MEDICARE EDUCATION SERIES

2025 – 2026 EDITION

Medicare Supplement (Medigap) 101

"Coverage You Can Trust for the Life You Love."

Your trusted guide to understanding Medicare Supplement plans.

The McCormick Agency
Life and Health Insurance

MEDICARE SUPPLEMENT INSURANCE

What Is Medigap?

Medicare only covers about **80%** of Part A & Part B costs — leaving **you responsible for the rest.**

~20% gap left to you

Fills the Gaps in Original Medicare

Medigap fills the gaps left by Original Medicare (Parts A & B), protecting you from unexpected out-of-pocket costs.

Private & Federally Standardized

Sold by private insurance companies, but federally standardized — the same plan letter means the same benefits, nationwide.

Covers Your Cost-Sharing

Covers copays, coinsurance, and deductibles — reducing or eliminating unpredictable bills when you need care most.

Works Alongside Original Medicare

Not a replacement — Medigap works hand-in-hand with Original Medicare (Parts A & B) to complete your coverage.

ELIGIBILITY

Who Qualifies for Medigap?

REQUIREMENT

01

Medicare Parts A & B

Must be enrolled in **Medicare Parts A & B** (Original Medicare) to be eligible for a Medigap plan.

GUARANTEED RIGHT

02

Age 65 or Older

Guaranteed right to enroll during your 6-month Medigap Open Enrollment Period — no health questions, no denials.

VARIES BY STATE

03

Under 65 — Disability

May qualify if on Medicare due to a qualifying disability. Coverage availability and protections **vary by state**.

Important: You ***cannot*** have a Medigap plan ***AND*** a Medicare Advantage plan at the same time. You must choose one or the other.

When Can You Enroll?

THE McCORMICK AGENCY

Understanding your enrollment windows is the key to securing the best coverage.

Medigap Open Enrollment Period (OEP) BEST TIME

Starts the month you turn **65** AND are enrolled in Medicare Part B. Lasts **6 months**. Cannot be denied or charged more due to health status.

Certain life events trigger GI rights — insurers **must** sell you a plan regardless of health. No medical underwriting allowed.

Triggered by losing other coverage, moving out of a plan's service area, or insurer leaving the market. Time-limited window applies.

Outside Enrollment Windows

Medical underwriting typically applies — you **can be denied** or charged higher premiums based on health history.

The 6-month OEP is the most powerful protection you have — timing matters!

FEDERALLY STANDARDIZED

The Standardized Plans

Plans are federally standardized — the same plan letter offers the **same benefits** no matter which insurer you choose. **Only price differs.**

A Plan A

Basic benefits only — core hospital & coinsurance coverage.

B Plan B

Part A deductible included on top of basic benefits.

D Plan D

Part A deductible + skilled nursing coinsurance coverage.

G Plan G

TOP CHOICE

Most popular — comprehensive coverage (excl. Part B deductible).

K Plan K

Cost-sharing model — 50% coverage with a lower monthly premium.

L Plan L

Cost-sharing model — 75% coverage, mid-range premium.

M Plan M

Part A deductible covered at 50% — balanced cost option.

N Plan N

TOP CHOICE

Lower premium with small office/ER copays — great value option.

Plans C & F are closed to new Medicare beneficiaries who turned 65 on or after **January 1, 2020.** Existing enrollees may keep their plans.

Top Choices

Same benefits, price varies by insurer

Plan Benefits Comparison

AT A GLANCE

✓ = covered ✗ = not covered % = partial coverage

Benefit	Plan A	Plan G	Plan N	Plan K	Plan L
Part A Coinsurance & Hospital	✓	✓	✓	✓	✓
Part B Coinsurance	✓	✓	✓ w/ up to $20 copay		
Part A Deductible	✗	✓	✓		
Part B Deductible	✗	✗	✗	✗	✗
Part B Excess Charges	✗	✓	✗	✗	✗
Skilled Nursing Coinsurance	✗	✓	✓		
Foreign Travel Emergency	✗	✓	✓	✗	✗

Plan G requires you to pay only the Part B deductible (**$257 in 2025**). After that — **$0 out of pocket** for all Medicare-covered services.

Plan G vs. Plan N

Side-by-Side Comparison

G Plan G — The Gold Standard

Most comprehensive coverage available

- ✓ Covers Part A deductible — no hospital admission cost
- ✓ Part B coinsurance 100% — zero out-of-pocket for covered visits
- ✓ Covers Part B excess charges — full protection from non-assignment docs
- ✓ Skilled nursing coinsurance fully covered
- ✓ Foreign travel emergency — covered up to plan limits
- ✗ Does not cover Part B deductible ($257/year) — only annual cost

BEST FOR
Predictable $0 out-of-pocket after deductible. Ideal for peace-of-mind clients.

VS

N Plan N — The Budget-Friendly Option

Lower premium with minimal copays

- ✓ Covers Part A deductible — same hospital protection as Plan G
- ✓ Part B coinsurance covered — with up to $20 office / $50 ER copay
- ✗ Does not cover Part B excess charges — exposure if doctor doesn't accept assignment
- ✓ Skilled nursing coinsurance fully covered
- ✓ Foreign travel emergency — covered up to plan limits
- + Part B deductible ($257/year) not covered — same as Plan G

BEST FOR
Healthy clients who want lower premiums and have minimal specialist visits.

