

A photograph of a city street. In the center is a modern building with a curved glass facade. To the right is a multi-story brick building with arched windows. A large tree is on the left side of the street. The text is overlaid on the image.

# Doris Irvine

1-877-310-6560

BUREAU OF INSURANCE  
STATE CORPORATION COMMISSION  
COMMONWEALTH OF VIRGINIA

1300 EAST MAIN STREET (23219)  
P.O. BOX 1157 (23218)  
RICHMOND, VA

# State Corporation Commission

The Bureau of Insurance provides free professional information and complaint services to all residents of Virginia. Over 2,400 formal complaints were handled last year resulting in a savings of over \$5,252,295 to consumers.

Consumer Service Hotline - 1-800-552-7945  
Insurance Outreach - Toll Free 1-877-310-6560

Address -  
1300 East Main Street  
Richmond, VA 23219

Website  
[www.scc.virginia.gov](http://www.scc.virginia.gov)

# State Corporation Commission

SCC provides day-to-day monitoring of regulated industries. The responsibility falls into three categories.

## Corporations

Office of the Clerk

## Financial Services

Bureau of Financial Institutions

## **Bureau of Insurance**

Division of Securities and Retail Franchising

## Public Utilities

Division of Energy Regulation

Division of Communications

Division of Economics and Finance

Division of Public Utility Accounting

Public Service Taxation Division

Railroad Regulation

# State Corporation Commission

The Bureau of Insurance is the largest division within the SCC (approximately 200 employees). There are approximately 11,890 agencies and 107,842 agents that are licensed here.

Regulates insurance companies, agents and agencies doing business in Virginia.

The regulatory functions of the Bureau of Insurance are divided into the following divisions:

- Financial Regulation
- Life and Health
- Property and Casualty
- Administrative Services

# What is a Medigap Policy?

- A **Medigap** (also called “Medicare Supplement Insurance”) **policy** is private health insurance specifically designed to supplement the **Original Medicare Plan**.
- It helps to pay some of the health care costs (“gaps”) , like coinsurance and deductibles that the Original Medicare Plans doesn’t cover.

# What does a Medigap Policy do?

- Medigap policies may also cover certain things that Medicare does not, such as foreign travel and certain preventive care.
- If you are in the Original Medicare Plan and you buy a Medigap policy, then both plans will pay their share of the **Medicare-approved amount** for the covered health care costs.



## How are Medigap Policies sold?

- Medigap policies are sold by private insurance companies.
- Insurance companies can sell you only a “standardized” Medigap policy. Standardized Medigap policies are identified by letters A through L. Medigap Plans F and J also offer a high –deductible option.

# How do insurance companies set the price of Medigap Premiums?

- Attained age (AA)-the premiums will automatically increase as you get older.
- Issue Age (IA)-the premiums will always be based on your age when you first bought the policy.
- Community (COMM)-the premium will be the same for all ages in the same area.

## What does each type of Medigap policy offer?

- The same basic benefits, no matter which insurance company sells it.
- Usually the only difference between Medigap policies sold by different insurance companies is the cost.



## What Medigap Policies don't cover...

- Medigap policies don't cover long-term care, vision or dental care, hearing aids, eyeglasses and private-duty nursing

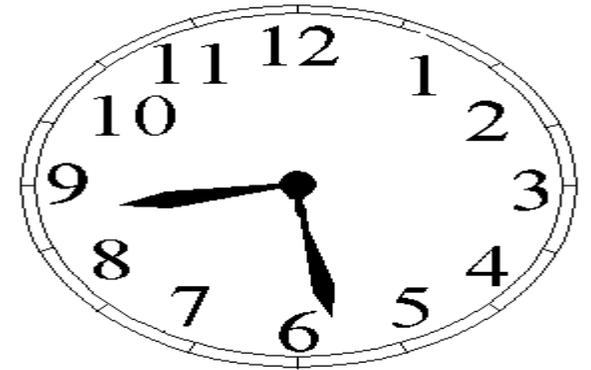
## Types of coverage that are NOT Medigap policies...

- Medicare Advantage Plans (Part C) like an HMO, PPO or Medicare Private Fee-for-Service Plans
- Medicare Prescription Drug Plans (Part D)
- Medicaid
- Employer or union plans, including Federal Employees Health Benefits Program (FEHBP)
- TRICARE
- Veterans' benefits
- Long-term care insurance policies

# What do I need to know if I want to buy a Medigap Policy

- In almost all cases you must have Medicare Part A and B. You still have to pay a monthly premium for Medicare Part B.
- You will also have to pay a premium to the Medigap insurance company.
- You can buy a Medigap policy from any insurance company that is licensed in your state to sell one to you.
- Any new Medigap policy is **guaranteed renewable** (which means the insurance company can't cancel your Medigap policy as long as you pay the premium).

