

Protect and Strengthen Medicare

Access to Medicare Supplemental Insurance Policies (Medigaps)



The Problem

While it is relatively easy for a Medicare beneficiary to enroll into and disenroll from a Medicare Advantage (MA) plan on an annual basis, there are limited windows of opportunity to join a Medigap plan. This means that people who want to switch from MA to traditional Medicare may not have the option for supplemental coverage they need, which may lock them into MA coverage. In order for Medicare beneficiaries to have true freedom of choice concerning their coverage options, Medigap plan access must be strengthened.

Background

Medicare Supplemental Insurance plans, also known as "Medigaps", are private health insurance plans that help pay for the "gaps" in coverage in traditional Medicare including copayments, coinsurance, and deductibles. Medigap enrollment rights are considerably more limited than the annual opportunities beneficiaries have to get in and out of private MA plans, and individuals who want to move from MA to traditional Medicare with a Medigap may not have good options.

Federal law gives beneficiaries 65 or over a Medigap Open Enrollment Period when they first enroll in Medicare Part B. During this 6-month window, the enrollee cannot be turned down for Medigap coverage and cannot be charged more if they have health problems. There are other [very limited federal guaranteed issue rights](#) when specific triggering events occur. State laws can provide further protections, but only four states—Connecticut, Massachusetts, Maine, and New York—require either continuous or annual guaranteed issue protections for Medigap for all beneficiaries in traditional Medicare ages 65 and older, regardless of their medical history. As noted in a Kaiser Family Foundation [report](#), "[i]n all other states and D.C., people who switch from a Medicare Advantage plan to traditional Medicare may be denied a Medigap policy due to a pre-existing condition, with few exceptions."

Medicare beneficiaries who miss the limited windows to enroll in a Medigap plan may find later that they no longer have the option to change coverage to meet their needs or priorities. And many beneficiaries do not understand that they may be sacrificing future opportunities and may incorrectly expect to be able to purchase supplemental coverage if they choose to switch to traditional Medicare. It is vital that choices made at age 65 do not bind beneficiaries for the rest of their lives.

In addition, many current Centers for Medicare & Medicaid Services (CMS) communication materials appear to downplay the advantages of Medigaps for many people with Medicare. This includes saying that people in MA “[can't buy and don't need Medigap](#)” (emphasis ours), which incorrectly suggests that MA plans offer all of the benefits of Medigaps. Other resources note that “[Your out-of-pocket costs may be lower in a Medicare Advantage Plan. If so, this option may be more cost effective for you.](#)” But this fails to flag the corresponding idea that some beneficiaries will see lower out-of-pocket expenses with a combination of Original Medicare and Medigap.

Possible Solutions

Some improvements do not require statutory changes.

- **More Accurately Depict Medigap Pros and Cons.** CMS and other agencies can more accurately depict the pros and cons of Medigaps and MA coverage to ensure people understand their options.
- **More Clearly Explain Implications of MA Transitions.** CMS can also more clearly state the implications beneficiaries face when they forgo their Medigap open enrollment period or later cancel their policy. Beneficiaries may assume they may freely move back and forth between MA and Original Medicare. This is particularly problematic when MA plans drop providers, leaving enrollees unable to access their doctors but unable to afford switching to Original Medicare, where they have greater choice. We ask CMS to share more information about access to supplemental coverage. This is an exceptionally high-stakes decision point; the risks must be clear.

Some improvements require changes to the underlying statutes to expand the rights of individuals to purchase Medigap plans.

- **Strengthen Federal Laws.** Legislation like H.R. 1394, the “Medigap Consumer Protection Act of 2019” would extend open enrollment and guaranteed issue rights to all individuals eligible for Medicare based upon disability and ESRD under age 65, Medicare Advantage enrollees, Medicaid enrollees, and COBRA enrollees.

- **Encourage States to Expand Medigap Rights.** Individual state legislatures can expand Medigap rights applicable in individuals in a given state, using Connecticut, Massachusetts, Maine, or New York expansions as examples of potential legislation.