Key question: Does your client see specialists who charge excess fees? If yes → **Plan G.** If they're healthy with few specialist visits → **Plan N may save them money.**

UNDERWRITING BASICS

How Medical Underwriting Works

Outside of GI rights or the Medigap OEP, insurers can review your health history before approving a policy.

What Insurers Review
Insurers ask about pre-existing conditions, current medications, and recent hospitalizations

Look-Back Periods
Vary by insurer — typically **2–5 years** of medical history reviewed before a decision is made

Three Possible Outcomes
✓ Approved at standard rate | ⚠ Approved with surcharge | ✗ Denied coverage

Common Denial Conditions
Recent cancer, heart disease, COPD, diabetes with complications, kidney disease

Strategy
Help clients enroll during **guaranteed windows** — avoid underwriting entirely and protect their coverage

Underwriting risk is the #1 reason to enroll clients at 65 during their Medigap Open Enrollment Period.

6 Month OEP window — your clients' best shield against underwriting

UNDERWRITING FLOW

1. **Application Submitted**
   Health history disclosed
2. **Insurer Reviews History**
   2–5 year look-back period
3. **Underwriting Decision**
   Approved / Surcharge / Denied

✓ **Skip All This**
Enroll during OEP or GI window

HIGH-RISK CONDITIONS

Cancer · Heart Disease · COPD · Diabetes+ · Kidney Disease

MEDIGAP PROTECTIONS

When GI Rights Apply

In these situations, insurers **MUST** sell you a Medigap plan — **no health questions asked.**

1

TRIGGER #1

Your **Medicare Advantage plan leaves your area** or stops providing coverage

2

TRIGGER #2

You **lose employer group health coverage** that supplemented Medicare

3

TRIGGER #3

Your **Medigap insurer goes bankrupt** or loses its Medicare contract

4

TRIGGER #4

You **move out of your Medicare Advantage plan's** service area

5

TRIGGER #5

Enrolled in **Medicare Advantage at 65 for the first time** and want to switch back within **12 months**

63 days. GI rights typically give you 63 days from the triggering event to enroll — don't miss the window!

Plans available under GI rights may be limited — typically Plans A, B, D, G, K, or L. Confirm availability with your carrier.

States That Play by Different Rules

A handful of states have their own Medigap regulations — know them before you sell.

MASSACHUSETTS

Uses a **Core & Supplement system** instead of federally lettered plans. Offers its own standardized benefit structure unique to the state.

YEAR-ROUND OPEN ENROLLMENT

MINNESOTA

Uses **Basic & Extended Basic plans** instead of letter plans. Provides guaranteed annual open enrollment each January 1 – March 31.

ANNUAL OEP: JAN 1 – MAR 31

WISCONSIN

Operates on a **Basic plan + optional riders** model. Residents enjoy a guaranteed annual open enrollment window each year.

GUARANTEED ANNUAL OEP

NEW YORK

Community rating — insurers cannot charge more based on age or health history. Open enrollment year-round for residents 65+.

COMMUNITY RATED · YEAR-ROUND OEP

CONNECTICUT

Community rating applies to all residents. Year-round open enrollment regardless of age — among the most flexible in the nation.

COMMUNITY RATED · ALL AGES OEP

MAINE

Birthday Rule: A 30-day window opens each year on your birthday to switch Medigap plans without medical underwriting — no health questions asked.

BIRTHDAY RULE · 30-DAY WINDOW

Also note: States like **California, Oregon, Idaho, Illinois,** and **Missouri** also have Birthday Rules — clients may switch to a plan of same or lower benefit level during an annual window.

Always verify state-specific rules before recommending a plan!

Medigap vs. Medicare Advantage

Two different ways to extend Medicare coverage — understanding the difference is key to the right fit.

Medigap (Supplement)

✓ PROS

- Works with any Medicare-accepting doctor nationwide
- Predictable, low out-of-pocket costs
- No network restrictions or referrals needed
- No prior authorizations for Medicare-covered care
- Ideal for frequent travelers or snowbirds

✗ CONS

- Higher monthly premium
- Does not include drug coverage (need separate Part D)
- Cannot combine with Medicare Advantage

VS

Medicare Advantage (Part C)

✓ PROS

- Lower or $0 monthly premium
- Often includes drug, dental, vision & hearing
- One-card simplicity — all-in-one plan

✗ CONS

- Network restrictions — HMO & PPO limitations apply
- Referrals often required for specialist care
- Prior authorizations can delay care
- Higher out-of-pocket maximums — up to $9,350
- Benefits may change annually

Rule of thumb: Clients who value **freedom and predictability** → Medigap. | **Budget-first, healthy clients** in a stable area → may consider MA.

THE MCCORMICK AGENCY

Ready to Find the Right Plan?

Medicare decisions are some of the most important your clients will make.
The McCormick Agency is here to guide every step — from plan selection to enrollment.

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“Coverage You Can Trust for the Life You Love.”