



MASTERING MEDICARE

MEDICARE SUPPLEMENT + PRESCRIPTION DRUG PLAN

COURSE 02

What you need to know before you sell the plan.

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What's Covered?

STEP 1 SIGN UP FOR ORIGINAL MEDICARE

**Part A**
Federal Government
Inpatient Hospital Care

**Part B**
Federal Government
Outpatient Care & Doctor Visits

Original Medicare has beneficiary cost-sharing

Depending on the service, the beneficiary may have:

- Deductibles
- Coinsurance
- Copayments
- Part B coinsurance
- Other Medicare-approved cost-sharing

This creates the need for the next layer of coverage.



What's Covered?

STEP 1 SIGN UP FOR ORIGINAL MEDICARE



Part A
Federal Government
Inpatient Hospital Care



Part B
Federal Government
Outpatient Care & Doctor Visits

STEP 2 SELECT AN OPTION FOR ADDITIONAL COVERAGE

OPTION 1



MEDICARE SUPPLEMENT
Private Insurance Company
Secondary coverage for
Out-of-Pocket Medicare costs



MEDICARE PART D PLAN
Private Insurance Company
Prescription Drug Coverage

OR

OPTION 2

MEDICARE ADVANTAGE
Private Insurance Company



Part C
Combination of Part A
& Part B coverage



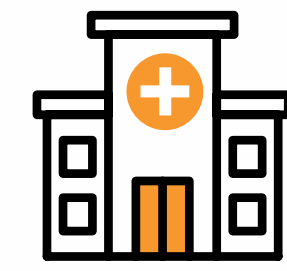
Part D
Some plans include
prescription drug coverage



May offer benefits not
covered by Original Medicare



Agenda



MEDICARE SUPPLEMENT
Private Insurance Company
Secondary coverage for
Out-of-Pocket Medicare costs



MEDICARE PART D PLAN
Private Insurance Company
Prescription Drug Coverage

Medicare Option 1: Original Medicare + Medicare Supplement + Part D

- What Medicare Supplement insurance is
- How it works with Original Medicare
- Why a beneficiary may want it
- Prescription drug coverage through Part D
- Enrollment considerations

OPTION 1

The Details



Medicare Supplement Insurance

What is it?

- Sold by private insurance companies.
- Medicare Supplements ONLY covers what Original Medicare covers.
 - Can help pay some of the remaining health care costs for covered services and supplies like copayments, coinsurance, and deductibles not cover by Original Medicare.
- May also cover services that original Medicare doesn't cover like medical care outside of the U.S.

What it doesn't cover:

- Long-term care (i.e., nursing home, assisted living facility).
- Vision or dental services, hearing aids, eyeglasses, or private-duty nursing.

Important Reminders:

- Medicare Supplement plans must follow federal and state laws designed to protect you.
- Must be clearly identified as Medicare Supplement Insurance.
- Insurance companies can only sell “standardized plans with the same letter offer the same basic benefits, no matter where you live or which insurance company you buy the policy from.
- In **MA, WI, and MN**, plans are standardized **differently**.

OPTION 1

Eligibility



Reference: United H

Medicare Supplement Insurance

Under federal law, Medicare Supplement Open Enrollment is the first six months a consumer is 65 or older and enrolled in Medicare Part B. Most states permit consumers to apply for a supplement plan 3 months prior to their Medicare Initial Enrollment Period (IEP).

ELIGIBLE	NOT ELIGIBLE
To be eligible for Medicare Supplement Insurance, a consumer must:	A consumer may NOT be eligible for Medicare Supplement Insurance for various reasons, including, but not limited to, the following:
Be enrolled in Medicare Parts A and B at the time of the plan's effective date.	Consumer does not qualify for Medicare Supplement Open Enrollment or Guaranteed Issue and does not pass medical underwriting, in applicable states.
Be a resident of the state in which they are applying for coverage. (Note: Usually, residency is defined as the location where the consumer files their tax return).	Consumer is enrolled in another Medicare Supplement Plan or a Medicare Advantage Plan, which they do not intend to replace.
Be age 65 or older (some states require insurers to offer coverage for Medicare beneficiaries under age 65).	

OPTION 1

The Details



Medicare Supplement Insurance

Medicare Supplement Open Enrollment

During the Medicare Supplement Open Enrollment, eligible consumers are guaranteed these rights:

- Ability to purchase any supplement plan offered by the carrier.
- Premium rates will not be adjusted based on health conditions.

After Medicare Supplement Open Enrollment

If the consumer does not apply during their Medicare Supplement Open Enrollment, they can apply later at any time, BUT they may be underwritten and charged a higher premium rate or denied coverage.

Important reminders:

- Consumers who are voluntarily switching from one Medicare Supplement Insurance company to another are generally not entitled to Guarantee Issue.
- Consumers who switch from a Medicare Advantage Plan to a Medicare Supplement Insurance Plan are sometimes, but not always, entitled to Guarantee Issue.

OPTION 1

More Details



Medicare Supplement Insurance

Need to Know:

- You pay a monthly premium to a private insurance company in addition to the monthly Part B premium. The Medicare Supplement premium **is not** deductible from Social Security where Part B premium is.
- Costs can vary between plans offered by different insurance company for the exact same coverage.
- Costs may go up as you age; some states limit Medicare Supplement premium costs.
- Medicare Supplement policies generally start on the first of the month after you apply unless a different start date is requested.
- **Medicare Supplement policies do not cancel automatically.** You will need to contact your insurance company to cancel the policy i.e., switching to a Medicare Advantage Plan.
 - **Trial Right Period:** If you drop a Medicare Supplement policy to join a Medicare Advantage plan for the 1st time, you'll have a single 12-month period to get your Medicare Supplement policy back if the same insurance company still sells it. If it isn't available, then you can buy certain Medicare Supplement policies depending upon state law.
- Some states provide additional special right to buy Medicare Supplement policies. This may impact commission rates.

Coordination of Benefits

Medicare Supplement Insurance = **Medigap**

Medicare Supplement Insurance is private insurance designed to help pay some of the beneficiary's share of costs under Original Medicare.

