



Medicare Supplement FAQs

As of September 13, 2023

Medicare and the Medicare Supplement

Q. What is a Medicare Supplement Plan?

A. A Medicare Supplement Plan (or insurance policy) is an insurance product designed to supplement Original Medicare (Part A and Part B). A Medicare Supplement Plan pays for cost sharing for Medicare Parts A and B, but not Medicare Part D. The Medicare Supplement Plan is purchased from private insurance carriers and there is no annual open enrollment period.

Q. Is a Medicare Supplement Plan the same as a Medigap Plan?

A. Medicare Supplement and Medigap are different names for the same health insurance product. Some organizations prefer one name over the other and some may use both.

Q. I just turned 65. I keep getting mail about Medicare Advantage Plans and Medicare Supplement Policies. What is the difference between the two?

A. Medicare beneficiaries who do not receive Medicaid or retiree benefits to supplement Medicare Parts A and B generally need to choose between either a Medicare Advantage Plan or a Medicare Supplement Plan. The Medicare Supplement Policies are offered by private carriers and help fill in the gaps in Medicare Parts A and B, known as Original Medicare. Original Medicare pays for a lot, but not all of the costs of health care services and supplies. The Medicare Supplement Policies help pay for some of the remaining costs. Medicare beneficiaries who choose a Medicare Supplement policy will also need to choose a Medicare Part D Plan. Medicare Supplement Plans are standardized, so you can compare the prices for the same plan from different carriers.

Enrolling in a Medicare Advantage Plan, also known as “Part C,” is another way to help fill the gaps. These plans, offered by private carriers, cover all Medicare Part A and Part B services and often also include coverage for prescription drugs (Part D). Medicare Advantage Plans may also offer extra coverage such as vision or dental. Each Medicare Advantage Plan can charge different premiums and out-of-pocket costs. Generally, the beneficiary will continue to pay the premium for Medicare Part B while enrolled in a Medicare Advantage Plan, as well as any premium the carrier charges for the Medicare Advantage Plan. Medicare Advantage Plans include, for example, HMOs (health maintenance organization), PPOs (preferred provider organization), and fee for service providers. Depending upon the plan you select, the Plan may pay only for services provided by an in-network provider or offer reduced benefits for services provided by an out-of-network provider, so you may want to check if your providers are in-network. Seeing a doctor who is out-of-network may only be covered for an emergency or be more expensive. When you compare these plans, it is a good idea to consider the network and any different benefits they offer, as well as the monthly premium costs.

Q. Is there a comprehensive document available to help me understand Medicare Supplement Policies?

A. If our FAQs don’t answer your questions or if you want to read more in-depth about the Medicare Supplement plans, you can read the Centers for Medicare and Medicaid Services (CMS) guide, “Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare.” The document explains what the different policies cover, your rights to buy a policy, and how to purchase a Medicare Supplement policy. You can find the most recent version here: <https://www.medicare.gov/publications/02110-medigap-guide-health-insurance.pdf>.

You can also visit CMS’ dedicated Medigap Plans webpage, <https://www.cms.gov/Medicare/Health-Plans/Medigap/index>.

Maryland’s State Health Insurance Program (SHIP) is a free program to help those on Medicare with personalized Medicare counseling, education, and access to financial assistance resources. Each of the Maryland counties and Baltimore City have access to a SHIP and you can find your local office here: <https://insurance.maryland.gov/Consumer/Documents/publicnew/ship-phone-numbers.pdf>.

Medicare Supplement Plan Basics

Q. What's the first step I should take when considering a Medicare Supplement policy?

- A. It may be difficult or impossible to switch Medicare Supplement Policies later so it is a good idea to spend some time thinking about your current and future healthcare needs and which benefits are important to you. Know the difference between the plans and choose the one that fits best for you. A chart describing the difference in benefits can be found in this document:
<https://www.medicare.gov/publications/02110-medigap-guide-health-insurance.pdf>.

If you want to talk to someone about your Medicare options, SHIP is a free program to help those on Medicare with personalized Medicare counseling, education and access to financial assistance resources. Each of the Maryland counties and Baltimore City have access to a SHIP and you can find your local office here: <https://insurance.maryland.gov/Consumer/Documents/publicnew/ship-phone-numbers.pdf>.

