

MEDICARE: THE MEDIGAP TRAP

What happens if your client decides to move from [Medicare Advantage to Original Medicare](#)? It depends. In some cases, your client may have a waiting period for pre-existing conditions, a higher premium, and/or be denied significant coverage. This is often called the Medigap Trap.

Medigap Protection: Guaranteed Issue

When a person first signs up for Medicare (assuming he/she follows the rules for the Initial Enrollment Period or the Special Enrollment Period), he/she can choose between Original Medicare and Medicare Advantage. If the person chooses Original Medicare, he/she can sign up for Parts A, B, and D, as well as a Medicare Supplement, commonly referred to as a [Medigap policy](#). Most importantly, at this time, the Medicare Supplement, which is the Medigap policy, is [guaranteed issue](#). No medical questions or underwriting is necessary.

Going from Medicare Advantage to Original Medicare: The Medigap Trap

If, instead, a person signs up for Medicare Part C, which is [Medicare Advantage](#), the rule is different. Currently, roughly one in three people—[22,000,000 Medicare beneficiaries](#)—choose Medicare Advantage. Sometimes, however, a beneficiary will decide that Original Medicare might better fit their needs.

When changing from Medicare Advantage to Original Medicare, Medigap is guaranteed issue only in some circumstances. That means a person could be denied coverage, have limited plan options, and/or a higher

premium. A person has guaranteed issue protection if one of the following situations applies:

- The person is still within six months of enrolling in Part B.
- The Medicare Advantage plan has ceased service in the person's area.
- The person has moved residence outside the Medicare Advantage service area.
- The person's state of residence gives additional protections.

Otherwise, a person has to answer medical questions. While a Medigap policy may be offered, it may not be the policy of choice. And the policy may have a period of time that pre-existing conditions are considered out-of-pocket expenses.

Additional Protections Offered by Some States

Some states may offer residents additional protections. As of 2018, four states offer some level of guaranteed issue protection for Medigap policies: [Connecticut, Maine, Massachusetts, and New York](#). Thirty-one states expanded qualifying events; the remaining 15 states and Washington, D.C., only require that federal minimum standards be met.

Medicare coverage is an important benefit that helps qualified older adults manage the costs of healthcare in retirement. Understanding how initial choices might affect future options can allow clients to have better outcomes.

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Additional Information and Links

[Medicare](#)

[Medicare Advantage](#)

[Medigap](#)

[When Can I Buy Medigap?](#)

[Medigap Enrollment and Consumer Protections Vary Across States](#)

[Enrolling in Medicare Advantage](#)

For additional information about Medicare in retirement, please contact
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2 of 2



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