Think of the relationship this way

Medicare pays first



Medigap may help pay some remaining Medicare-covered cost-sharing



Beneficiary pays what remains

**Medigap does not replace
Original Medicare;
it SUPPLEMENTS it.**

What Do I Need to Know

Key Reasons Consumers Choose Medicare Supplement Plans

PROs

1. Controls Costs associated with Original Medicare — Predictable Out-of-Pocket Costs

Designed to cover some or all of the out-of-pocket costs associated with Original Medicare

- Part A deductible \$1,736.00 (for 2026)
- Part B premium \$202.90 (for 2026)
- Part B deductible \$283.00 (for 2026)
- Part B co-insurance 80/20 split

2. No Network

Coverage that travels with them throughout the United States and limited emergency coverage, with some plans, when traveling outside of the United States.

3. Set It and Forget It

Doesn't need to be shopped each year. Coverage is guaranteed renewable so long as the premium is paid.

CONs

1. Price

Medicare Supplement Plans only get more expensive (monthly) over time. The cost increases with age.

2. No Dental, Vision, Hearing, or Other “Extras” Included

Only supplements what's covered by Original Medicare

3. Does Not Cover Prescription Drugs

Must buy 3rd piece of insurance — PDP (Prescription Drug plan)

Don't ignore this!

Out-of-Pocket Expenses

Medicare Supplement Insurance Plans cover some or all out of pocket expenses for Medicare eligible care such as :

- Coinsurance
- Copayments
- Deductibles

Freedom to Choose:

Insured members can choose any provider that accepts Medicare:

- No pre-authorization
- No referrals
- No provider networks (except Medicare Select Plans, which have a hospital network)

Guarantee Issue*

Under federal law, you get a 6-month Medigap Open Enrollment Period. It starts the 1st month you have Medicare Part B AND you're 65 or older. During this time, you:

- Can enroll in any Medigap policy
- Will generally get better prices and more choices among policies
- You can buy any Medigap policy sold in your state. An insurance company can't use medical underwriting to decide whether to accept your application — they can't deny you coverage due to pre-existing health problems
- Can avoid or shorten waiting period for a pre-existing condition if you buy a Medigap policy to replace creditable coverage

Guaranteed Renewable Coverage

Once enrolled, the plan automatically continues as long as the insured member pays the premium.

Cost Sharing and Benefit Amount Updates:

Plan benefits automatically update to match annual changes CMS makes to Original Medicare coinsurance, copayments and deductibles.

No Enrollment Period Limitations

- Medicare Supplement Insurance Plans are available to enroll in year round
- Medicare Supplement Insurance Plans may not be offered to Medicare Advantage (MA) members unless the member intends to replace the MA Plan with a Medicare Supplement Plan
- Medicare Supplement Insurance Plans do not cover MA cost sharing expenses

Coverage while Traveling:

Medicare Supplement Insurance covers the insured member anywhere they travel in the United States. Medicare Select insured members must use network hospitals, except for emergencies when traveling more than 100 miles from their residence. Please see state-specific Enrollment Kits for more information.

Foreign Emergency Coverage:

Some plans have emergency coverage when traveling outside the United States.

30-Day Evaluation Period:

If the insured member cancels their plan within 30-days after coverage begins premiums are refunded less any claims paid.

WHAT DOES A MEDICARE SUPPLEMENT COVER?



Medigap plans help pay certain costs that Original Medicare do not pay in full.

Depending on the standardized plan selected, benefits can include portions of:

- Part A coinsurance
- Part A hospital costs after Medicare benefits are exhausted
- Part B coinsurance/copayments
- Part A deductible
- Skilled nursing facility coinsurance
- Foreign travel emergency expenses
- Other standardized benefits

The exact benefits depend on the plan letter.

Keep in Mind:

Medicare Supplements do NOT provide more medical coverage. They do provide greater ability to pay for covered health services. They Help Control Costs Better!

WHAT DOES A MEDICARE SUPPLEMENT COVER?



Medigap plans are standardized
In most states*, Medigap policies are
identified by letters:

A | B | C | D | F | G | K | L | M | N

***Minnesota, Wisconsin, and Massachusetts** - The plans in these states are designed to meet local healthcare needs, providing more tailored solutions compared to the standardized plans available elsewhere. See Appendix

The important concept is that a Plan G is a Plan G regardless of which insurance company sells it. The standardized benefits are the same.

What can vary between companies includes things such as:

Premium
Discounts
Underwriting
Household discounts
Customer service
Company-specific features

Medicare Supplement Insurance is regulated by each state's Department of Insurance.

The following plan chart provides a list of standard Medicare Supplement Plans carriers can offer. Not all carriers offer all the plans. Medicare supplement plans do not feature prescription drug benefits. Stand-alone Prescription Drug Plans (PDP) are available to consumers who have original Medicare and are enrolled in a Medicare supplement plan.

The chart shows basic information about the different benefits Medigap policies cover.

