Reducing Your Medigap Costs â?? 4 Steps to Replacing Your Plan

Description

If you have been o year, it is highly likely that you can reduce your Medigap cost u, or if youâ??ve already decided that itâ??s time to switc teps you can take to make sure you are on the right track.

Maybe you have recently had life events which have now caused your financial situation to change; or it could be a change in your health status. Have you recently acquired a new health condition, and now you need additional coverage? Or have you recovered from a health disorder and now your health is in much better condition? Whatever the reason for the change, there are several steps you can take to arrive at a logical, sound decision that can give you the best possible Medigap coverage for the lowest possible price.

1) Compare plans

All Medigap plans are standardized â?? they must follow the same guidelines to protect you by abiding by federal and state laws. However, Massachusetts, Wisconsin and Minnesota are not standardized in the same way. Medigap policies are Federally-standardized, so you can easily choose which one meets your needs. The most popular plans are F, G and N. Your financial situation may dictate whether you choose one plan over another based on the Medigap costs, i.e. Plan F over Plan G, or Plan G over Plan N. If you are on a budget and cost effectiveness matters to you, then consider a plan with a lower premium. (How to decide what is the best Medigap plan)

2)   Run Medigap comparisons between companies

1. **Cost** (far and away, the most important factor) â?? Although Medicare Supplement (Medigap) plans are standardized, they may vary widely in cost. Itâ??s like buying a name brand product at

the supermarket over the store brand. They both have the same ingredients, but the name brand cost more because youâ??re paying for the popularity of the product in the market. Same thing with certain Medicare Supplement companies â?? some have higher Medigap costs, which is why it is important to compare Medigap prices.

2. **Claim payments** â?? Since all companies pay claims through the Medicare â??crossoverâ?• system as required by law, claims payments are identical with every company. One company will never pay claims any faster than another or in a greater amount, etc. Furthermore, you can keep all your same doctors, regardless of what company you have for your Medigap plan.
3. **Customer service** â?? it is not uniformly the same with each company. Depending on the size of the company, the customer service people may spend a short time assisting you or some take a lengthy amount of time. If itâ??s a large call center environment, you probably wonâ??t get the same person twice and wonâ??t have that special relationship, you would with a smaller company.
4. **Company Ratings** â?? AM Best is a global credit rating organization with a unique focus on the insurance industry. Bestâ??s Ratings are recognized as an indicator of insurer financial strength and creditworthiness. These criteria are important when making your decision, but not the ultimate reason you would choose that company.
5. **Rating Class** â?? A company writes its policies using the community, attained age or issue age rating. The *community* rated policy carries the same premium amount regardless of age or health condition. It is based solely on your zip code. The *attained age* policy is based on your current age and the premium progressively increases as you get older. The *issue age* policy is less expensive when you first buy it as you are younger. But is increases as you get older, not because of your age, but due to other factors such as inflation.
6. **Years in the market** â?? As the AM Best ratings, this factor does carry importance, but it is not the major reason why you should choose one company over another.

Receive current Medigap costs by email

Where should we email the list of plans?

[si-contact-form form=â??6â?²] I hate spam too, so I will never send such to you!

No, thanks

See if you can reduce your Medigap co... and zip code.

3) Apply for your new Medigap policy

1. Once youâ??ve made your choice with which company you want to enroll and which plan, you can apply for your new policy. You can do that either by calling the company or going to their website and completing your application online. Some companies may only have the call option available and take your information over the phone.
2. You can also enroll through an independent insurance agent, who will help you compare the options, complete and process your application, and serve as an ongoing resource for you if you have problems or questions. This does not cost you anything.
3. Most companies will send you a temporary ID card while you wait to receive your new policy and permanent insurance card in the mail.

4) Cancel your old Medigap policy

You should not cancel your old policy until you get approved for your new policy! Once that happens, you can then go ahead and let your current insurance company know that you want to cancel your existing policy and by which date. It is best to give a one week or more notice for cancellation, especially if you are paying your premium by bank draft. Plus, it usually takes 7-10 business days for a new policy to be approved. This means that, ideally, you would apply for a new policy with at least a 3-week lead time in order to facilitate getting the new policy in place in time.

When Can You Change Medigap Plans?

You can change your Medicare Supplement plan whenever you want to, but unless you are in a special enrollment period, your application will have to go through underwriting. There is a possibility that you may be declined depending upon the status of your health. Therefore, if you are thinking of changing while you are in good health, it would be wise to do that now rather than later.

If you do have health problems, however, it would definitely be advantageous to work with someone who knows the variations between companies. Different companies ask different health questions and will â??acceptâ?• different pre-existing conditions. An independent broker can advise you on these differences.

CONTACT US

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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 quotes in your area. Or, 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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