

Scenario Worksheet

Medigap Enrollment & Guaranteed Issue Rights

Ms. Andrews



“ Can I buy a new Medigap policy since the company that issued my current policy’s going out of business? ”

Scenario

Ms. Andrews bought a Medicare Supplement Insurance (Medigap) policy (Plan D) when she enrolled in Medicare at 65 in January of last year. Last month, she learned that the company that issued her Medigap policy is going out of business.

When Ms. Andrews tried to buy a new Medigap Plan D policy from another company, she was told that she couldn’t buy this policy because she was no longer in her Medigap Open Enrollment Period. Ms. Andrews wants to know if she’s still eligible to buy a new Medigap policy.

Scenario Answer Key

Medigap Enrollment & Guaranteed Issue Rights



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Q&A

1. When is the best time to buy a Medigap policy?

The best time to buy a Medigap policy is during your Medigap Open Enrollment Period. This period lasts for 6 months and begins on the first day of the month you're 65 or older and enrolled in Medicare Part B (Medical Insurance).

- Some states have additional Medigap Open Enrollment Periods, including Medigap Open Enrollment Periods for people under 65.
- During the Medigap Open Enrollment Period, an insurance company can't use medical underwriting to decide whether to accept your application.
- While the insurance company can't make you wait for your coverage to start, it may be able to make you wait for coverage related to a pre-existing condition. A pre-existing condition is a health problem you have before the date a new insurance policy starts.

In some cases, the Medigap insurance company can refuse to cover your out-of-pocket costs for pre-existing health problems for up to 6 months. This is called a pre-existing condition waiting period. The exclusion must be reduced or waived if there is prior creditable coverage. Creditable coverage is previous health insurance coverage that can be used to shorten a pre-existing condition waiting period under a Medigap policy.

2. Is it true that Ms. Andrews can't buy a new Medigap policy because she's no longer in her Medigap Open Enrollment Period? Explain why or why not.

Since Ms. Andrews signed up for Medicare Part A (Hospital Insurance) and Part B in January last year, her 6-month Medigap Open Enrollment Period ended last year in July. Once this period starts, it can't be delayed or repeated.

While it's true that Ms. Andrews isn't in her Medigap Open Enrollment Period, there may be other times when she can buy a policy outside of her Medigap Open Enrollment Period. For example:

- She still can buy a new policy any time an insurance company is willing to sell her one.
- She may have a guaranteed issue right (a protection that provides the right to buy a Medigap policy) in certain situations.
- Some states have additional protections.

3. Does she qualify for a guaranteed issue right? Explain why or why not.

- Yes, she qualifies for a federal guaranteed issue right. Guaranteed issue rights are rights you have in certain situations when insurance companies are required by law to offer or sell you a Medigap policy and can't charge you more if you have health problems (pre-existing conditions).

Medigap Enrollment & Guaranteed Issue Rights

- There are several circumstances when you have guaranteed issue rights, including when your Medigap insurance company goes bankrupt and you lose your coverage, or your Medigap policy coverage otherwise ends through no fault of your own.
- During the guaranteed-issue period, an eligible person is entitled to the issuance of certain specified Medigap plans.
- Since Ms. Andrews' Medigap insurance carrier is going out of business, she can buy a Medigap policy that has a benefit package classified as Plan A, B, D, G (including G with a high deductible), K, or L offered by any issuer in her state.

NOTE: Plan C and Plan F aren't available if you turned 65 on or after January 1, 2020, and to some people under 65. You might be able to get these plans if you were eligible for Medicare before January 1, 2020, but not yet enrolled. Since Ms. Andrews wasn't eligible for Medicare before January 1, 2020, she can't get Plan C or Plan F.

- She has to buy the new policy no later than 63 calendar days after the latest of these 3 dates:
 - Date the coverage ends.
 - Date on the notice she gets telling her that coverage is ending (if she gets a notice).
 - Date on a claim denial, if this is the only way she knows that her coverage ended.
- These are federal guaranteed issue rights. States may provide additional rights. You can call your State Health Insurance Assistance Program (SHIP) or State Department of Insurance for information and assistance. State Departments of Insurance regulate insurers in their states and are the best source for state-specific information and assistance. For state-specific contact information, see [CMS.gov/contacts](https://www.cms.gov/contacts).

Resources

"Supplements & Other Insurance" (Web page)

[Medicare.gov/supplements-other-insurance](https://www.medicare.gov/supplements-other-insurance)

For the following Medicare products, visit [Medicare.gov/publications](https://www.medicare.gov/publications):

Enter the CMS product number.

- "Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare" (CMS Product No. 02110)
- "Medicare Supplement Insurance: Getting Started" (CMS Product No. 11575)