

The Facts About Changes In Medicare Supplement Plans In 2020

*There is new legislation affecting Medicare Supplement Insurance Plans C, F and HDF/F+ that takes effect **January 1, 2020**. Here's what you need to know.*

Will current policyholders need to change plans or will they lose coverage?

The short answer is NO, current enrollees will not lose their coverage in 2020. Current enrollees (those eligible for Medicare PRIOR to January 1, 2020) with a Plan C, F, or HDF/F+ will keep their guaranteed renewable coverage as long as premiums are paid on time. In addition, current enrollees may continue to buy Plans C, F, or HDF/F+ beyond January 1, 2020, and will also be able to buy the new High Deductible Plan G when it becomes available.

Why are some Medicare Supplement insurance plans changing?

A new federal law—the *Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)*—was passed on April 16, 2015 that prohibits first-dollar Part B coverage (first-dollar coverage means coverage of all claims without paying any out-of-pocket costs). MACRA will affect Medigap Plans C, F, and HDF/F+ which cover the Part B deductible. **Effective January 1, 2020, Plans C, F, and HDF/F+ will not be available to newly-eligible Medicare beneficiaries.**

Who is considered a newly-eligible Medicare beneficiary under MACRA?

MACRA defines newly-eligible as anyone who: (a) attains age 65 on or after January 1, 2020, or (b) who first becomes eligible for Medicare benefits due to age, disability or end-stage renal disease (ESRD) on or after January 1, 2020.

Facts About Policyholder Options

Again, current Policyholders will not lose their existing coverage as long as premiums are paid on time. A Policyholder with Plan C, F or HDF/F+ with United American or Globe Life of New York may wish to convert the plan in the future to a plan that offers lesser coverage. Policyholders who convert to a plan with lesser coverage will not have to answer any health questions to complete a policy conversion (Health questions are not applicable in New York or Connecticut).

What changes are made to High Deductible Plan options?

Since Plan F High Deductible cannot be sold to those newly-eligible Medicare beneficiaries because it covers the Part B Deductible, a new Plan G High Deductible has been created.

When can the new High Deductible Plan G be sold and who can buy it?

Plan G High Deductible can be sold with an effective date of January 1, 2020 or later; newly-eligible Medicare beneficiaries and current beneficiaries would be able to buy the new Plan G High Deductible.

When will “Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare” be revised to include these new changes?

We anticipate that CMS will update the “Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare” prior to January 1, 2020.

If an individual turns 65 before January 1, 2020, but doesn’t become eligible for Medicare (retroactively or otherwise) before that date, would the individual be eligible to purchase Medicare Supplement Plan C or F at such time as he or she becomes entitled to Medicare Part A and enrolled in Part B, regardless of when that happens?

Yes, individuals who turn 65 prior to January 1, 2020 are able to purchase Medicare Supplement Plans C, F, or HDF/F+ when they are enrolled in Medicare Parts A and B, even if that is after January 1, 2020. In addition, individuals who become Medicare-eligible before January 1, 2020 based on disability or ESRD status, are eligible to buy a Plan C, F, or HDF/F+ when they become enrolled in Medicare Part A and Part B.

EXAMPLE:

Question: If an individual turns 65 in November 2019 and is eligible for Medicare, but continues to work and is covered under an employer group health plan, (electing to delay their Part B enrollment until after 1/1/2020), would the individual be considered a newly-eligible Medicare beneficiary, (thus ineligible for Plans C, F, or HDF/F+), when they later decide to enroll in Part B and purchase a Medicare Supplement insurance policy?

Answer: No, the individual would NOT be considered newly-eligible, because they turned age 65 and were eligible for Medicare before January 1, 2020. Medicare Supplement insurance Plans C, F, and HDF/F+ will be available to the individual once they enroll in Medicare Part B, even if they enroll after 1/1/2020 (as long as they were eligible before 1/1/2020).