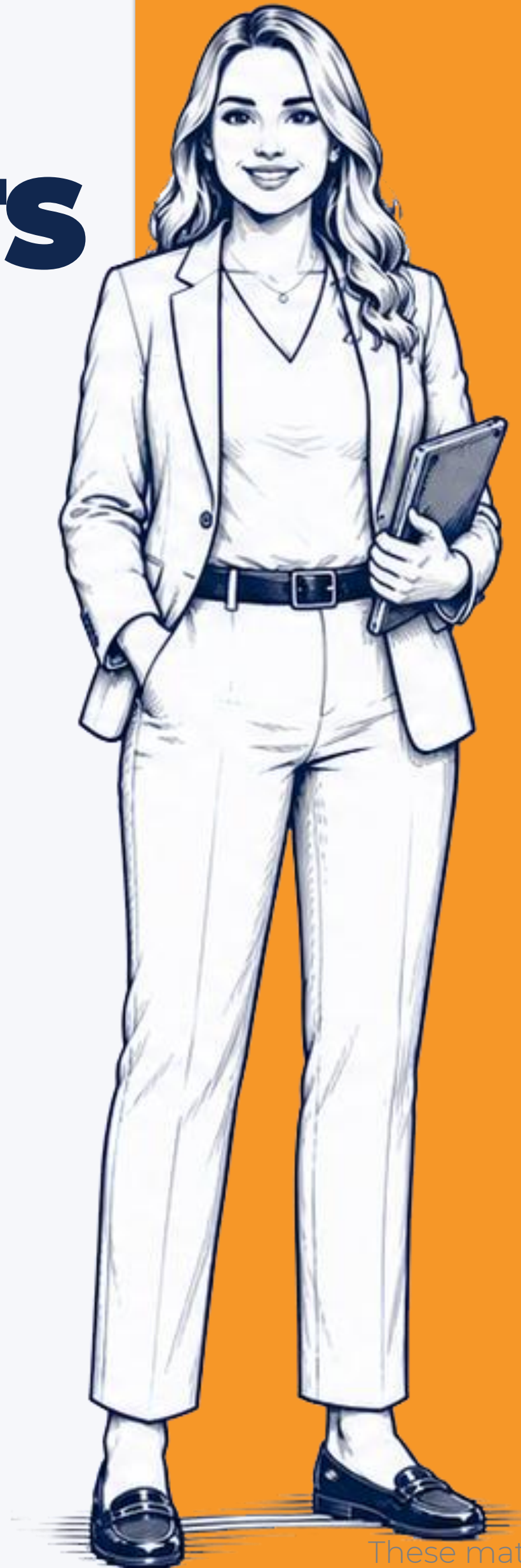
✓ = the plan covers 100% of this benefit
X = the plan doesn't cover this benefit
% = the plan covers that percentage of this benefit & you're responsible for the rest
N/A = not applicable
The Medigap policy will only pay your coinsurance after you've paid the deductible (unless the Medigap policy also covers your deductible)

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

- * Plans F and G also offer a high-deductible plan in some states. You must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,950 in 2026 before your policy pays anything.
- ** For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$283 in 2026), the Medigap plan pays 100% of covered services for the rest of the calendar year.
- *** Plan N pays 100% of the costs of Part B services, except for copayments for some office visits and some emergency room visits

Medigap Benefit	Plan A	Plan B	Plan C	Plan D	Plan F*	Plan G*	Plan K	Plan L	Plan M	Plan N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B coinsurance or copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓***
Blood benefit (first 3 pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled nursing facility care coinsurance	X	X	✓	✓	✓	✓	50%	75%	✓	✓
Part A deductible	X	✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B deductible	X	X	✓	X	✓	X	X	X	X	X
Part B excess charge	X	X	X	X	✓	✓	X	X	X	X
Foreign travel emergency (up to plan limits)	X	X	80%	80%	80%	80%	X	X	80%	80%
Out-of-pocket limit**	N/A	N/A	N/A	N/A	N/A	N/A	\$8,000 in 2026	\$4,000 in 2026	N/A	N/A

WHAT MEDICARE SUPPLEMENTS DO **NOT** DO



A Medigap policy generally does not:

- Replace Original Medicare
- Provide prescription drug coverage
- Cover most long-term care (assisted living facilities)
- Cover routine dental care
- Cover routine vision care
- Cover hearing aids
- Function like a Medicare Advantage network plan

Remember:

Medigap supplements Medicare.
It does not become the client's Medicare.

PRICING METHODS



Issue-Age Rated:

Your premium is based on your age when you first buy the policy and does not increase due to your age as you get older (though it may increase due to inflation/other factors).

Attained-Age Rated:

Your premium is based on your current age, meaning the premium increases automatically as you get older.

Community-Rated:

Everyone with the same plan in a specific area pays the same premium, regardless of age or gender.

UNDERWRITING TIERS



Preferred Rate:

This is the lowest available premium offered to individuals who are in excellent health and meet specific criteria (e.g., non-smoker, no significant medical history).

Standard Rate:

This is a higher premium for individuals who meet the basic health requirements for coverage but may have minor health conditions or risk factors (like tobacco use) that disqualify them from the preferred rate.

Substandard Rate:

In some cases, if you have significant health issues, an insurer might offer coverage at a significantly higher, "substandard" rate, or could even deny coverage altogether (unless you are in a guaranteed issue situation).

WOW,
I DIDN'T
KNOW



Medicare SELECT, What is it?

A version of a standard Medigap plan (like Plan G or Plan N), but with a key restriction: You must use specific hospitals or providers for full coverage.

- Premiums are typically lower than traditional Medigap plans.
- Insurers can offer discounts since they control costs through contracted providers.
- SELECT plans must offer the same benefits as the corresponding Medigap plan letter.
- Availability varies by state — not all states offer SELECT plans.
- Within 12 months you have the right to switch to a standard Medicare Supplement

FEATURE	STANDARD MEDIGAP	MEDICARE SELECT
Monthly Premium	Higher	Lower
Provider Choice	Any Medicare accepting provider	Restricted network
Emergency Coverage	Yes	Yes (network rules waived)
Referrals	Usually not required	Sometimes required
Benefits	Same for same plan letter	Same for same plan letter

The **MENTAL** **MODEL**



Don't sell the company first.

Sell the concept first.

“Would you like additional coverage to help with the costs that Original Medicare doesn't pay?”

The Client Conversation

“Let's look at how you want Medicare to work.”

Question 1: How important is broad access to Medicare providers?

Question 2: How important is predictable medical cost-sharing?

Question 3: Are you comfortable paying a monthly premium for supplemental coverage?

Question 4: What prescriptions do you take?

Question 5: Do you have any current employer, union, VA, retiree or other coverage?

Question 6: Are you within your Medigap Open Enrollment Period?

Sell it. SELL IT!



Explain:

Original Medicare → pays first

Medigap → helps with eligible Medicare cost-sharing

Part D → helps with prescription drug costs

Only after the client understands the structure should you move into:

Plan letter → carrier → premium → underwriting → enrollment

Potential Customer Profile:

- Has a higher income.
- Have a like it, set it, and forget mentality
- Are not price shopping.
- May travel domestically.

