



Medicare

Medigap coverage

Original Medicare: Paying out-of-pocket costs

How do I pay for what's not covered by Parts A and B?

- > With supplemental insurance commonly called Medigap
- > The plans are offered by various private insurance companies
- > The plans have letters for names

Medicare Supplement Insurance (Medigap) Plans

	A	B	C	D	F ¹	G ¹	K	L	M	N
Part A co-insurance and hospital costs	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part B co-insurance or co-payment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100% ²
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care co-insurance or co-payment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care co-insurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
Out-of-pocket limit in 2021 ³	N/A	N/A	N/A	N/A	N/A	N/A	\$6,220	\$3,110	N/A	N/A

As of Jan. 1, 2020, Plans C and F are not available to people who are newly eligible for Medicare.



Work with your financial professional to account for Medicare expenses as part of your retirement income plan.



#DecodingMedicare

¹ Plans F and G also offer a high-deductible plan in some states.

² Plan N pays 100% of the Part B co-insurance, except for a co-payment of up to \$20 for some office visits and up to a \$50 co-payment for some emergency room visits.

³ Plans K and L have an out-of-pocket yearly limit.

ADDITIONAL DETAILS

For those who choose Original Medicare, there is supplemental insurance available to cover out-of-pocket costs such as co-insurance, co-payments and, in some cases, Part A and Part B deductibles.

This insurance is commonly called Medigap, and there are 10 Medigap plans, each offering a different level of coverage. However, only eight are available to new enrollees.

The plans are offered by various private insurance companies. Not every provider offers every plan, but the coverages are consistent from provider to provider.

The plans have letters for names but should not be confused with Parts A or B of Original Medicare, Medicare Advantage plans under Part C, or Medicare Part D prescription drug plans.

Those with pre-existing conditions, chronic conditions or a family history of disease need to think ahead when choosing a Medigap plan. There is guaranteed issue of Medigap coverage during the first six months after Initial Enrollment in Original Medicare or within 12 months of trying out a Medicare Advantage plan. After that, however, Medigap providers may charge more or reject an applicant altogether: A later attempt to switch to a more robust Medigap plan may be denied. Therefore, if you anticipate a greater-than-average need for health care *in the future*, you may want to choose the most comprehensive Medigap plan you can afford *at initial enrollment*.

Medigap policies can be priced or “rated” in three ways:

1

Community-rated (or “no-age-rated”), which means that everyone enrolled in the same plan in the same area pays the same premium. Premiums may go up due to inflation but not due to age.

2

Issue-age-rated (also called “entry-age-rated”), meaning that the price is determined by the client’s age when they buy the policy. Premiums may go up due to inflation but not due to age.

3

Attained-age-rated, which means that premiums are low for younger buyers, but go up as people age. For someone who lives a long time, these premiums can eventually become the most expensive. They are also subject to inflation increases.

The chart on the first page shows what each plan covers, and you can see price ranges for the policies available to you at Medicare.gov. Monthly premiums will vary from company to company, so it could pay to consider multiple providers after choosing the plan you want.



The information in this document is sourced from medicare.gov, cms.gov, hhs.gov and some state-level sources.

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