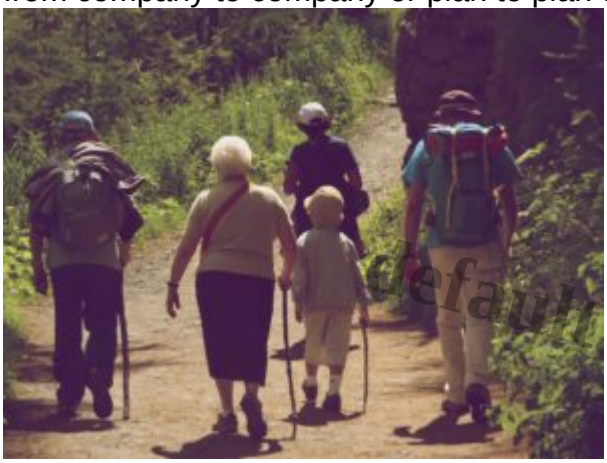
Medical Underwriting for Medigap Plans

Description

A common misconception is that there is no medical underwriting for a Medigap plan. Many people mistakenly believe that there is an annual open enrollment period, during which you can easily switch from company to company or plan to plan without any restriction or requirement. This is not the case.



To qualify for a Medigap plan, there is a process for getting approved â?? regardless of when you apply for a plan. The insurance company will determine whether they want to â??acceptâ?• you, and what the premium will be. To make the determination of qualifying medically, they will conduct a review of your medical history, in addition to requiring your height and weight, and they will likely conduct a phone interview and medication information.

There are some instances during which you are not subjected to medical underwriting:

- If you are in an open enrollment period, i.e. just turning 65 or signing up for Part B for the first time
- In a â??Guaranteed Issueâ?• situation (the insurance cannot refuse to sell you a Medigap plan). Some examples of this are:
  - you just left your employerâ??s health insurance plan
  - your current Medigap insurance company went bankrupt
  - your Medicare Advantage plan is terminating their plan
  - your Medigap company misled you
  - you are buying a Medigap policy in CA, OR, and WA and your birthday falls either 30 days before or after this date (Birthday Rule)

What kinds of questions are asked on Medigap applications?

Insurance companies primarily want you to answer medical questions pertaining to the previous two-year period. However, these questions do vary considerably from company to company, and from state to state. The same applies to the types of questions regarding medical conditions or disorders, or any medical equipment you are currently using. Some of these questions, if answered â??yesâ?• to, will immediately result in your being declined, as seen below:

- Have medical tests, treatment, or surgery been advised but not performed, or is any surgery anticipated? (This excludes mammograms, pap tests, colonoscopies, or PSA tests which were advised for routine screening purposes only).
- Do you have nor or in the last 2 years have you been treated for or advised by a medical professional to have treatment or surgery for:
    - angina, atherosclerosis, arteriosclerosis, irregular heartbeat, atrial fibrillation, congestive heart failure, angioplasty, stent replacement? (there may be more cardiac conditions listed on the application)
    - Diabetes with neuropathy, retinopathy, vascular disease or tobacco use?
    - Internal cancer, leukemia, malignant melanoma, Hodgkinâ??s disease or lymphoma?

    - Parkinsonâ??s disease, myasthenia gravis, cerebral palsy, muscular dystrophy, multiple sclerosis or amyotrophic lateral sclerosis (Lou Gehrigâ??s disease)?
    - Pagetâ??s disease, rheumatoid arthritis, disabling arthritis, systemic lupus, osteoporosis with fractures or paralysis?

Will Medications Be A Factor in Declining a Medigap Application?

Even though Medigap plans donâ??t cover prescription medications at all (they are covered under Part D), the medications you are currently taking could very well be a factor in the underwriterâ??s decision of whether to approve or decline your application. Each company has their own guidelines as to which drugs are declinable. However, the list of decline drugs is basically the same no matter which company you are dealing with. In addition to specific drugs, there are other factors which may come into play:

â?? If you take injectable insulin instead of insulin orally; and if you are taking injectable insulin, how many units;

â?? Whether you are taking more than two blood pressure medications along with certain other medications for coronary artery disease or other heart conditions;

â?? There are some drugs which can be taken for a wide variety of illnesses and conditions. One drug may be taken for a declinable reason, while you may need to take that same drug for another condition which is not declinable. In that case, you may be required to present documentation from your physician of the precise reason you are taking that medication. An example would be the drug Metoprolol. It is generally taken for atrial fibrillation. However, it may also be taken for high blood pressure in conjunction with other blood pressure medications. In that case, your physician would have to note that in the letter.

The underwriting process usually takes from 7-10 business days. The agent submitting the application will get status updates regularly. Some insurance companies notify both the client and the agent of the decision at the same time by email. Other companies notify the agent who in turn notifies the client, although the client will be getting a letter of the decision by mail. In that letter, they will either be approved, or given the reason(s) why they were declined. The agent is not generally informed of the reason(s) due to HIPPA privacy laws. It is up to the applicant whether to notify the agent or not regarding the reasons why their application was declined.

Lastly, if you are not sure whether you would qualify or not for a Medigap policy, you can always apply. There is no cost associated with submitting your application. Even if you are declined, you can reapply later with the same company. Or, you can try a different company that may be more lenient on underwriting requirements. An experienced independent broker can help you evaluate the options, choose one that gives you the best chance at approval and exhaust all options until you, in most cases, can find a company that will work.

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65Medicare.org is a leading, independent Medicare insurance agency for people turning 65 and going on Medicare. If you have any questions about this information, you can contact us online or call us at 877.506.3378.

Category

1. Medigap Plans

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