THREE-PART STRUCTURE

1. Original Medicare (Part A + Part B)

PLUS

2. Medicare Supplement Helps with Medicare cost-sharing

PLUS

3. Medicare Part D (Prescription drug coverage)

These are three separate pieces of coverage.

A Medicare Supplement policy is not a prescription drug plan.

Part D is generally purchased separately.

WHY ADD PART D?

Part D, Prescription Drug Plans

Original Medicare + Medigap DO NOT provide prescription drug coverage.

That's where: Medicare Part D comes in.

- Part D is prescription drug coverage provided through private plans approved by Medicare.
- A beneficiary with Original Medicare can generally select a stand-alone Part D plan.

The Rabbit Hole: Part D is “optional”. You may only go for a maximum of 63 days without creditable drug coverage. Note: VA Drug, TriCare, IHS, employer coverage (>20 employees) are examples of Creditable Coverage. For most people this means a late enrollment penalty if they do not obtain Prescription Drug Coverage within the period.

Why Add Part D? AVOID A LATE ENROLLMENT PENALTY

OOH REALLY?!

PART D IS DESIGNED TO HELP PAY FOR PRESCRIPTION DRUGS, YOU NEED.

- Optional.
- Offered to everyone with Medicare.
- Drug costs will vary based upon the plan you choose.
- You may need to pay a premium, deductible, copayments or coinsurance throughout the year.
- May pay a penalty for as long as you have Medicare drug coverage if late enrollment.
 - If you enroll at any time after your Initial Enrollment Period (IEP)
 - There's a period of 63-days in a row without Medicare drug coverage or other creditable prescription drug coverage.
 - If you get "Extra Help" the late penalty is waived.

2-WAYS TO GET PART D COVERAGE:

1. Medicare Drug Plans

- You must have Part A and/or Part B to join a separate Medicare drug plan
- May be added to Original Medicare, some Medicare Cost Plans, some Medicare Advantage Private Fee-for-Service (PFFS), and Medicare Advantage Medical Savings Account (MSA).

2. Medicare Advantage Plans or other Medicare health plans with Drug Coverage

- Get Part A, Part B, and Medicare drug coverage (Part D) through these plans
- Must have Part A and Part B to join a Medicare Advantage plan. Not all Medicare Advantage Plans offer drug coverage.

*Must live in the service area of the plan you want to join and be lawfully present in the U.S.

TIMING MATTERS

PART D HAS ITS OWN ENROLLMENT RULES.

- A beneficiary who goes 63 days or more without creditable prescription drug coverage after becoming eligible may face a Part D late enrollment penalty.

BROKER CHECKLIST:

ASK:

- Do you currently have prescription drug coverage?
- Is it creditable?
- Creditable Coverage: Any health insurance or prescription drug coverage that meets or exceeds the value of Medicare coverage.
- When does it end?
- Are you already enrolled in Part D?
- What medications do you take?
- Which pharmacies do you use?

<https://www.medicare.gov/health-drug-plans/medigap/basics/compare-plan-benefits>

YOU'RE LATE – Ouch! That adds up!

PART D LATE ENROLLMENT PENALTY

IF at any time after your Initial Enrollment Period, there's a period of 63 or more days in a row when you don't have Medicare drug coverage or other creditable prescription drug coverage a Part D late enrollment penalty will be PERMANENTLY ADDED to your Medicare Drug coverage (Part D) premium.

HOW IS IT CALCULATED?

1% of the national base beneficiary premium (\$41.33 in 2027)
x # of months the person was eligible for Part D but didn't enroll
\$XX.XX

The penalty is rounded to the nearest 10 cents and added to the monthly Part D premium every month.

Can I appeal the penalty?

Yes. you can appeal the penalty if you think it was calculated incorrectly or if you think you were continuously covered. Factors that may help with an appeal **Having Extra Help** and **Having creditable** drug coverage during the relevant time period.

National Part D Premium: $\$41.33 \times 0.01 = 0.4133$
No coverage for 5 years
therefore $0.4133 \times 60 \text{ months} = \$24.798$

\$24.80 extra per month
or \$297.60 extra per year

WHAT'S THIS MEAN?

MONTHLY PREMIUM:

- A monthly fee that varies by plan.
- Paid in addition to Part B premium.
- Monthly premium may be included in a Medicare Advantage Plan or Medicare Cost Plan with drug coverage.
- PDP premium may be impacted by Part D IRMAA, if your income is above \$112,000 if you file as an individual or \$224,000 if you're a married couple in 2027.
- The amount you must pay before your plan begins to pay its share of your covered drugs.
- *Note: A \$0 premium does not necessarily mean \$0 drug costs.*

PART D IRMAA Income-Related Monthly Adjustment Amount

- An additional amount some higher-income Medicare beneficiaries pay on top of their Part D plan premium.
- Determined by Medicare using income information generally from **2 years prior**.
- The amount is based on tax filing status and modified adjusted gross income.
- It is generally deducted from Social Security benefits or paid directly to Medicare.

IRMAA is not a plan premium. A client could have:

\$0 Part D Plan Premium + Part D IRMAA = Actual monthly Part D-related cost

RECOMMENDATIONS?

How should I recommend my client pay their monthly premium?

- To avoid missed payments and potential loss of coverage, always recommend having the premium deducted from their Social Security or Railroad Benefit.

What if the premium is \$0.00?

- Still have the \$0.00 premium deducted from their Social Security or Railroad Benefit, just in case there is a change to the plan, particularly year over year.

This recommendation can help protect against missed premiums if the plan's premium changes in a future year.

Important: This is a payment recommendation, not a Medicare requirement.

YEARLY DEDUCTIBLE:

- The amount you must pay before your plan begins to pay its share of your covered drugs.
- Some plans don't have a deductible
- Some plans that have a deductible, drugs on some tiers are covered before the deductible

REALLY?

