wait to enroll in Part B. This is because employer plans often provide coverage similar to Medigap, so you don't need a Medigap policy. When your employer coverage ends, you will get a chance to enroll in Part B without a late enrollment penalty which means your Medigap open enrollment period will start when you're ready to take advantage of it. If you enrolled in Part B while you still had the employer coverage, your Medigap open enrollment period would start, and unless you bought a Medigap policy before you needed it, you would miss your open enrollment period entirely. If you or your spouse is still working and you have coverage through an employer, contact your employer or union benefits administrator to find out how your insurance works with Medicare. See page 21 for more information.

Words in [blue](#) are defined on pages 49–52.

## How do insurance companies set prices for Medigap policies?

Each insurance company decides how it will set the price, or **premium**, for its Medigap policies. It's important to ask how an insurance company prices its policies. The way they set the price affects how much you pay now and in the future. Medigap policies can be priced or "rated" in three ways:

1. Community-rated (also called "no-age-rated")
2. Issue-age-rated (also called "entry-age-rated")
3. Attained-age-rated

Each of these ways of pricing Medigap policies is described in the chart on the next page. The examples show how your age affects your premiums, and why it's important to look at how much the Medigap policy will cost you now and in the future. The amounts in the examples aren't actual costs. Other factors such as geographical rating, **medical underwriting**, and discounts can also affect the amount of your premiums.