



Medigap Insurance by Danielle Kunkle

Medigap plans, also called Medicare supplements, have been around almost since President Lyndon Johnson signed Medicare into law. Many doctors and insurance agents refer to these as traditional Medicare Plans, as opposed to the newer options we see on today's market, which are called Medicare Advantage and work very differently.

Purchasing a traditional Medigap plan has many advantages. Just to name a few: They give you the freedom to access any Medicare provider in the nation—no networks! They are designed to pick up your share of your medical costs: the deductibles and co-insurance that Medicare's share does not cover, so they substantially limit your financial exposure.

There are 12 standardized plans to choose from, along with 2 high deductible plan options—each of a different letter (A—L). Each plan has a different set of benefits, allowing you to choose which set of benefits best fits your needs.

The reason that the federal government standardized Medigap plans in the early 1990's was to eliminate confusion, so that Medicare beneficiaries can now shop among carriers for the best rates, without worrying that the benefits will be different among carriers.

Perhaps the best time to purchase a Medigap plan is when you first turn 65 and/or activate your Part B Medicare coverage. You have a 6-month window after your Part B becomes effective to choose any plan you like without having to answer ANY medical questions. No carrier can turn you down for health reasons during this one-time 6-month period. To shop rates, you

[Continued on page 2](#)

October 2009
Volume 2, Issue 10

Guest Author



Danielle Kunkle is an independent insurance agent in Benbrook. Her company, [Consumer Benefits Group](#), specializes in a variety of Medicare plans, as well as other insurance products.

When You Can't Afford a Medicare Supplement

If you can't afford a Medicare supplement, you might qualify for some Medicaid programs that act as Medicare supplements.

QMB

QMB (for Qualified Medicare Beneficiary), is a Medicaid program that pays all Medicare deductibles, premiums and co-insurance. To qualify, an individual must have income of \$903 or less (\$1215 for a married couple), and countable assets of \$4000 or less (\$6000 for a married couple).

[Continued on page 2](#)



Medigap Insurance continued from page 1

you should locate in INDEPENDENT agent who works with many different carriers so that you can compare costs and also gain that agent's perspective on rate trends and financial stability of various carriers. If you buy directly from a carrier itself, then you will still pay exactly the same price for the policy, but you will have given up the right to an agent to represent you and assist you later on should any claims issues arise, and be stuck calling a 1-800 number when you need help. Look for agents who represent numerous carriers, instead of directly employed agents (called captive agents) who will usually only be able to represent products from one carrier by whom they are employed.

Since 2006, Medigap plans do not include drug coverage. Instead, people who choose to keep their original Medicare Parts A & B and supplement with a Medigap insurance plan, will add a separate, inexpensive Part D drug card which they will use at the pharmacy. More on Part D in next month's newsletter!

Did You Know?

Agents and companies who engage in any of the following activities are breaking the law:

- Knowingly making misleading statements to encourage you to drop a policy and buy a replacement from another company.
- Posing as a representative from Medicare or other governmental agency
- Selling you a Medigap policy that duplicates Medicare benefits or health insurance coverage you already have

Texas Department of Insurance



When You Can't Afford a Medicare Supplement continued from page 1

SLMB

The Specified Low-Income Medicare Beneficiary (SLMB) program covers payment of the Medicare Part B premium (currently \$96.40 per month). The asset requirements are the same as for QMB, but the income requirements are higher—\$1083 for an individual and \$1457 for a married couple. You can apply for these programs through the Texas Health and Human Services Commission.