COPAYMENTS OR COINSURANCE:

- Amounts you pay for your covered drugs after you meet the plan's deductible (if the plan has one).
- You pay your share and your plan pays its share for covered drugs.
- If you pay coinsurance, these amounts may vary because drug plans and manufacturers can change what they charge at any time throughout the year.
- The amount you pay will also depend on the tier level assigned to your drug.
- **Remember: Copay = fixed dollar amount Coinsurance = percentage**

ANNUAL MAXIMUM OUT-OF-POCKET (MOOP) LIMIT:

- Yearly out-of-pocket drug costs for drugs covered by your plan are capped at \$2,400 in 2027.
- Once you reach this limit (from your out-of-pocket spending plus certain payments other people or entities make, including Medicare's Extra Help program, you won't have a copayment or coinsurance for covered Part D drugs for the remainder of the year.

M3P MEDICARE PRESCRIPTION PAYMENT PLAN:

- Helps manage your out-of-pocket costs for drugs covered by your plan by spreading them across the calendar year (January – December).
- Helps manage expenses; does NOT save you money or lower your drug costs.
- Participation is voluntary. No cost to participate.
- Each month you'll continue to pay your plan premium (if you have one) AND you'll get a bill from your health or drug plan to pay for your prescription drugs instead of paying the pharmacy.

OPTIONS?

FORMULARY:

- A list of which prescription drugs are covered under each Medicare Drug Plan.
- Plans include both brand-name prescription drugs and generic drug coverage.
- The formulary includes at least 2 drugs in the most commonly prescribed categories and classes.
- All Medicare drug plans generally must cover at least 2 drugs per drug category, but plans can choose which drugs covered by Part D they will offer.
- A Medicare drug plan can make some changes to its drug list during the year if it follows guidelines set by Medicare.
- **Never recommend a Part D plan based on premium alone. Run the client's medications through the plan's formulary. (You're in a unique position: There might be substitution options that benefits the patient & the pharmacy).**

TIERS OR LEVELS:

- Tier 1: Low-cost generic and brand-name drugs
- Tier 2: Higher-cost generic and brand-name drugs
- Tier 3: High-cost, mostly brand-name drugs that may have generic or brand-name alternatives in Levels 1 or 2
- Tier 4: Highest-cost, mostly brand-name drugs
- **The number of tiers and what each tier means varies by plan.** The same drug can have **different costs on different Part D plans.**

The CHECKLIST

Before recommending a Part D plan, **check:**

- Premium
- IRMAA exposure
- Deductible
- Formulary
- Drug tiers
- Copays
- Coinsurance
- Preferred pharmacies
- Mail order
- Prior authorization
- Step therapy
- Quantity limits
- Annual out-of-pocket limit
- Creditable coverage / LEP considerations
- Medicare Prescription Payment Plan
- Star Rating



**AND MOST IMPORTANTLY:
Run the client's actual
medications.**

The best Part D plan isn't necessarily the plan with the lowest premium. It is the plan that provides the best overall fit for the client's medications, pharmacies, coverage needs and costs.

STEP 1

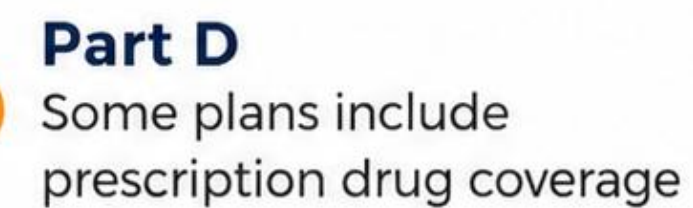


STEP 2

OR



MEDICARE ADVANTAGE
Private Insurance Company



OPTION 1:

THE COMPLETE PICTURE

The simple explanation for clients:

“Medicare is your primary coverage. Your Supplement helps with certain Medicare costs. Your Part D plan helps with your prescriptions.”

Coverage

Part A

Part B

Medigap

Part D

Purpose

Hospital coverage

Medical/outpatient coverage

Helps with certain Medicare cost-sharing

Prescription drug coverage



OPTION 1:

THE COMPLETE PICTURE

MEDICARE SUPPLEMENT

Pros:

1. Controls Costs associated with Original Medicare — Predictable Out-of-Pocket Costs (monthly premium)
2. No Network – accepted anywhere original Medicare is accepted
3. Set It and Forget It – plan coverage doesn't change

Cons:

1. Price – increases as you age; carrier taking on more risk
2. No Dental, Vision, Hearing, or Other “Extras” Included
3. Does Not Cover Prescription Drugs – Requires another piece of insurance

