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## Shopping for Medicare Supplement Insurance

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### 1. What is Medicare Supplement Insurance?

Medicare Supplement insurance policies (also known as "Medigap" policies) are specifically designed to cover certain expenses not covered by your Original Medicare hospital insurance (Part A) and medical insurance (Part B) coverage. The expenses not covered by your original Medicare are costs that you must pay yourself.

- A Medicare Supplement insurance policy may cover some, but not all, of the gaps in your original Medicare Part A and Part B coverage.
- Medicare Supplement insurance does not cover long-term care (care in a nursing home), vision or dental care, hearing aids, eyeglasses and private-duty nursing.
- Medicare Supplement insurance policies are sold by private insurance companies.
- Medicare doesn't pay any of the cost for you to get a Medicare Supplement insurance policy.

A full description of basic and extra benefits covered under Medicare Supplement insurance policies can be found in Medicare's publication, "Choosing a Medigap Policy." Contact Medicare at 1-800-MEDICARE or visit the Medicare website at [www.medicare.gov](http://www.medicare.gov) for a copy of this publication.

Other parts of Medicare that are not Medicare Supplement insurance:

- New Medicare Supplement insurance policies don't cover drugs, but you can join a Medicare Prescription Drug Plan (Part D) to add drug coverage.
- Medicare Supplement (or Medigap) insurance is not the same as Medicare Advantage (Part C). Medicare Advantage plans include Part A, Part B, and usually other coverage like Medicare prescription drug coverage (Part D), sometimes for an extra cost. Medicare Advantage plans are run by private insurance companies approved by and under contract with Medicare. To choose a policy that best meets your needs, first get a full understanding of how a Medicare Advantage or Medicare Supplement policy would affect your coverage and your out-of-pocket costs. Medicare Advantage does not work with Medicare Supplement insurance, and it is illegal for an agent to sell you a Medicare Supplement plan if you have Medicare Advantage.
- Insurance companies can only sell you a “standardized” Medigap policy. For your protection, Medigap policies must follow federal and state laws. A Medigap policy must include text that clearly identifies it as “Medicare Supplement Insurance.” The standardized Medigap policies that insurance companies offer must all provide the same benefits. Generally, the only difference between Medigap policies sold by different insurance companies is the cost.
- For more information, see “Choosing a Medigap Policy”:  
<https://www.medicare.gov/Pubs/pdf/02110-Medicare-Medigap-guide.pdf>

## 2. How Do I Know if I Need Medicare Supplement Insurance?

You may not need a Medicare Supplement insurance policy if you have any of the following:

**Medicaid (Title 19):** If you have Medicaid you do not need Medicare Supplement insurance, because Medicaid will pay for your share of Medicare-covered health care expenses. For more information about Medicaid, please contact the Department of Vermont Health Access (DVHA) at 1-800-250-3427.

**Health insurance from an employer, professional organization, government or military retiree plan:** If you remain employed after your 65th birthday, you may be able to continue your group health insurance with your employer and may not need a Medicare Supplement insurance policy. Likewise, if you become eligible for Medicare but are covered by your working spouse's health insurance, you may not need a Medicare Supplement insurance policy. Retirees with group health plans from their employers may consider switching to individual Medicare Supplement insurance policies. If you are in this situation, it is important to review each option before making a decision. Group retiree plans may not cost anything, or the cost may be lower than buying an individual Medicare Supplement insurance policy.

**Qualified Medicare Beneficiary (QMB) program:** The QMB program was designed to protect low-income Medicare recipients from some of the burden of Medicare out-of-pocket costs. It pays Medicare premiums and other out-of-pocket costs.

**Other types of health insurance:** Medicare Supplement insurance policies may not be needed when you have some other types of health coverage, such as Medicare Advantage Plans, union coverage, VA benefits, or TRICARE.

### **The following are some of the costs you may have to pay if you don't have Medicare Supplement insurance:**

**Deductibles:** The amount you pay for Medicare-approved expenses before Medicare starts to pay. Hospital deductibles for Medicare Part A are applied per "benefit period." A "benefit period" begins the day you go to a hospital or skilled nursing facility (SNF). The benefit period ends when you haven't received any hospital care (or skilled care in an SNF) for 60 days in a row. If you go into a hospital or an SNF after one benefit period has ended, a new benefit period begins. You must pay the inpatient hospital deductible for each benefit period. There is no limit to the number of benefit periods. Deductibles for medical bills under Medicare Part B are applied one time per calendar year.

