

Medicare Supplement Insurance Plans

Medicare Supplement Insurance Basics

A Medicare Supplement Insurance policy (also known as Medigap) is private health insurance that helps supplement costs not covered by Original Medicare. This means it helps pay some of the “gaps” in Medicare coverage (e.g., copayments, coinsurance and deductibles). A Medicare Supplement insurance plan is not a Medicare Advantage plan; nor does it supplement the benefits of a Medicare Advantage plan.

If a consumer has Original Medicare (Medicare Parts A and B) and a Medicare Supplement policy, Medicare will pay its share of the Medicare-approved amounts for covered health care costs, and then the Medicare Supplement policy pays its share. A Medicare Supplement policy helps by supplementing the costs not paid by Original Medicare.

Note: Medicare doesn’t pay the costs or premiums for a Medicare Supplement policy.

All Medicare Supplement policies must follow federal and state laws designed to protect consumers, and policies must be clearly identified as “Medicare Supplement Insurance.” Insurance companies in most states can sell only a standardized Medicare Supplement plan identified by letters A through N (see chart below). Each standardized Medicare Supplement plan must offer the same basic benefits, no matter which insurance company sells it.

Eight things to know about Medicare Supplement policies

1. The consumer must have Medicare [Part A and Part B](#) coverage.
2. If a consumer has a Medicare Advantage Plan, he or she can apply for a Medicare Supplement policy, but the consumer must make sure he or she can leave the Medicare Advantage Plan before the Medicare Supplement policy begins.
3. The consumer pays the private insurance company a monthly [premium](#) for the Medicare Supplement policy in addition to the monthly Part B premium that he or she pays to Medicare.
4. A Medicare Supplement policy covers only one person. If a consumer and his or her spouse both want Medicare Supplement coverage, they have to buy separate policies.
5. A consumer can buy a Medicare Supplement policy from any insurance company that's licensed to sell one in his or her state.
6. A Medicare Supplement policy is guaranteed renewable even if the consumer has health problems. This means the insurance company can’t cancel the Medicare Supplement policy as long as the consumer pays the premium.
7. Some Medicare Supplement policies sold in the past cover prescription drugs, but Medicare Supplement policies sold after Jan. 1, 2006, do not include prescription drug coverage. If a consumer wants prescription drug coverage, he or she can join a [Medicare Prescription Drug Plan \(Part D\)](#).
8. It’s illegal for anyone to sell a consumer a Medicare Supplement policy if he or she has a [Medicare Medical Savings Account \(MSA\) Plan](#).

This chart shows basic information about the different benefits that Medicare Supplement policies cover. If a percentage appears, the Medicare Supplement plan covers that percentage of the benefit, and the consumer must pay the rest.

Individuals who attain the age of 65, or those who become eligible for Medicare on January 1, 2020 or after, may not purchase a Plan C, F, or High Deductible Plan F.

Benefit Chart of Medicare Supplement Plans Sold on or After January 1, 2020

This chart shows the benefits included in each of the standard Medicare supplement plans. Some plans may not be available. Only applicants **first** eligible for Medicare before 2020 may purchase Plans C, F, and high deductible F. Note: A ✓ means 100% of the benefit is paid. Every company must make Plan "A" and either C or F available for those eligible for Medicare Prior to January 1, 2020 and either D or G available for those eligible for Medicare on or after January 1, 2020.

Benefits	Plans Available to All Applicants								Medicare first eligible before 2020 only	
	A	B	D	G ¹	K	L	M	N	C	F ¹
Medicare Part A Coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B Coinsurance or Copayment	✓	✓	✓	✓	50%	75%	✓	✓ copays apply ³	✓	✓
Blood (first three pints)	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Part A Hospice Care Coinsurance or Copayment	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Skilled Nursing Facility 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 in 2020 ²					\$5,880 ²	\$2,940 ²				N/A

¹ Plans F and G also have a high deductible option which require first paying a plan deductible of \$2,340 before the plan begins to pay. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High Deductible Plan G does not cover the Medicare Part B deductible. However, high deductible plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible.

² Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit.

³ 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 do not result in an inpatient admission.

What Medicare Supplement policies do not cover

Generally, Medicare Supplement policies do not cover long-term care (e.g., care in a nursing home), vision or dental care, hearing aids, eyeglasses or private-duty nursing.

Types of coverage that are not Medicare Supplement policies

- Medicare Advantage (MA) Plans (Part C), like an MA HMO, PPO or private fee-for-service plan
- Medicare Prescription Drug Plans (Part D)
- Medicaid
- Employer or union plans, including the Federal Employees Health Benefits Program (FEHBP)
- TRICARE
- Veterans' benefits
- Long-term-care insurance policies
- Indian Health Service, Tribal and Urban Indian Health plans
- Qualified health plans sold in the health insurance marketplace

Sources:

- **2019 Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare; Centers for Medicare & Medicaid Services;**
<https://www.medicare.gov/Publications/#results&keyword=Medigap&category=120>
- <https://www.medicare.gov>