Q. How many Medicare Supplement Plans are available?

- A. Nine standard Medicare Supplement Plans are available in Maryland. The Medicare Supplement Plans are standardized and identified by a letter. Plans A, B, C, D, F, G, K, L, M, and N are currently sold. All plans of the same letter offer the same basic benefits, even if the plan is offered by a different carrier.

Q. I've heard Medicare Plans C and F are no longer available. Is that true?

- A. By law, Plans C and F are available for purchase only to those eligible for Medicare before January 1, 2020.

Q. Why are plans C and F no longer available to those newly eligible for Medicare?

- A. Starting on January 1, 2020, Medicare Supplement Plans that cover the Medicare Part B deductible are not allowed to be sold to those new to Medicare. Because of this, Plans C and F are not available to those newly eligible to Medicare as of January 1, 2020. If you were eligible for Medicare before January 1 2020, but you had not yet enrolled, you are still eligible to purchase plans C and F.

Q. My mother has a discontinued plan. Can she keep it?

A. Plans E, H, I and J are no longer sold, but if you already have one you can generally keep the policy.

Q. Do insurance carriers have to offer all the plans?

A. No, insurance carriers in Maryland don't have to sell all of the different plans, but currently they all offer Plan A.

Q. Are there differences between the same plan sold by two different insurance carriers?

A. Only the policy costs will vary between carriers.

Q. Are there high deductible options? What is the 2020 deductible for the high deductible plans?

A. Plans F and G both include a high deductible option. The deductible for 2020 is \$2,340.

Q. Where can I get information about the insurance carriers currently selling Medicare Supplement Plans in Maryland?

A. The Maryland Insurance Administration (MIA) publishes a rate guide which is available on our website at:
<https://insurance.maryland.gov/Consumer/Documents/publications/Medicare-Supplement-Rate-Guide.pdf>.

The rate guide is updated each January and July. Individuals should contact the insurance carrier to confirm the rates in effect when they are applying.

Q. If I purchase a Medicare Supplement Plan, do I need to still continue to pay the Medicare Part B premium?

A. Yes, you pay the insurance carrier a premium for the Medicare Supplement Plan in addition to the monthly premium for Medicare Part B.

Q. Do the Medicare Supplement Plans cover prescription drugs?

A. Some plans sold before 2006 include prescription drug coverage, but policies sold since January 1, 2006 are not allowed to include prescription drug coverage.

Prescription drug coverage, Medicare Part D, is offered through private insurance carriers approved by Medicare.

Q. What is the Medicare Supplement Open Enrollment Period?

- A. This is the time period where you can enroll in a plan or switch to another plan. This period lasts for six months and begins on the first day of the month you are enrolled in Medicare Part B. During this period, an insurance carrier cannot use medical underwriting (the process during which the insurance carriers use health information collected from you to decide whether to accept your application or charge you more). For individuals who are at least 65 years old, the insurer may not deny the policy, limit coverage, or increase rates based on the health status or claims history of the applicant for the 6-month period following first enrollment in Part B of Medicare.

If a carrier offers Plans A and D to persons who are at least 65 years old, it must offer these plans to individuals who are under 65 and eligible for Medicare due to a disability during the first 6 months following the individual's enrollment in Part B of Medicare or if the applicant is notified by Medicare of retroactive enrollment in Medicare for the 6 months following notice. Plan A and D may not be denied or have coverage reduced based on the health status or claims history of the applicant.

Q. Can I be medically underwritten when I apply for a Medicare Supplement policy?

- A. After the 6-month initial guaranteed issue period upon enrolling in Medicare Part B, individuals will usually be subject to medical underwriting for a new Medicare Supplement policy. However, there are exceptions for additional guaranteed issue policies, which we cover in the "Guaranteed Issue" section of this FAQ.

Q. Does my Medicare Supplement policy have to cover my pre-existing conditions?

- A. Your policy may impose a "waiting period" for coverage related to certain pre-existing conditions. In certain cases, the insurance carrier may refuse to cover your out-of-pocket cost for pre-existing conditions for up to six months, called a "pre-existing waiting period." This coverage can only be excluded if the condition was diagnosed or treated in the 6-month period before you enrolled in the Medicare Supplement Plan. However, it is possible to avoid or shorten your waiting period if you buy a policy during the Open Enrollment Period or if you are

replacing another health insurance plan that counts as creditable coverage. Talk to the administrators of your current plan to learn how your plan's rules could affect you.