**Co-insurance:** The percentage of hospital and medical bills you pay after Medicare pays their portion and your deductibles have been met. For example, you may pay 20% of the Medicare-approved amount for some services after you meet the deductible. Some Medicare Supplement insurance policies will pick up the difference, which can be significant. A Medicare Supplement insurance policy may help lower these costs. It is important to think about your current and future health care needs when considering and selecting an appropriate Medicare Supplement insurance policy. Other things to consider include the policy's benefits, premium costs, customer service, and your own financial situation.

## **3. Standard Plans and Basic Benefits**

### **Do all plans offer the same benefits?**

Medicare Supplement insurance plans are identified by letters. The plans are "standardized." Each plan offers the same basic benefits regardless of which insurance company is offering the policy. This allows you to compare policies, so you can choose which one best meets your health care and financial needs.

### **What are the basic benefits?**

All Medicare Supplement Insurance plans cover at least some portion of hospitalization expenses, medical expenses, blood and cost-sharing for all Medicare Part-A eligible hospice and respite care expenses.

## 4. What Does Medicare Supplement Insurance Cost?

The Vermont Department of Financial Regulation reviews and approves rates (also known as premiums) for each insurance company and each Medicare Supplement insurance policy that they offer. Medicare Supplement insurance policies are community rated.

Community rating means that everyone aged 65 and older who purchases a Medicare Supplement insurance policy during their initial enrollment period will pay the same rate for each Medicare Supplement insurance policy offered by each insurance company, regardless of age, health condition or gender. Rates for disabled Vermonters under age 65 may be higher than for people over age 65 but will be the same for all persons with disabilities.

Note: Rates will increase over time.

Rates are different from one insurer to the next for the same Medicare Supplement insurance plan. Rates change often so you may be charged a rate that differs from the rate in this publication. For this reason, it is important to call several insurers and have them send information to you for comparing rates and coverage.

Medicare Supplement insurance policy monthly rates are effective January 1, unless otherwise noted.

- Medicare Supplement Plans — For people age 65 and Older
- Medicare Supplement Plans — For people who are disabled and under age 65

## 5. Frequently Asked Questions

Buying a Medicare Supplement insurance policy or changing to a different Medicare Supplement insurance policy is an important decision. Before you buy, it may be helpful to contact your local Area Agency on Aging to speak with an experienced state health insurance counselor.

### What are my rights and protections?

Medicare recipients are guaranteed certain rights and protections regarding coverage. Understanding these protections can help you make a more informed choice. You have the following rights and protections:

- Insurance companies are required by law to sell you a policy if you buy it during your "Initial Enrollment Period." Your initial enrollment period begins on the first day of the month in which you are both 65 (or older) and enrolled for benefits under Medicare Part B. The initial enrollment period lasts for 6 months. This is the case even if you have health problems.
- Your health information privacy is protected.

- Once you buy a Medicare Supplement insurance policy, the insurance company must keep renewing it, provided you pay your premium. This is called "guaranteed renewal." The company cannot change what the policy covers and cannot cancel it unless you don't pay the premium. The company can increase the premium for everyone, but not for certain individuals.
- Insurance companies and agents are prohibited from selling you a second Medicare Supplement insurance policy.
- You have certain rights under state and federal law to appeal Medicare Supplement insurance coverage decisions you think are wrong.
- If you have a Medicare Supplement insurance policy that was sold on or after November 5, 1990, you have the right to suspend (and later reinstitute) coverage under a Medicare Supplement insurance policy if you become eligible for Medicaid (the Medicare Supplement insurance policy can be suspended for a period not to exceed 24 months). However, you are only entitled to this suspension if you notify the issuer of the Medicare Supplement insurance policy within a specific time period.
- Insurers are prohibited from requesting, requiring, or purchasing genetic information. Family members are also afforded these protections.
- Unlike a Medicare Advantage plan, you can visit any doctor, hospital, or specialist that accepts Medicare.

