



# MEDICARE SUPPLEMENT OR “MEDIGAP”

The Advocacy Center of Louisiana (AC) is a statewide non-profit agency providing free legal services to people with disabilities and seniors.

## WHAT IS MEDIGAP INSURANCE?

Medigap is private health insurance which is designed to supplement and fill the gaps in Medicare coverage. NOTE: Medicare only pays for goods and services it determines are medically necessary. Medicare sets amounts it decides are “reasonable,” which may be less than the amount charged by the provider. Medicare pays only 80% of this reasonable fee.

## WHAT ARE SOME OF THE GAPS IN MEDICARE COVERAGE?

The following costs are **not** covered by Medicare:

### **DEDUCTIBLES:**

You will be responsible for the following:

**2011 Part A** - \$1132 per benefit period (Each spell of illness constitutes a new benefit period. A benefit period begins the day you are hospitalized and ends after you have been out of the hospital or skilled nursing facility for 60 consecutive days.)

**2011 Part B** - \$162 per year

### **CO-INSURANCE:**

You may have to pay part of the costs for some services. These are called co-insurance amounts. For instance, Medicare does not pay for the first \$283 per day for the 61<sup>st</sup> through the 90<sup>th</sup> day of inpatient hospital care. Also, you are responsible for the first \$566 per day when you use any of your 60 lifetime reserve days for hospital care.

### **FEES/CHARGES:**

You will have to pay fees and charges which are greater than the amount approved by Medicare.

### **NON-COVERED MEDICAL SERVICES AND SUPPLIES:**

Services such as custodial nursing home care; routine physical, eye, hearing, and dental examinations; the cost of hearing aides, and routine dental care, dentures, and eyeglasses.

## HOW DO YOU KNOW IF YOU NEED MEDIGAP INSURANCE?

Before you reach the age of 65, consider the following to decide if you need private health insurance in addition to Medicare:

- Medicaid recipients usually do not need additional coverage.
- Evaluate your financial situation to weigh the risk of paying for medical expenses not covered by Medicare versus paying the monthly premiums of Medigap insurance.

## TIPS ON PURCHASING MEDIGAP INSURANCE

- Decide what additional coverage you want and how much you can afford to pay.
- Be sure that any new policy you purchase does not duplicate any health coverage you already have under another policy.

- Generally, beware of agents who want you to switch policies. Agents can get higher commissions on new policies.
- Check for pre-existing conditions exclusions. Some policies will not pay for these, even if the policy says, “no medical exam required.”
- Check your right to renew the policy thereby lessening the chance of a company canceling your coverage.
- Be aware of maximum benefits. Most policies have limits as to the cost or number of days of coverage.
- Make sure the insurance agent and/or company is reputable. No policy is required or endorsed by the government.
- Shop around. Request information from several companies. Ask friends, family and consumer groups for recommendations.

### **PROTECTIONS FOR PURCHASERS OF MEDIGAP POLICIES**

- During the first six months after you become eligible for Medicare Part B, an insurance company cannot discriminate against you or refuse to sell you a Medigap policy for any health reasons.
- A Medigap policy may have a waiting period of up to six months for pre-existing conditions.
- If you replace one Medigap policy with another Medigap policy, the new policy must waive any time periods for pre-existing conditions already met under the old Medigap policy.

### **PRESCRIPTION COVERAGE**

Medigap policies sold after January 1, 2006 do **not** include prescription drug coverage. Prior existing policies with drug coverage may be renewed. Part D is Medicare’s drug coverage program. Even if you have Part D, you may still be responsible for a large amount of your prescription costs. Medicare’s “Extra Help Program” (also known as Low Income Subsidy) will provide a full subsidy for individuals with countable annual incomes under \$14,701.50 and couples under \$19,858.50. You can apply for Extra Help online at [www.socialsecurity.gov](http://www.socialsecurity.gov) or by calling Social Security at 1-800-772-1213 (TTY 1-800-325-0778) or by applying at your local Social Security office. Check all of your existing insurance policies to determine if you need or want Medicare Part D.

For more information, contact the **MEDICARE HOTLINE** at 1-800-633-4227.

**For Assistance: Call TOLL-FREE 1-800-960-7705 (Voice or Relay)**

**8325 Oak Street, New Orleans, LA 70118 or**

**Visit our website at [www.advocacyla.org](http://www.advocacyla.org)**

**Serving Louisianians, statewide.**

**To request services in Vietnamese, call 1-800-960-7705, extension 4.**

**Để đòi hỏi những công tác (dịch vụ) bằng tiếng Việt, xin gọi 1-800-960-7705, mở rộng 4.**

**For information in Spanish please call 1-800-960-7705, ext. 3. Para información en español por favor llame 1-800-960-7705, ext. 3.**