

## 2010 Medigap Plan Changes

**Effective June 1, 2010** there are planned changes to the current standardized Medigap policy offerings. These changes will impact all companies offering Medicare supplement insurance.

### **History:**

The Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA) included language to encourage the National Association of Insurance Commissioners (NAIC) to modernize the Medigap market. The NAIC decided to review the Medigap plans to determine if there were changes that could be made to the benefit packages in response to changes in the marketplace since the standardization of the product in 1990.

### **Summary of 2010 Changes: Click to see Benefits Chart**

#### ***Eliminates 4 Medigap Plans:***

- ✓ Plans E, H, I, and J are eliminated

#### ***Modernizes Benefits:***

- ✓ Eliminates the At-Home Recovery Benefit (Affects Plans D, G, I and J)
- ✓ Eliminates Preventive Care Benefit (Affects Plans E and J)
- ✓ Replaces the 80% Part B Excess Charges Benefit with a 100% benefit (Affects Plan G)
- ✓ Creates a new Hospice Benefit as part of Basic (Core) benefits (Affects All Plans)

#### ***Creates New Plan Options:***

- ✓ Plan M – with increased cost-sharing (50% of the Part A Deductible, no coverage for Part B Deductible)
- ✓ Plan N – with new co-pay structure (\$20 copay for physician visits, \$50 copay for ER) and no coverage for Part B Deductible

### **Timeline:**

- **September 24, 2009:** States deadline for adopting the 2010 standardized plans; *Minnesota and Wisconsin will continue to offer their grandfathered plans, and may add the hospice benefit*
- **December 1, 2009:** Marketing the 2010 plans begins for consumers wanting a June 1, 2010 or later effective date because of the six-month open enrollment period prior to June 1. Contingent on state approvals.
- **December 1, 2009 – June 1, 2010:** Both existing plans and the 2010 plans can be marketed to accommodate all possible effective sales dates
- **June 1, 2010:** Revised plans are effective; the original standardized plans are not available for new business

### Modernized Med Supp Plan Benefit Checklist

The following chart provides a checklist of benefits by each plan so you can become more familiar with them. The current plans will no longer be available for new business on June 1, 2010

Basic benefits:

- Part A hospital coinsurance
- Part A extended hospital coverage (365 days after Medicare benefits end)
- Part A hospice coinsurance
- Part B coinsurance
- Parts A and B first three pints of blood

Effective June 1, 2010	Modernized Med Supp Plan Benefit Checklist									
	A	B	C	D	F*	G	K	L	M**	N**
<b>Basic Benefits – Hospitalization and Prevention Care</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Basic Benefits – All Other</b>	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓ Insured pays up to: <ul style="list-style-type: none"> <li>• \$20 copay for office visit</li> <li>• \$50 copay for emergency room visit</li> </ul>
<b>Part A Deductible</b>		✓	✓	✓	✓	✓	50%	75%	50%	✓
<b>Skilled Nursing Coinsurance</b>			✓	✓	✓	✓	50%	75%	✓	✓
<b>Part B Deductible</b>			✓		✓					
<b>Part B Excess Charges Benefits</b>					✓	✓				
<b>Foreign Travel Emergency</b>			✓	✓	✓	✓			✓	✓
<b>Out-of-Pocket Annual Limit</b>							✓	✓		

\* There is also a high-deductible Plan F.

\*\* Feature higher cost-sharing and lower anticipated premiums

### Hospice Benefit

Today, Medicare offers a hospice benefit that pays eligible expenses with a drug copay and inpatient respite care coinsurance, but these are not covered by Medicare supplement plans. The modernized plans will cover these expenses as a core benefit:

- \$5 copay for outpatient prescription drugs for pain and symptom management
- 5% of the Medicare-approved amount for inpatient respite care (short-term care given by another caregiver so the usual caregiver can rest). Does not include room and board