### **How does Medicare Supplement insurance coverage work?**

- To buy a Medicare Supplement insurance policy, you must have Medicare Part A and Part B.
- A Medicare Supplement insurance policy covers one person. If you and your spouse both want coverage, you each need to buy separate policies.
- Many Medicare Supplement insurance policies are accepted by health care professionals throughout the country; this is an advantage if you travel or live part of the year out-of-state. Some policies even provide additional benefits for those traveling to foreign countries.

### **When is the best time to buy a policy?**

The best time to buy a Medicare Supplement policy is during your initial enrollment period. This period lasts for six months and begins on the first day of the month in which you are both age 65 (or older) and enrolled in Medicare Part B.

### **Why is it important to buy a policy when I am first eligible?**

It's very important to understand your initial enrollment period. During this period, an insurance company can't use "medical underwriting." Medical underwriting is a process that an

insurance company uses to decide, based on your medical history, whether to issue an insurance policy.

### **How do I apply?**

Applying for Medicare Supplement insurance is like applying for traditional health insurance. All insurance companies that offer Medicare Supplement insurance policies to people who are 65 years old or older must now offer the same policies to people who are disabled and under 65 years old, during the first six months after they become eligible for Medicare. Even if you had Medicare before age 65, once you reach age 65 you have another six-month initial enrollment period during which you can buy a Medicare Supplement insurance policy or change policies.

### **Can I switch plans and companies?**

In most cases, you may be able to change your policy. However, if you are outside your six-month initial enrollment period and are not eligible for an exception to the initial enrollment period, the insurance company has the right to not sell you a policy based on underwriting. After the initial enrollment period, your options for Medicare Supplement insurance may be limited.

If you decide to switch, *do not cancel* your first policy until you have enrolled and decided to keep the second policy. Insurance companies are required to give people age 65 or older at least 30 days to decide if they want to keep the new policy. You are entitled to a full refund if you return the policy and give written notice of cancellation within the 30-day period, which begins on the day that you receive the policy (this is called your "free look" period). If you are under age 65 you have a 10-day free look period in which to return and cancel the policy.

## **6. Where can I buy a policy?**

You can buy a Medicare Supplement insurance policy from any insurance company that is licensed in and has been approved to sell these policies in Vermont. (Note: Many insurers sell their Medicare Supplement products through agents, so you can also call your local insurance agent.) Insurers approved to sell policies in Vermont are listed below:

Blue Cross Blue Shield of Vermont (Vermont Medigap Blue) 1-800-255-4550 (toll-free) or visit [www.bcbsvt.com](http://www.bcbsvt.com)

Colonial Penn Life: 1-800-800-2254 (toll-free)

Continental Life Insurance Co./Aetna: 1-800-264-4000 (toll-free)

Globe Life and Accident Insurance Company: 1-800-654-5433 (toll-free)

Humana Insurance Company: 1-888-310-8482 or visit [www.Humana-Medicare.com](http://www.Humana-Medicare.com)

Mutual of Omaha Insurance Company: 1-800-693-6083 (toll free)

State Farm Insurance: Check your local listings

United America: 1-800-331-2512 (toll-free)

United Healthcare (AARP): 1-800-523-5800 (toll-free) or visit [aarpmedicareplans.com](http://aarpmedicareplans.com)

USAA Life: 1-800-515-8687 (toll-free) or visit [https://www.usaa.com/inet/pages/insurance\\_life\\_main](https://www.usaa.com/inet/pages/insurance_life_main)

## 7. Important Tips

Things to consider:

- If you are considering buying an insurance policy from an agent, ask to see his or her license. You may also call the Insurance Division of the Vermont Department of Financial Regulation for information about agent licensing at 1-800-964-1784.
- Do not be pressured into buying a policy and be careful about replacing coverage. Don't cancel an existing policy until a replacement policy is in effect, because you may not be accepted by another company.
- Check for pre-existing condition exclusions and waiting periods.
- Do not overbuy: You only need one Medigap policy. Anticipate premium increases over time and shop carefully, because prices for the same plan can vary widely in the marketplace.

