



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 healthcare costs, and then the Medicare Supplement policy will pay 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 on Page 2). 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 in order to buy a Medicare Supplement policy.
2. If a consumer has a Medicare Advantage plan, he or she can apply for a Medicare Supplement policy, but the consumer must ensure that he or she can leave the Medicare Advantage plan and return to Medicare Parts A and B. The consumer should ask that the Medicare Supplement policy start when the Medicare Advantage plan enrollment ends.
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 apply for a Medicare Supplement policy from any insurance company 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 is illegal for anyone to sell a consumer a Medicare Supplement policy if the consumer has a Medicare Medical Savings Account (MSA) plan.

The Standard Plans Compared

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

Individuals who turn 65 on or after Jan. 1, 2020, or who otherwise become eligible for Medicare on or after Jan. 1, 2020, may not purchase a Plan C, Plan F or high-deductible Plan F.

	Medicare Supplement Insurance (Medigap) Plans									
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)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100% ***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			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**			
							\$6,220	\$3,110		

* Plans F and G also offer a high-deductible plan in some states (Plan F isn't available to people new to Medicare on or after January 1, 2020.) If you get the high-deductible option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,370 in 2021 before your policy pays anything, and you must also pay a separate deductible (\$250 per year) for foreign travel emergency services.

**Plans K and L show how much they'll pay for approved services before you meet your out-of-pocket yearly limit and your Part B deductible (\$203 in 2021). After you meet these amounts, the plan will pay 100% of your costs for approved 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.

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), such as an MA HMO, PPO or private fee-for-service plan (Reminder: You cannot hold an MA plan and Medicare Supplement plan at the same time.)
- 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

- Centers for Medicare & Medicaid Services (CMS). [2021 Guide to Choosing a Medigap Policy](#).
- CMS. [2021 Medicare & You](#). Section 5, Pages 71-74.