Initial Enrollment Period

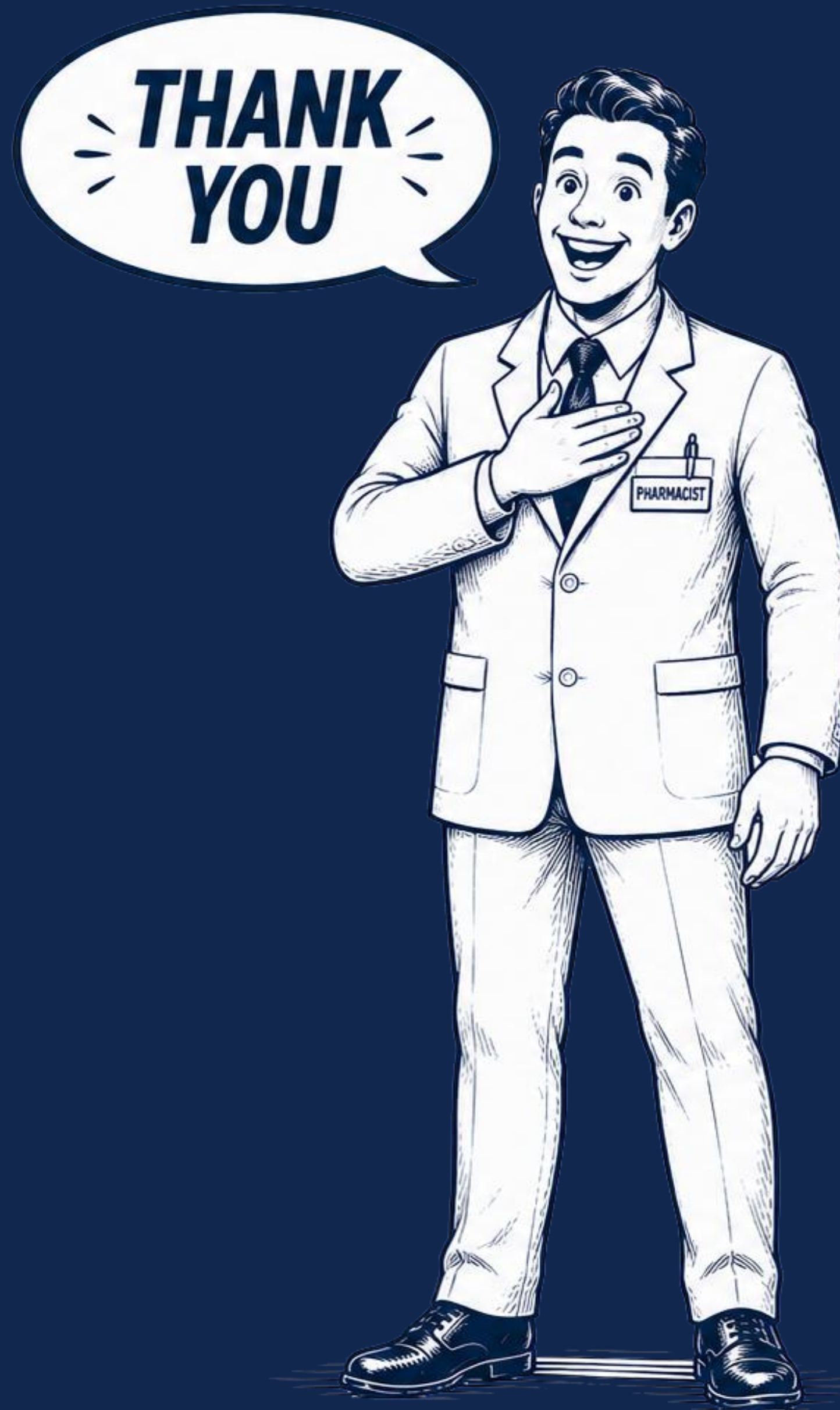
The first 6 months a consumer is 65 or older and enrolled in Medicare Part B.

- No medical underwriting during this period.
- In most states, Medical underwriting required anytime beyond the client's Initial Enrollment Period (unless state specified Birthday, Anniversary Rule applies or reside in NY or CT).

MEDICARE PART D

- Offered to everyone with original Medicare (Part A OR Part B)
- May have standalone Prescription Drug Plan or it may be part of a Medicare Advantage Plan
- A beneficiary who goes 63 days or more without creditable prescription drug coverage after becoming eligible may face a Part D late enrollment penalty.





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INDEPENDENT COMMUNITY BROKER NETWORK



WAIT
there's **MORE....**
THE APPENDIX



Non-Standardized States



Medicare Supplements – MN, WI, MA

State-Specific Structures

Minnesota:

- Offers Medigap plans that include additional benefits beyond the standard options.
- Plans are not labeled with letters (like A, B, C, etc.) but are instead categorized into Basic and Extended plans, providing flexibility and tailored coverage.

Wisconsin:

- Provides modified Medigap plans that also do not use the standard letter system.
- Plans include a Basic plan and additional options that allow for more customization.

Massachusetts:

- Features unique Core and Supplement 1 plans, which simplify choices for beneficiaries.
- The Core plan covers basic Medicare cost-sharing, including Part A hospital coinsurance, Part B coinsurance, blood, and hospice costs.

Non-Standardized States

Medicare Supplements in the Three Waiver States Minnesota • Wisconsin • Massachusetts

Most states use the federal standardized Medigap letters:

A • B • C • D • F • G • K • L • M • N

But: **Minnesota, Wisconsin and Massachusetts are different.**
Each state has its own standardized Medigap structure.

Ask:

"What combination of benefits gives my client the coverage they are looking for?"

What Are We Trying to Build?



The "Plan G Concept"

For training purposes, think of Plan G as providing:

Original Medicare Part A + Part B

+

- Part A deductible
- Part A coinsurance
- Part B coinsurance
- Skilled nursing coinsurance
- Blood
- Hospice cost-sharing
- Part B excess charges
- Foreign travel emergency

NOT included: Part B deductible

And remember: **Part D is always separate.** Medigap does not provide Part D prescription drug coverage.

What Are We Trying to Build?



Minnesota

Minnesota Does NOT Sell "Plan G"

Minnesota's standardized Medigap structure includes:

- **Basic**
- **Basic + Optional Riders**
- **Extended Basic**

Minnesota Commerce identifies these as the principal Medigap options available in the state.

What Are We Trying to Build?



Minnesota Basic Plan

What comes with the Basic Plan?

The Basic Plan includes:

- Part A coinsurance
- Part B coinsurance
- Skilled nursing facility coinsurance
- First three pints of blood
- Hospice cost-sharing
- Additional home health benefits
- Foreign travel emergency coverage at 80%
- Other Minnesota-required benefits

The Basic Plan **does not automatically include the Part A deductible or Part B excess charges.** Those can be added through optional riders.

Minnesota Riders



The Basic Plan can be built with riders.

Required rider options that must be offered include:

1. Part A Deductible Rider

Covers the Medicare Part A inpatient deductible.

2. Part B Excess Charges Rider

Provides coverage for applicable Part B excess charges.

3. Part B Deductible Rider

Available only for individuals who were eligible for Medicare before January 1, 2020; newly eligible beneficiaries cannot receive Part B deductible coverage.

4. Preventive Health Rider

Provides specified preventive services not covered by Medicare, subject to the rider's limits.

Minnesota Riders



Minnesota: How Do I Build a "Plan G-Like" Package?

For a newly Medicare-eligible client:

Minnesota Basic + Part A Deductible Rider + Part B Excess Charges Rider

The Result:

A package that most closely resembles the federal Plan G concept for a newly eligible beneficiary.

Do NOT add:

Part B Deductible Rider: It **cannot** be sold to someone newly eligible for Medicare on or after January 1, 2020.