Q. What if I have health problems? Can my Medicare Supplement Plan drop me?

A. Your Medicare Supplement policy is considered guaranteed renewable. This means your insurance carrier cannot cancel your policy unless you fail to pay your premiums on time or make a material misrepresentation.

Q. My insurance producer (also known as an agent or broker) explained that the Medicare Supplement Policies can be based on issue age, attained age, or community rating. I'm so confused! Can you explain each?

A. "Issue Age" means that premiums are based on your age at the time you purchase the policy. While premiums may periodically increase due to benefit changes, inflation, or increases in medical costs, they will not increase due to your advancing age.

"Attained Age" means that premiums are based on your age on the last policy anniversary date. Premiums are scheduled to increase at predetermined intervals (for example, every year or every 5 years). These increases are in addition to premium increases because of benefit changes, inflation, or increasing medical costs.

"Community Rated" means that premiums do not depend on your age, either at the time the policy is issued or upon renewal. Premiums depend on other factors and may increase because of benefit changes or overall premium adjustments.

Q. I was just looking through your Medicare Supplement rate guide and am wondering about those Medigap Plans that are religiously-affiliated and those that have a membership requirement? Is this allowed?

A. Most Medicare Supplement Plans are issued to individuals by insurance carriers. These will not have any religious component or requirement to join a group. An insurance carrier may sell a group Medicare Supplement Plan to a qualifying group. AARP is the best known association in Maryland, but there may be other groups that purchase a group Medicare Supplement Plan and offer to enroll members of the group.

There are also companies that are not insurers that offer Medicare Supplement Plans, such as Fraternal Benefit Societies. Because they are fraternal benefit societies, members have a common bond, such as religion. As a result, the fraternal benefit societies can ask an applicant for information to see if you meet their requirements for membership. The MIA lists all companies with approved Medicare Supplement Plans and you can find them in the rate guide here:

<https://insurance.maryland.gov/Consumer/Documents/publications/Medicare-Supplement-Rate-Guide.pdf>.

Q. Is vision and dental care available under a Medicare Supplement Plan?

A. Generally, Medicare Supplement Plans do not cover vision or dental, hearing aids, or eyeglasses.

Q. Are discounts available with the Medicare Supplement Plans?

A. There may be discounts for a period of time. Also, while policies are issued to individuals (and not, for example, a couple or a family), some carriers may offer a discount for multiple policies purchased by individuals in the same household.

Q. Is financial assistance available for the Medicare Supplement Plans?

A. There are no programs available to help with the costs of the Medicare Supplement Plans. If you need to speak to someone about Medicare and financial assistance, please reach out to your local SHIP office. SHIP is a free program to help those on Medicare with personalized Medicare counseling, education, and access to financial assistance resources. Each of the Maryland counties and Baltimore City have access to a SHIP and you can find your local office here:

<https://insurance.maryland.gov/Consumer/Documents/publicnew/ship-phone-numbers.pdf>.

Q. I've had my Medicare Supplement Plan A for years, but I'm thinking about switching to a Plan L. Can I switch to a different plan?

A. Generally, you cannot switch Medicare Supplement policies unless it is during an Open Enrollment Period or you have a 63-day guaranteed issue right. If you are considering switching plans, keep in mind that you may be subject to medical underwriting and you can be denied. Remember that premiums and out-of-pocket costs may be different with a new Medicare Supplement Plan, so be

sure to understand that differences between plans if you are thinking about switching plans.

Q. Can I keep my current Medicare Supplement policy or switch to a different Medicare Supplement policy if I move out of Maryland?

A. In general, you can keep your current Medicare Supplement policy regardless of where you live as long as you still have Original Medicare.

Q. I currently have a Medicare Supplement policy, but I just recently qualified for Medicaid. I'm not sure how long I'll qualify for Medicaid. Can I go back to my Medicare Supplement policy later?

