How To Buy Medigap | Three Steps to Compare and Choose a Plan

Description

If you are just turning 65 or going on Medicare for the first time, you may be seeking an answer to how to buy Medigap insurance. It can seem like a daunting task with lots of information coming from all directions â?? friends, family members, â??junkâ?• mail, and phone calls. However, it is really not as complex as it seems and the process can actually be rather streamlined and straight-forward. The three-step guide below walks you through the necessary steps for buying a Medigap plan.

Step 1: Understand Medigap Plans

The first and most important step in understanding how to buy Medigap insurance is understanding the plans â?? how they work and what they cover. Because Medigap plans are Federally-standardized, this is much easier to do than you may expect. Medigap plans all are required to go by the Medigap coverage chart. This means, simply, that a specific plan from one company would be the exact same as that same plan with a different company. For example, Plan F with company â??Aâ?? is the exact same as Plan F with company â??Bâ??.

default watermark

Page 19 of the â??C Medicare publishes states, â??There can be **big differen** ıce companies charge for the **exact same coverage**.â?•

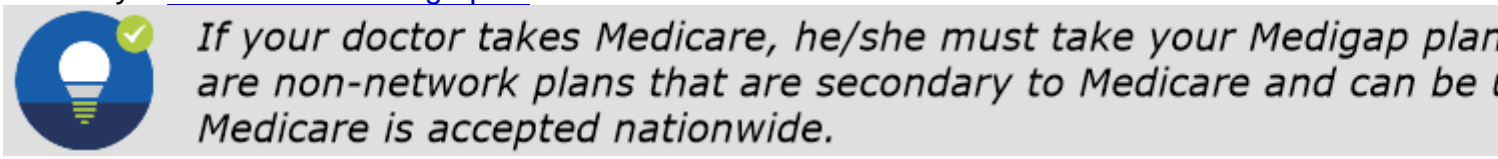


The most commonly offered plans are Plan F, Plan G and Plan N. There are a few others as well, but those plans represent a top, middle and lower level of coverage. Plan F is the most comprehensive plan, although not always the best deal. Often, Plan G is a good fit in many situations, with the only out-of-pocket cost being the Medicare Part B deductible (currently $183/year) and the premiums typically being a good bit lower than Plan F premiums. Plan N is also a viable option if you are someone with minimal doctor visits, and it can represent a good savings in premiums off of â??Fâ?? and â??Gâ??

premiums. But, it is essential to compare rates for Medigap plans in your area (see Step 2 below) to determine which plan would be best for you.

In addition to the coverage being standardized, the way that the plans work is also standardized, with all plans paying claims through the Medicare â??crossoverâ?• system. The â??crossoverâ?• system is Medicareâ??s automated, electronic system for handling claims from secondary/supplement insurance providers and ensures that the claims are paid in the same amount on the same time schedule, regardless of insurance company.

Lastly, Medigap plans do not have networks. They can be used at any doctor or hospital that accepts your primary coverage, Medicare. If a plan has a network, it is not a regular, standard Medigap plan â?? it is likely a Medicare Advantage plan.



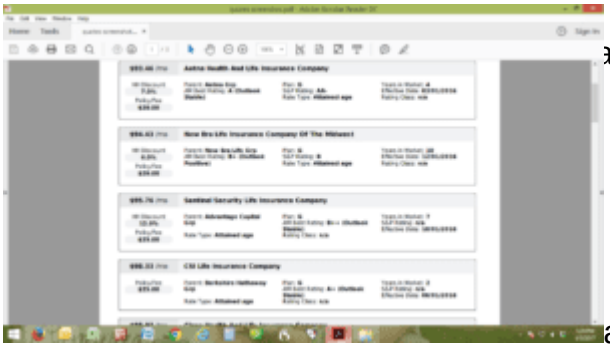
default watermark

Understanding these three crucial facts about Medigap plans is the foundational element for buying a Medigap policy.

Step 2: Gather Medigap Quotes

Once you have mastered the foundational facts about Medigap plans â?? the standardization of coverage, claims payments and doctor accessibility â?? you are ready to move to the next phase of how to buy Medigap insurance, the price comparison phase.