Important Minnesota wrinkle:

Minnesota law requires providers to accept Medicare assignment for Minnesota residents, so Part B excess charges generally are not an issue for services provided to a Minnesota resident in Minnesota. The rider can nevertheless matter when considering care received outside Minnesota.

Minnesota: Extended Basic



Instead of building Basic with riders, the client can select:

Extended Basic

It is Minnesota's more comprehensive standardized supplement. It includes benefits such as:

- Part A deductible
- Part A coinsurance
- Part B coinsurance
- Skilled nursing coverage
- Foreign travel
- Preventive benefits
- Additional state-mandated benefits

For a client who wants broad supplemental coverage, compare:

Basic + Riders vs. Extended Basic

Then compare the **premium and benefits**, rather than assuming one is automatically better. Minnesota describes Extended Basic as the more comprehensive of its two principal standard categories.

Minnesota



Minnesota: Selling Strategy

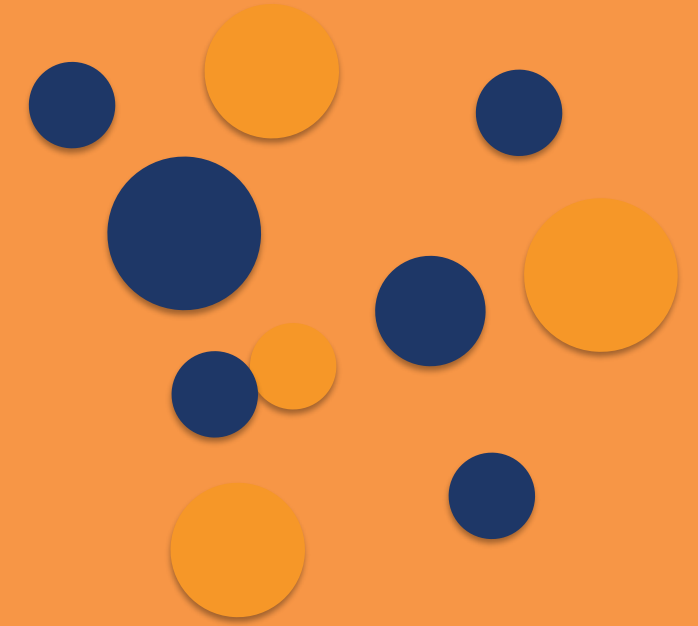
"Minnesota uses a different standardized system. Let's build the coverage you want by looking at the Basic Plan and the available riders—or compare it with Extended Basic."

Then compare:

- Premium
- Part A deductible
- Part B deductible eligibility
- Part B excess
- Foreign travel
- Preventive benefits
- Other state-specific benefits

Carrier rate structure

Minnesota policies are generally **community-rated**, although premiums can vary by geography and tobacco use.



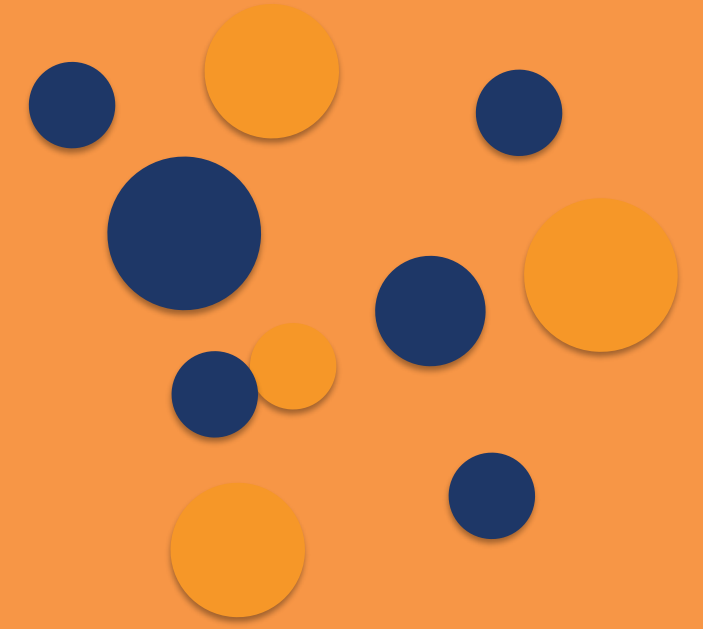
Wisconsin Does NOT Sell Federal Plan G

Wisconsin received a federal waiver from the A–N standardization rules.

Instead, Wisconsin uses:

- **Basic Plan**
- **PLUS Optional Benefits/Riders**

Wisconsin: Basic Plan



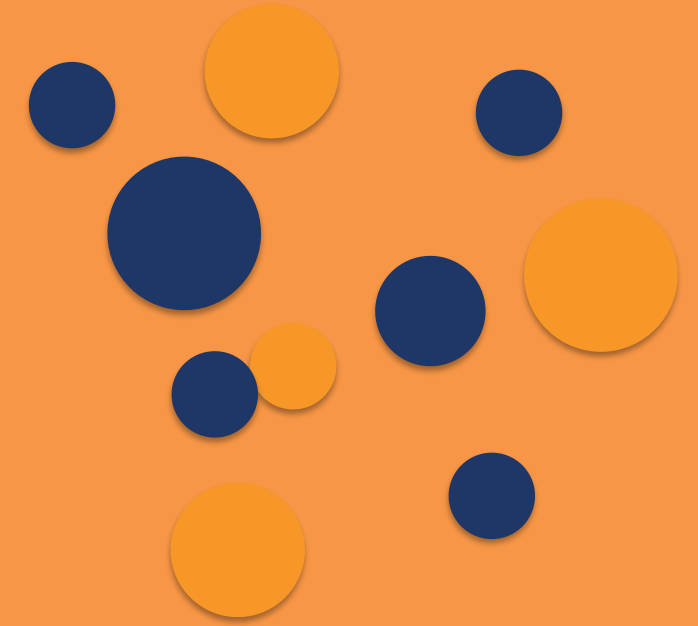
The Basic Plan

All traditional Wisconsin Medicare Supplement policies include a substantial set of state-standardized benefits, including:

- Part A hospital coinsurance
- Part B coinsurance
- First three pints of blood
- Skilled nursing facility coinsurance
- Additional inpatient mental health coverage
- Additional home health coverage
- Wisconsin-mandated benefits

The Basic Plan therefore already provides many of the benefits that are included in a federal Plan G.

