

Two Popular Medigap Plans Closing to New Beneficiaries in 2020

Two of the most generous and popular Medicare supplement (Medigap) plans are getting phased out starting next year, but only to new beneficiaries.

Beginning in 2020, plans F and C will no longer be available for those just joining Medicare.

Plan F has been the top-selling Medigap plan for years, as it provides the broadest coverage of any of the Medigap plans. While premiums are relatively high, once you are enrolled you won't have to pay anything out of pocket for medical services covered under Medicare.

What do Plan F and Plan C cover?

The two soon-to-be discontinued plans both provide the following coverage:

- Part A coinsurance and hospital costs
- Part B coinsurance or copays
- First three pints of blood
- Part A hospice care coinsurance or copayment
- Coinsurance for skilled nursing facilities
- Medicare Part A deductible
- Medicare Part B deductible
- 80% of foreign travel emergency costs.

Additionally, Plan F covers the Medicare Part B deductible: Currently \$185, as of 2019.

Plan F also comes in a high-deductible version, which provides all the same benefits, except there's a \$2,300 deductible each year.

Plan F is the last of "first dollar" benefits. That is, it covers all your deductibles and copays for Medicare-covered services. Enrollees pay nothing out of pocket for doctor visits, hospital stays, lab work, surgeries, or anything else covered under Medicare. With Plan F, you are covered from the very first dollar of need.

Plan C provides very similar coverage to Plan F, except Plan C beneficiaries still have a Part B deductible of up to \$185 per year. Part B is the section of Medicare that covers durable medical equipment, lab tests, and physicians' charges and up to three pints of blood.

About Medigap plans

Medicare provides important coverage for seniors. But it leaves large gaps in the form of copays and coinsurance. Unmanaged, these gaps can cause a major financial hardship for some. Medigap plans help cover some of these gaps.

Currently, Medicare beneficiaries can choose from 10 plans, which are standard across the United States. Carriers can have different underwriting criteria, and their premiums can vary. But the plan coverages for each letter are the same across the country.

'Grandfather' clause

If you are eligible for Medicare before Jan. 1, 2020, the plan closings will not affect you - even if you declined enrollment before. If you are already enrolled in Plan F or Plan C by the end of the year, you can stay enrolled. You won't be kicked off your coverage.

Alternatives

If you can't enroll in Plan F or C, or you don't want to pay the higher premiums to stay enrolled with one of these more generous plans, you may consider some other options:

Plan G - These plans still provide all the benefits of Plan F, except for the \$185 Part B deductible.

Plan N - These plans are similar, except they do not provide coverage for excess Part B costs. Plan N will also require you to pay a \$20 copay for doctors' visits and \$50 for hospital visits that don't result in admission.

Medicare also plans on rolling out a new high-deductible plan. This plan will provide all the same coverage as the standard Plan G, but with a higher deductible and lower premium.

For many people, Plan G, the High-Deductible Plan G or Plan N will prove to be better value, due to lower premiums. But there is no one-size-fits-all: The right decision depends greatly on your individual circumstances.

The easiest way to pick the best option for you is to work with an experienced Medicare supplement agent. Call us today.

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