Compare Medigap policies [here](#) and ask questions about coverage for important services such as:

- Inpatient and outpatient medical coverage
- Part A hospital and Part B medical deductibles
- Mental health coverage

Complete the application carefully. Be certain that all information has been properly recorded. Intentional omissions of medical conditions on your Medicare Supplement insurance policy application may result in cancellation of your policy. However, your policy cannot be canceled if you become sick and made an unintentional mistake on your application. Review the application carefully before you sign it.

## 8. Where to Get Your Medicare Questions Answered

Vermont's State Health Insurance Program (SHIP) counselors are located within the Area Agency on Aging that serves your area. The SHIP counselors provide free and confidential help. You can go to the specific websites listed below or call 1-800-642-5119 (toll-free) to be connected to SHIP:

Northeast Kingdom Council on Aging  
481 Summer Street, Suite 101  
St. Johnsbury, VT 05819  
802-748-5182  
<https://www.nekcouncil.org/>

Central Vermont Council on Aging, Washington County  
59 N. Main Street, Suite 200

Barre, VT 05641-4121  
802-479-0531  
or  
109 Professional Drive, Suite 1  
Morrisville, VT 05661  
802-479-0531, 877-379-2600 (toll-free)  
[www.cvcoa.org](http://www.cvcoa.org)

Age Well  
76 Pearl Street, Suite 201  
Essex Junction, VT 05452  
800-642-5119 (toll-free), 802-865-0360  
<https://www.agewellvt.org/>

Senior Solutions Council on Aging for Southeastern Vermont, Windham County  
38 Pleasant Street  
Springfield, VT 05156  
800-642-5119 (toll-free), 802-885-2655 (fax)  
[www.seniorsolutionsvt.org](http://www.seniorsolutionsvt.org)

Southwestern Vermont Council on Aging  
143 Maple Street  
Rutland, VT 05701-9039  
802-786-5990, 802-786-5994 (fax)  
[infoandassistance@svcoa.org](mailto:infoandassistance@svcoa.org)  
or  
160 Benmont Avenue, Suite 90  
Bennington, VT 05201  
802-442-5436, 802-447-2846 (fax)  
[www.svcoa.org](http://www.svcoa.org)

Vermont Association of Area Agencies on Aging  
476 Main Street, Suite 3  
Winooski, VT 05404  
802-578-7094  
[www.vermont4a.org](http://www.vermont4a.org)

Vermont Center for Independent Living  
11 East State Street  
Montpelier, VT 05602  
800-639-1522 (toll-free), 802-229-0501  
[www.vcil.org](http://www.vcil.org)

General Medicare information  
800-633-4227, 877-486-2048  
[www.cms.gov](http://www.cms.gov)

Social Security Administration



To replace a Medicare card; change your address or name; get information about Part A and/or Part B eligibility, entitlement, and enrollment; apply for extra help with Medicare prescription drug costs; ask questions about premiums; and report a death:

1-800-772-1213

TTY 1-800-325-0778

[www.benefitscheckup.org](http://www.benefitscheckup.org)

[www.ssa.gov](http://www.ssa.gov)

(Check your local listings for SSA offices in Burlington, Rutland and Montpelier)

#### Coordination of Benefits Contractor

To get information on whether Medicare or your other insurance pays first and to report changes in your insurance information:

1-800-999-1118

TTY 1-800-318-8782

#### Department of Defense

To get information about TRICARE for Life:

1-866-773-0404

TTY 1-866-773-0405

#### Department of Health and Human Services

##### Office of Inspector General

If you suspect billing fraud:

1-800-447-8477

TTY 1-800-377-4950

#### Office for Civil Rights

If you think you were discriminated against or if your health information privacy rights were violated:

1-800-368-1019

TTY 1-800-537-7697

#### Department of Veterans Affairs

If you are a veteran or have served in the U.S. military:

1-800-827-1000

TTY 1-800-829-4833

#### Office of Personnel Management

To get information about the Federal Employee Health Benefits Program for current and retired federal employees:

1-888-767-6738

TTY 1-800-878-5707

[www.opm.gov](http://www.opm.gov)