Medigap Insurance (Medicare Supplement)

Wisconsin: Important Facts

Open Enrollment

Medigap Insurance and Medicare select insurance companies must make coverage available to you, regardless of your age, for six months, beginning with the date you enroll in Medicare Part B. This six-month period is called the open enrollment period. Insurance companies may not deny or condition the issuance of a policy on your health status, claims experience, receipt of health care, or medical condition. The policy may still have waiting periods before preexisting health conditions are covered. In addition, if you are under age 65 and eligible for Medicare due to disability or end-stage renal disease, you are entitled to a six-month open enrollment period upon reaching age 65.

Note: Medicare cost and Medicare Advantage are other insurance plans that accept applicants who live in the plan's service area. Applicants must have Medicare Part A and B.

Guaranteed Issue

In addition to the open enrollment period, in some situations, you have the right to enroll in a Medigap or Medicare Select policy, regardless of your health status if your other health coverage terminates. The insurance company must offer you one of these Medigap policies if one of the following occurs:

- If you joined a Medicare Advantage Plan when you were first eligible for Medicare at 65, you can choose from any Medigap policy that's sold by an insurance company in your state when you switch to Original Medicare within the first year of joining. You may also have an opportunity to enroll in a Medicare drug plan at this time.
- Your Medicare Advantage or Medicare cost plan stops participating in Medicare or providing care in your service area
- You move outside the plan's geographic service area
- You leave the health plan because it failed to meet its contract obligations to you
- Your employer group health plan (including COBRA) ends some or all of your coverage
- Your Medigap insurance company ends coverage and you are not at fault (for example, the company goes bankrupt)
- You drop your Medigap policy to join a Medicare Advantage plan, a Medicare cost plan, or buy a Medicare select policy for the first time and leave the plan or policy within one year after joining. However, you may only return the policy under which you were originally covered, if available
- You have Medicare Parts A and B, are covered under Medicaid, and lose eligibility in Medicaid

ADRC of Brown County
300 S. Adams St. Green Bay, WI 54301
(920) 448-4300
www.adrcofbrowncounty.org
ADRC is a nonprofit, 501(c)3 organization

Find us online:

ADRC Aging & Disability Resource Center of Brown County

Guaranteed Issue, Continued

When you meet the above conditions and you apply for your new Medigap policy no later than 63 calendar days after your health plan or policy coverage ends, the Medigap insurance company must do all of the following:

- Not deny you insurance coverage or place conditions on the policy (such as a waiting period)
- Cover you for all preexisting conditions
- Not charge you more for a policy because of past or present health problems

The insurance company terminating coverage must provide a notification that explains individual rights to guaranteed issue of Medigap plans. You must submit a copy of this notice (creditable coverage) or other evidence of termination with the application for the new policy.

Waiting Periods, Limitations, and Exclusions

Many Medicare supplement insurance policies have waiting periods before coverage begins. If your policy excludes coverage for preexisting conditions for a limited time, it must provide this information on the first page of the policy. The waiting period for preexisting conditions may not be longer than six months, and only conditions treated during the six months before the effective date of the policy may be excluded.

Insurance companies are required to waive any waiting period for preexisting conditions if you buy a Medicare supplement policy during the open enrollment period and have been continuously covered with creditable coverage for at least six months prior to applying for the Medicare supplement policy. Insurance companies are also required to waive any waiting periods for preexisting conditions when one Medicare Supplement policy is replaced with another.

Remember: For the first six months after you first enroll in Medicare Part B, insurance companies offering Medigap policies must accept you regardless of your health. Some companies have continuous open enrollments. However, the policies may include waiting periods before coverage begins.

Creditable Coverage

The Health Insurance Portability and Accountability Act (HIPAA) of 1996, requires that health insurance issuers, group health plans, and/or employers issue a HIPAA certificate of creditable coverage when your health coverage ends. The certificate indicates the date on which your coverage ends and how long you had the coverage. You should retain this document for your records because the certificate provides evidence of your prior coverage. If certain conditions are met, evidence of prior coverage may entitle you to a reduction or total elimination of a preexisting condition exclusion period under subsequent health benefits coverage you may obtain. Medicare and Medicaid Services (CMS) does not request or require a copy of this HIPAA certificate of creditable coverage. Therefore, you should not be instructed to send the certificate to CMS. Fore more information on HIPAA, visit www.cms.hhs.gov.

Prescription Drug Creditable Coverage

The Medicare Modernization Act (MMA) imposes a late enrollment penalty if you do not maintain creditable drug coverage (coverage that is at least as good as Part D coverage) for a period of 63 days or longer following your initial enrollment period for the Medicare prescription drug benefit. MMA mandates that certain entities offering prescription drug coverage disclose to all Medicare eligible individuals with prescription drug coverage whether such coverage is creditable. You should retain this document for your records. CMS does not request or require a copy of this creditable coverage documentation. Therefore, you should not be instructed to send the certificate to CMS. For more information on creditable coverage as it relates to Part D, visit www.cms.hhs.gov.

Thirty-Day Free Look

All Medicare supplement and Medicare select insurance policies sold in Wisconsin have a 30-day free look period. If you are at all dissatisfied with a policy, you may return it to the company within 30 days and get a full refund if no claims have been made. You should use the time to make sure the policy offers the benefits you expected. Check your application for accuracy and check the policy for any limitations, exclusions, or waiting periods. Medicare Advantage contracts also permit disenrollment.

Renewability

All Medicare supplement and Medicare select policies sold today must be guaranteed renewable for life. This means that you can keep the policy as long as you pay the premium. It does not mean that the insurance company cannot raise the premium. Policies that are guaranteed renewable offer added protection. Be sure to ask the insurance agent or company about the renewability of the policy.

Medicare Advantage plans are not guaranteed renewable. Medicare Advantage plans are a special arrangement between federal Centers for Medicare and Medicaid Services (CMS) and certain health maintenance organizations (HMOs) or insurance companies. CMS, HMOs, or insurance companies may choose to terminate plans at the end of any calendar year.

Contact the Medigap Hotline for further assistance (800) 242-1060 or ADRC at (920) 448-4300.