Wisconsin Riders



Wisconsin Optional Benefits

Wisconsin insurers may offer these optional benefits for an additional premium:

1. Part A Deductible

Adds coverage for the Medicare Part A deductible.

2. Additional Home Health

Increases home health coverage.

3. Part B Excess Charges

Provides coverage for applicable Part B excess charges.

4. Foreign Travel Emergency

Provides emergency medical coverage while traveling outside the U.S.

5. 50% Part A Deductible

Provides partial coverage of the Part A deductible.

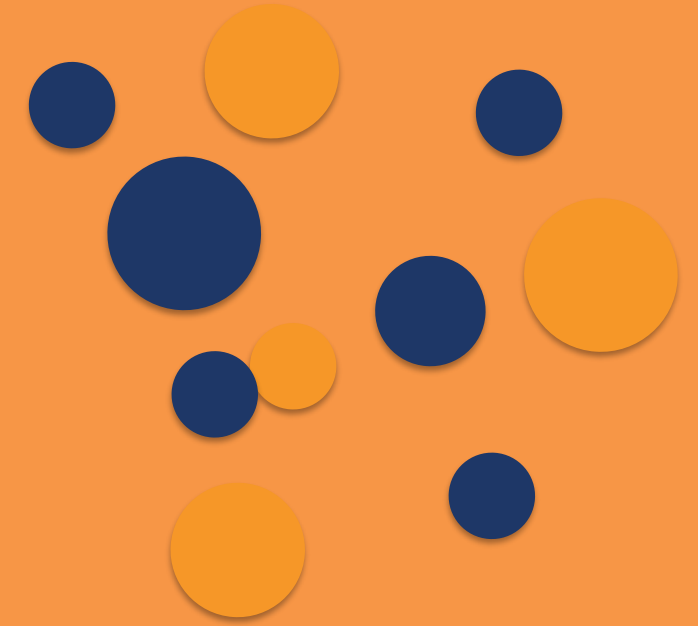
6. Part B Copayment/Coinsurance Rider

Changes the way certain Part B cost-sharing is handled.

7. Part B Deductible

This is no longer available to people newly eligible for Medicare on or after January 1, 2020.

Wisconsin Riders



Wisconsin: How Do I Build a "Plan G-Like" Package?

Start with

- Wisconsin Basic Plan
- + Part A Deductible
- + Part B Excess Charges
- + Foreign Travel Emergency

Result:

A Wisconsin package that most closely resembles the **federal Plan G concept**.

And remember:

Wisconsin's Basic Plan already contains several benefits that federal Plan G provides. You are **adding the missing pieces**, not recreating Plan G from scratch.

WI: Important Sales Point



Don't confuse "Basic" with "bare bones."

Wisconsin's Basic Plan is not equivalent to federal Medigap Plan A.
Wisconsin's waiver allows the state to build its own standardized benefit package.

Therefore:

Wisconsin Basic ≠ Federal Plan A

The Wisconsin Basic Plan already includes significant state-mandated supplemental benefits.

Massachusetts



Massachusetts Is Different Again

Massachusetts has three standardized Medigap products:

- **Core**
- **Supplement 1A**
- **Supplement 1**

Note:

- For someone newly eligible today: **Core or Supplement 1A**
- Supplement 1 is only available to people who were eligible for Medicare before January 1, 2020.

Massachusetts Core



Core is the foundation.

Core includes:

- Part A hospital cost-sharing
- Part B coinsurance
- First three pints of blood
- Additional mental health coverage
- Massachusetts-mandated benefits

Core does NOT include:

- Part A deductible
- Skilled nursing facility coinsurance
- Foreign travel emergency coverage

Massachusetts Supplement 1A



For someone newly eligible for Medicare:
Supplement 1A is the closest Massachusetts equivalent to the federal Plan G concept.

It adds:

- Part A deductible
- Skilled nursing facility coinsurance
- Foreign travel emergency coverage
- It also provides enhanced mental health coverage.

What it does NOT cover:

- Part B deductible. That's intentional.
Federal law prohibits first-dollar Part B deductible coverage for people newly eligible for Medicare beginning January 1, 2020.

Massachusetts Supplement 1A



Massachusetts: No Rider Shopping

This is an important distinction for brokers.

Minnesota: Basic + Riders

Wisconsin: Basic + Optional Benefits

Massachusetts: Choose the standardized product **Core** or **Supplement 1A**

There is no "build your own Plan G" rider strategy in Massachusetts.

For a newly eligible client who wants the closest equivalent to federal Plan G:
Supplement 1A

Massachusetts Supplement 1A



Massachusetts: Why Isn't It Exactly Plan G?

The federal Plan G includes **Part B excess charge coverage**

Massachusetts does not need a Plan G-style excess-charge benefit because Massachusetts law prohibits physicians who agree to treat Medicare beneficiaries from charging amounts above the Medicare-approved reasonable charge.

Therefore:

Supplement 1A can provide the practical coverage objectives of Plan G without being an exact benefit-for-benefit copy of federal Plan G.

The Three States Side-by-Side

	MINNESOTA	WISCONSIN	MASSACHUSETTS
Federal A–N plans?	No	No	No
Basic structure	Basic / Extended Basic	Basic + optional benefits	Core / 1A / Legacy 1
Plan G-style approach	Basic + riders	Basic + optional benefits	Supplement 1A
Part A deductible	Add rider	Add optional benefit	Included in 1A
Part B coinsurance	Basic	Basic	Core/1A
Part B excess	Rider available	Optional benefit	Not applicable
Foreign travel	Basic includes 80% emergency	Optional benefit	Included in 1A
Part B deductible	Only grandfathered eligibility	Not available to newly eligible	Not included in 1A
Part D	Separate	Separate	Separate