

Guard against Medicare "gaps"

BY DAVID SAYEN

Medicare helps to pay for a wide variety of health services, from flu shots to hospital stays to hospice care.

But it doesn't cover everything. And it doesn't cover all your out-of-pocket costs.

Many services covered by Medicare require co-payments, coinsurance, and deductibles. You can purchase supplemental insurance to cover these "gaps" in Medicare. Such insurance is called Medicare Supplement Insurance, or Medigap. Some Medigap policies also cover certain benefits that Medicare doesn't, like emergency care in a foreign country.

If you have Medicare and you buy a Medigap policy, Medicare will pay its share of the Medicare-approved amount for covered health services. Then your Medigap policy pays its share.

You have to pay for Medigap yourself, and it's sold through private insurance companies. You can buy it only if you have traditional Medicare, not Medicare Advantage, which is managed care provided by private insurers.

Every Medigap policy has to follow federal and state laws designed to protect you. Medigap insurance companies can sell you only a "standardized" Medigap policy identified in most states by the letters A through D, F through G, and K through N. Each standardized policy must offer the same basic benefits, no matter which company sells it.

So beware when you're shopping for a Medigap policy: Cost is usually the only difference between Medigap policies with the same letter sold by different companies.

And there can be significant differences in how much various insur-



ers charge for exactly the same coverage.

Here are some of the costs that Medigap policies often cover:

- Medicare Part A (hospital) coinsurance and hospital costs for up to 365 days after Medicare benefits run out;
- Medicare Part B (medical) coinsurance or co-pays;
- Blood (first three pints);
- Part A hospice care coinsurance or co-pays;
- Skilled nursing facility coinsurance;
- Part A and Part B deductibles.

Medigap policies generally don't cover long-term care (like care in a nursing home), vision or dental, hearing aids, eyeglasses, and private duty nursing.

The best time to buy a Medigap policy is during your six-month Medigap open enrollment period, because you can buy any Medigap policy sold in your state, even if you have health problems. This period automatically starts the month you both turn 65 and are enrolled in Medicare Part B, and once it's over, you can't get it again.

Medigap insurance companies are generally allowed to use medical underwriting to decide

whether to accept your application and how much to charge you for the Medigap policy. However, if you apply during your Medigap open enrollment period, you can buy any Medigap policy the company sells, even if you have health problems, for the same price as people with good health.

Some other points to keep in mind:

- You must have Medicare Part A and Part B to buy a Medigap policy;
- A Medigap policy only covers one person. If you and your spouse both want Medigap coverage, you must each buy a separate policy;
- You pay the private insurer a monthly premium for your Medigap policy, in addition to the monthly Part B premium that you pay to Medicare;
- Any standardized Medigap policy is guaranteed renewable even if you have health problems. This means the insurance company can't cancel your Medigap policy as long as you pay the premium.

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