Comparing Medigap plans used to consist of looking over rate sheets from each different insurance company. Now, it can easily be done online, in most cases. There are really two avenues you can take when you are comparing Medigap quotes. One, you can do all the legwork yourself by calling or meeting with each insurance company in your state to obtain their rates and plan information. This is obviously very cumbersome, but it is an option.



agent or broker to gather and provide the rates for you. This can be done in a format that looks like the picture to the right. It enables you to compare, not just the rates, but also information about the companies in a centralized, unbiased place. The information should contain rates and plan information for every company that offers plans in your state. The National Association of Insurance Commissioners has issued this alert on how to find an independent insurance professional.

Although we just discussed how the plans are standardized, you will find that the rates vary considerably with Medigap plans, sometimes by as much as $100/month for the exact same plan with different companies. Because of this, it is a vital part of the process to do an actual comparison of rates, rather than just relying on a company that mails you something or what a friend/family member says.

There are, of course, some well-known companies that offer Medigap plans and you can certainly buy a Medigap plan from them. However, sometimes the big-name companies are not as competitively priced.

Step 3: Buy Medigap from an Independent Broker

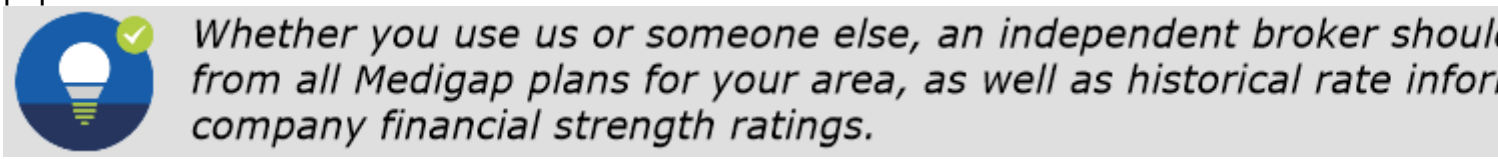
Once you have done the Medigap quotes gathering step, you are ready to narrow down the options and make a purchase decision. Again, you may have chosen to do the research yourself or consulted many different agents throughout the process, but when it is time to choose, it is prudent to use an independent agent or broker to select and help you enroll in your plan.

default watermark

This does not cost you anything â?? in fact, it is built into the premiums so you are paying for it whether you use one or not. The independent agent would provide you with a resource throughout the enrollment process as well as being an advocate on your behalf after you have the plan, again at no cost to you. Moreover, if you ever want to re-evaluate your plan or company choice, an independent agentâ??s obligation/incentive is to your satisfaction, not the satisfaction of a particular insurance company, so he or she can provide comparative information if you are considering a change.

With some insurance companies, you do still have the option of purchasing the plan directly through the company. This is certainly an option; however, if you do so, you must be aware that you likely talking to someone in a call center that will not be there next time you call. Additionally, someone who works FOR a specific insurance company has the job to sell you a plan for THAT specific insurance company, not a plan to fit your needs to the most appropriate company and plan for your situation.

The agent/broker can show you how to buy Medigap insurance and guide you through the process. In most cases, now, this can be done online without ever having to do in-person meetings or fill out long paperwork.



How to Buy Medigap: A Summary

Overall, the amount of solicitation you receive when you are turning 65 or going on Medicare can easily cause you to get overwhelmed with the task of how to buy Medigap insurance. However, if you follow a few simple guidelines for understanding, comparing and choosing, you can make an informed and prudent choice.

First, you should understand the plans, including what they cover and how they work. Next, you should gather the rates/quotes â?? this can be done on your own by contacting all the insurance companies or by using an independent agent/broker. Lastly, you should narrow down the choices, based primarily on price, and choose a plan based on your needs and situation with the assistance of an independent Medicare agent.

_____



65Medicare.org is a leading, independent Medicare insurance agency for people turning 65 and going on Medicare. We have worked with 10,000+ Medicare-eligible individuals over the last 10+ years, assisting with understanding and comparing the plans. You can get a list of Medigap plans in your area. Or, if you have any questions about this information, you can contact us online or call us at 877.506.3378.

default watermark

Category

1. Medigap Plans

Date Created
April 25, 2017
Author
65medicare