A. If you recently qualified for Medicaid and are currently enrolled in a Medicare Supplement policy, you can suspend it for up to 2 years after you transition onto Medicaid so long as you notify the carrier within 90 days of enrolling in Medicaid. To reinstate your Medicare Supplement policy, you will need to notify the carrier within 90 days of the date you become ineligible and pay the premium from that date forward. If you take these steps, the Medicare Supplement policy will be automatically reinstated.

Maryland Insurance Administration (MIA) and Medicare Supplement Plans

Q. Does the MIA regulate Medicare?

A. The MIA regulates insurance policies issued in Maryland, including Medicare Supplement Plans. For Medicare Supplement Plans, the MIA reviews policy forms, approves premium rates, and investigates complaints from consumers. The MIA does not regulate Medicare Advantage or Part D Plans, except for solvency and insurance producer conduct – making sure producers follow the rules and laws. The MIA does not regulate Medicare Parts A or B.

Q. Can the MIA help if I have questions about parts of Medicare besides the Medicare Supplement?

A. The MIA cannot answer questions regarding Medicare Parts A and B and recommends that you contact your local SHIP or the Centers of Medicare and Medicaid Services (CMS) for assistance. CMS is a federal agency within the U.S. Department of Health and Human Services. CMS administers the Medicare program and can answer your questions regarding the Medicare Program. The CMS website at www.cms.gov contains valuable information regarding

Medicare, including a handbook on Medicare entitled, “Medicare & You” that provides detailed information on Medicare program benefits, rights and obligations. You may also contact CMS directly by calling toll free, 1-800-MEDICARE, or visiting the Medicare website at www.medicare.gov.

SHIP is a program the help those on Medicare with personalized Medicare counseling, education, and access to financial assistance resources. Each of the Maryland counties and Baltimore City have access to a SHIP and you can find your local office here:

<https://insurance.maryland.gov/Consumer/Documents/publicnew/ship-phone-numbers.pdf>.

Q. Can a carrier increase the premium for a Medicare Supplement Plan?

A. Your premium for a Medicare Supplement Plan cannot be increased for one year from the date your policy becomes effective. After the first year, the premium may increase up to one time per year, but only if the MIA has approved the carrier’s rate increase.

The MIA makes its decision whether to approve or deny a rate increase based on information the carrier is required to submit annually, including the proposed rate change and information about how the rates were calculated.

Q. How does the MIA decide to approve/deny or adjust a rate increase request?

A. The staff of the MIA’s Office of the Chief Actuary reviews the documents filed by the insurance carrier to determine if the rates comply with the established loss ratio standards, and are not unfairly discriminatory. Premium rates are also compared with benefits and current experience to determine if we will approve/deny or adjust a proposed rate increased.

Q. How often can Medicare Supplement rates be increased?

A. Medicare Supplement rates can only change once per year for each insured.

Q. Does “file and use” apply to Medicare Supplement policies?

A. No, “file and use” does not apply to Medicare Supplement policies. Rates must be approved before they can be used.

Q. How can I get information about past rate increases?

A. Information about past rate increases is available to the public through the NAIC's System for Electronic Rates and Forms Filing (SERFF). SERFF includes data provided by the insurance carriers for the last five years of rate change history. To access this information, you may either visit the NAIC's SERFF webpage for Maryland, <https://filingaccess.serff.com/sfa/home/MD>, or submit a Public Information Act request to the MIA via the MIA's website, <https://insurance.maryland.gov/Pages/PublicRecordsCenter.aspx>.

Q. Is there data available to the public regarding enrollment numbers in specific Medicare Supplement Plan?

A. Yes, this data may be available and can be requested through the Maryland Public Information Act from the MIA. You can submit a Public Information Act request to the MIA via the MIA's website, <https://insurance.maryland.gov/Pages/PublicRecordsCenter.aspx>.

Q. Is there information available about complaints against insurance carriers offering the Medicare Supplement product?

A. This information may be available from the National Association of Insurance Commissioners (NAIC). You can search for complaint statistics and details at their Consumer Information Source by following this link: https://content.naic.org/cis_consumer_information.htm. You can also submit a Public Information Act request to the MIA via the MIA's website, <https://insurance.maryland.gov/Pages/PublicRecordsCenter.aspx>.