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



- During your Medigap open enrollment period which lasts for 6 months and begins on the first day of the month in which you are **both** at age 65 or older **and** enrolled in Medicare part B.
- During this time an insurance company can't use **medical underwriting**:
  - Refuse to sell you any Medigap policy it sells,
  - Make you wait for coverage to start, or
  - Charge you more for a Medigap policy because of your health problems.

# Comparing Medigap costs...

- The cost of your Medigap policy may also depend on if the insurance company
  - Offers discounts (such as discounts for females, non-smokers, or people who are married; discounts for paying annually; or discounts for paying your premiums using electronic funds transfer).
  - Use **medical underwriting**, or applies a different premium when you don't have a **guaranteed issue right**.
  - Sells **Medicare SELECT** policies. If you buy this type of Medigap policy, your **premium** may be less.
  - Offers a “**high-deductible** option” on Medigap Plans F and J. If you buy a Medigap Plan F or J high-deductible option, you may pay the first \$2,000 (high-deductible in 2009) in Medigap-covered costs before the Medigap policy pays anything. You must also pay a separate deductible for foreign travel emergency (\$250 per year).

# What is Medicare SELECT?

- Medicare SELECT can be any of the standardized Medigap Plans A through L.
- You must use specific hospitals and in some cases, specific doctors to get your full insurance benefits.
- Medicare SELECT policies generally cost less than other Medigap policies.

# Medigap claim filing for Medicare Part B

- IN most Medigap policies, when you sign you agree to have the Medigap company get your Medicare Part B information directly from Medicare and then pay the doctor directly. Some Medigap companies provide this service for Part A claims.
- If your Medigap company doesn't provide this service, ask your doctors if they participate in Medicare. If your doctor does, the Medigap insurance company is required to pay the doctor directly if you request.



# Your Right to buy a Medigap Policy

- What are guaranteed issue rights?
  - The best time to buy a Medigap policy is during your Medigap open enrollment period (the 6 month period beginning when you are **both** 65 **and** enrolled in Medicare Part B).
  - However, if your open enrollment period has ENDED, you may have **Guaranteed issue rights** (also called “Medigap protections”). These are rights you have in certain situations when insurance companies are required by law to sell or offer you a Medigap policy even if you have health problems. These companies must uphold your rights by:
    - selling you a Medigap policy
    - covering all your pre-existing conditions, and
    - they can’t charge you more for a Medigap policy because of past or present health problems.



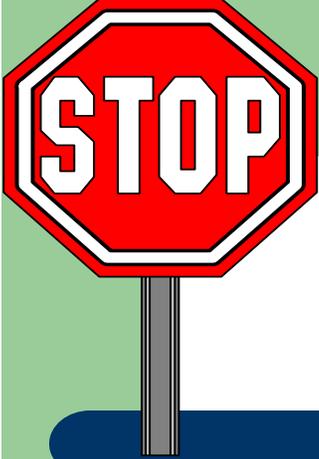
# Your Right to buy a Medigap Policy

- When do I have guaranteed issue rights?
  - In most cases, you have a guaranteed issue right when you have other health care coverage that changes in some way, such as when you lose or drop the other health care coverage.
  - In other cases you have a “trial right” to try a [Medicare Advantage Plan](#) and still buy a Medigap policy if you change your mind.
  - Your Medigap insurance company goes bankrupt and you lose your coverage.
  - In such cases, you have the right to buy Medigap plans A,B,C,F,K, or L.

# Steps to buying or switching a Medigap Policy...

- STEP 1: Decide which benefits you want, then decide which of the Medigap Plans A through L meet your needs.
- STEP 2: Find out which insurance companies sell Medigap policies in your state.
- STEP 3: Call the insurance companies that sell the Medigap policies that you are interested in and compare costs.





## Watch out for illegal insurance practices...

- It is illegal for anyone to:
  - Pressure you into buying a [Medigap policy](#), or lie to or mislead you to switch from one company or policy to another.
  - Sell you a second Medigap policy when they know that you already have one, unless you tell the insurance company in writing that you plan to cancel your existing Medigap policy.
  - Sell you a Medigap policy if they know you have [Medicaid](#), except in certain situations.
  - Sell you a Medigap policy if they know you are in a [Medicare Advantage Plan](#) (like HMO, PPO or [Medicare Private Fee-for-Service Plan](#))
  - Claim to be a Medicare representative if they work for a Medigap insurance company.

