

Consumer Alert

Medigap Changes Next Year

May 1, 2019

Medigap refers to various private health insurance plans sold to supplement Medicare in the United States. In 2015, the Congress passed, and the President signed into law, a measure that makes changes to the sale of Medigap plans after January 1, 2020.

There is some misinformation being circulated about the upcoming changes to Medigap plans. This consumer alert seeks to clarify some of the changes and protect consumers.

Key Takeaways

- If you are eligible for a Medicare or are currently enrolled in a Medigap plan before January 1, 2020, these changes **will not affect** you. Medigap plans will remain unchanged and available for these individuals.
- If you are “newly eligible” for Medicare on or after January 1, 2020, Medigap plans changes **will affect** you. Medigap plans will be available for the “newly eligible” except for C, F, and F High Deductible which will be replaced by Medigap plans D, G and G High Deductible plans.

Additional Details

- Medigap plan changes **do not affect** you if you are currently age 65 or will be age 65 before January 1, 2020 or if you first became eligible for Medicare due to age, disability or end-stage renal disease before January 1, 2020.
 - Plans C, F or High F will not be discontinued for those individuals who became eligible for Medicare before January 1, 2020. Those individuals who were Medicare eligible before January 1, 2020 will still be able to keep their policies or can purchase and can still be sold C, F, and F High Deductible on or after January 1, 2020.
 - Medigap coverage is guaranteed renewable and, so long as a current policyholder pays the premium, the coverage cannot be cancelled. Some current policyholders are being told that C, F, and F High Deductible will no longer be available after December 31, 2019 and



must therefore purchase new coverage in order to not lose their Medigap coverage, which is untrue.

- Some current policyholders are being told that premiums for coverage under C, F, and F High Deductible will be increasing to such an extent that they should purchase other coverage. These misleading statements may be used to induce policyholders to improperly switch coverage and are in clear violation of Medigap insurance laws.
- Medigap plan changes **do affect** you if you are “newly eligible,” which means you attain the age of 65 on or after January 1, 2020 or first become eligible for Medicare due to age, disability or end-stage renal disease, on or **after January 1, 2020**.
 - If you are “newly eligible” you cannot buy or be sold Plans C, F or F High Deductible after January 1, 2020.
 - If you are “newly eligible” Medigap plans will remain available **except** plans C, F, and F High Deductible.
 - If you are “newly eligible” plans D, G, and G High Deductible will replace plans C, F and F High Deductible.

For more detailed information do not hesitate to contact the Department of Financial Regulation Insurance Division at 802-828-3302, 800-964-1784, or dfr.insuranceinfo@vermont.gov. You can also contact the company that issued your policy.