Guaranteed Issue Rights

Q. What are “guaranteed issue rights”?

A. “Guaranteed issue rights” refers to laws that guarantee (ensure) that you can purchase a replacement Medicare Supplement plan outside of the regular Open Enrollment Period if you lose your existing coverage because of a specified events. If you have the right to “guaranteed issue”, an insurance carrier must sell you a Medicare Supplement policy, cover all your pre-existing health conditions, and cannot charge you more for coverage based on your health status or history. To qualify for guaranteed issue rights, you must meet the requirements set out in the regulation and your situation must fall within one of the enumerated events. Under Maryland law, events that may trigger your right to a guarantee issue can

include, for example, the carrier has gone bankrupt or breached a material term of the contract, the insurance producer or carrier materially misrepresented the terms of the policy, or you terminated the Medicare Supplement policy and subsequently enrolled in a Medicare Advantage Plan, among others.

Q. Where can I find the relevant laws for the Medicare Guaranteed issue rights?

A. Guaranteed issue for Medicare Supplement plans is governed by:

1. Section 15-909 of the Insurance Article of the Annotated Code of Maryland; and
2. COMAR 31.10.06.06 and 31.10.06.09-1.

Q. Are there guaranteed issue rights for Medicare Supplement Plans outside of the initial guaranteed issue period?

A. Yes, there are several cases where you can receive a guaranteed issue right outside of initially qualifying for Medicare. The guaranteed issue period lasts 63 days. The date it begins depends on the reason for the guaranteed issue period. In many circumstances, it is the date coverage terminates, but you should carefully review the regulation to determine the date. An organization that is terminating coverage is required to give notice. There may be limits on the plans available. The regulation lists the plans that must be available in specific circumstances.

Medicare Supplement Birthday Rule

Q. What is the Medicare Supplement Birthday Rule?

A. Starting on July 1, 2023, Medicare Supplement policyholders in Maryland will be granted a once-yearly Open Enrollment Period during the 30-day period following the policyholder's birthday. The Birthday Rule establishes a guaranteed issue period each year to allow a policyholder to change, without underwriting, to a Medicare Supplement policy of equal or lesser benefits. You do not have to stay with your current Medicare Supplement carrier.

Medicare Supplement policyholders who have been underwritten and received less than the preferred rate are entitled to the preferred rate during the guaranteed issue period.

Q. How are Medicare Supplement policies of equal or lesser value determined?

- A. Medicare Supplement policies are considered to have equal or lesser value unless:
- the policy contains one or more significant benefits not included in the Medicare supplement policy being replaced; or
 - the policy contains the same significant benefits included in the Medicare supplement policy being replaced but it reduces the cost-sharing responsibilities¹ of the enrollee for the benefits.

Q. Does my Medicare Supplement carrier need to inform me about my Birthday Rule Open Enrollment Period?

- A. Yes, insurers will be required to send each Medicare Supplement policyholder an annual notice of their right to switch policies at least 30 days, but not more than 60 days, before the policyholder's birthday.

Q. Where can I find the proposed regulation?

- A. For additional details, visit the proposed regulation at:
<https://insurance.maryland.gov/Documents/newscenter/legislativeinformation/31.10.06-ProposedPub-552023.pdf>.

Q. Where can I see the chart showing me which plans are of equal or lesser value to my current plan?

- A. You can find that matrix by following the link to the legislation here:
<https://insurance.maryland.gov/Documents/newscenter/legislativeinformation/31.10.06-ProposedPub-552023.pdf>.

It is also located on page 27 of our Medicare Supplement Powerpoint presentation, found here:
<https://insurance.maryland.gov/Consumer/Documents/agencyhearings/MedSupinMaryland-webinar.pdf> .

¹ Cost-sharing responsibilities do not include the policy premium.

Q. Does the Medicare Supplement Birthday Rule allow you to switch to a different company, or do you have to remain with the same company?

You can switch to another carrier, provided the plan is of equal or lesser value as shown on the matrix.

Q. Does this apply to those on Medicare who are under 65?

Those under 65 can switch with regards to plans A, C, and D. They cannot switch to plans that are not available to those under 65.

Q. What about closed Medicare Supplement Plans?

If you have a question about using your Birthday Rule rights to switch from a closed Medicare Supplement Plan to a plan that is currently sold, please reach out to Patricia Dorn, Health Insurance Administrator, at:
patricia.dorn@maryland.gov.