

Medicare Supplement Update

Consumer Alert

The Truth About New Medigap Changes Next Year

In 2015, the Congress passed, and the President signed into law, a measure that makes changes to the sale of Medigap Plans C, F, and F High Deductible after January 1, 2020. The law is the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).

There is a lot of misinformation being circulated about these MACRA changes. The purpose of this bulletin is to make clear what MACRA does and does not do and clarify and correct the false and misleading information provided by some groups, entities, and individuals.

MACRA FACTS:

- If you are currently 65 or will be age 65 before January 1, 2020, MACRA **DOES NOT** affect you.
- If you first become eligible for Medicare due to age, disability or end-stage renal disease before January 1, 2020, MACRA **DOES NOT** affect you.
- MACRA states that, as of January 1, 2020, those who are “newly eligible” cannot buy or be sold Plans C, F or F High Deductible after January 1, 2020.
- “Newly eligible” means those persons who a) attain the age of 65 on or after January 1, 2020, or b) first become eligible for Medicare due to age, disability or end-stage renal disease, on or after January 1, 2020.
- All other Medigap plans will remain unchanged EXCEPT for Medigap Plans D, G, and G High Deductible replacing Plans C, F, and F High Deductible for “newly eligible” beneficiaries.
- For the “newly eligible,” Plans D, G, and G High Deductible substitute for Plans C, F, and F High Deductible.

A person who reaches the age of 65 or is eligible for Medicare BEFORE January 1, 2020, IS NOT “newly eligible” individual.

- Plans C, F or High F will not be discontinued for those individuals who became eligible for Medicare before January 1, 2020. Those individuals who were Medicare-eligible before January 1, 2020, will still be able to keep their policies or can purchase and can still be sold Plans C or F on or after January 1, 2020.
- Medigap coverage is guaranteed renewable and, so long as the policyholder pays the premium, the coverage cannot be canceled. Some policyholders are being told that Plans C and F will no longer be available after December 31, 2019, and must, therefore, purchase new coverage in order to not lose their Medigap coverage –**THAT IS NOT TRUE.**
- Some policyholders are being told that premiums for coverage under Plans C or F will be increased to such an extent that they should purchase other coverage. These would be considered **FALSE** and **MISLEADING** statements to induce policyholders to improperly switch coverage and are in clear violation of Medigap insurance laws.

Remember, if you are approached about switching to a different plan, you could face underwriting (a review of your health conditions), which could lead to a denial of coverage or a negative impact on your premiums. Current policyholders will not lose benefits and are **not** required to change plans.

If you are being pressured to make a change or if you have questions, please contact the Kentucky Department of Insurance at 800-595-6053 or <http://insurance.ky.gov>