# Switching Medigap Policies

- If you're satisfied with your current Medigap policy's cost and coverage and the consumer service you receive, you don't need to do anything.
- Can I switch to a different Medigap policy?
  - In most cases, you won't have a right under Federal law to switch Medigap policies, unless you are within your 6-month Medigap **open enrollment period** or are eligible under a specific circumstance for **guaranteed issue rights**. But if the insurance company is willing to sell you a Medigap policy, make sure you compare benefits and **premiums** before switching Medigap policies.



# Switching Medigap Policies (continued)

- Can I switch to a different Medigap policy? (continued)
  - If you decide to switch, don't cancel your first Medigap policy until you have decided to keep the second Medigap policy.
- Do I have to wait a certain length of time after I buy my first Medigap policy before I can switch to a different Medigap policy?
  - NO. You should be aware that if you have had your old Medigap policy for less than 6 months, the Medigap insurance company may be able to make you wait up to 6 months of coverage of a pre-existing condition. However, if your old Medigap policy had the same benefits, **and** you had it for 6 months or more, the new insurance company can't exclude your pre-existing condition. If you've had your Medigap policy less than 6 months, the number of months you've had your current Medigap policy must be subtracted from the time you must wait before your new Medigap policy covers your pre-existing condition.

## Switching Medigap Policies (continued)

- Why would I want to switch to a different Medigap policy?
  - You are paying for benefits you don't need.
  - You need more benefits than you needed before.
  - Your current Medigap policy had the right benefits, but you are unhappy with the insurance company.
  - Your current Medigap policy had the right benefits, but you would like to find one that is less expensive.

## Switching Medigap Policies (continued)

- Can I keep my current Medigap policy (or Medicare SELECT policy) or switch to a different Medigap policy if I move out-of-state?
  - You can keep your current Medigap policy regardless of where you live as long as you are still in the [Original Medicare Plan](#).
  - If you want to switch to a different policy, you will have to check with the new insurance company to see if they will offer you a different Medigap policy.
  - You may pay more for your new Medigap policy and answer some medical questions if you are buying a Medigap policy outside of your Medigap [open enrollment period](#).
  - If you move and want to switch to a Medicare Advantage Plan, you have the right to keep your Medigap policy, but your Medigap policy won't work with your Medicare Advantage Plan

## Switching Medigap Policies (continued)

- What happens to my Medigap policy if I join a Medicare Advantage Plan?
  - Medigap policies can't work with Medicare Advantage Plans.
  - If you want to join a Medicare Advantage Plan, you may want to drop your Medigap policy. However if you leave the Medicare Advantage Plan you might not be able to get the same Medigap policy back, or in some cases, any Medigap policy unless you have a “trial right”.

# Medigap policies and disability or ESRD

- Medigap policies for people under age 65 and eligible for Medicare because of a disability or End-Stage Renal Disease (ESRD)
  - You may have Medicare before age 65 due to:
    - A disability, or
    - ESRD (permanent kidney failure requiring dialysis or a kidney transplant)
- If you are a person with Medicare under 65 and have a disability or ESRD, you might not be able to buy the Medigap policy you want, or any Medigap policy, until you turn age 65. Federal law doesn't require insurance companies to sell Medigap policies to people under age 65.

# Medicare Supplement Changes

- Effective June 1, 2010, companies may offer only Plans A, B, C, D, F, F with High Deductible, G, K, L, M, and N, may **not** offer Plans E, H, I, J, J with High Deductible and the at home recovery benefit will be deleted from Plans D, and G.
- The prohibition against use of genetic information is 5/21/09.

A	B	C	D	F	F*	G	K	L	M	N
Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance*		Basic, including 100% Part B coinsurance	Hospitalization and preventive care paid at 100%; other basic benefits paid at 50%	Hospitalization and preventive care paid at 100%; other basic benefits paid at 75%	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance, except up to \$20 copayment for office visit, and up to \$50 copayment for ER			
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance		Skilled Nursing Facility Coinsurance	50% Skilled Nursing Facility Coinsurance	75% Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible		Part A Deductible	50% Part A Deductible	75% Part A Deductible	50% Part A Deductible	Part A Deductible
		Part B Deductible		Part B Deductible						
				Part B Excess (100%)		Part B Excess (100%)				
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency		Foreign Travel Emergency			Foreign Travel Emergency	Foreign Travel Emergency

\*Plan F also has an option called a high deductible plan F. This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$2000] deductible. Benefits from high deductible plan F will not begin until out-of-pocket expenses exceed [\$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan's separate foreign travel emergency deductible.

Out-of-pocket limit \$[4620]; paid at 100% after limit reached	Out-of-pocket limit \$[2310]; paid at 100% after limit reached
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**KNOWLEDGE**

**IS**

**YOUR**

**BEST**

**POLICY**

