

IMPORTANT INFORMATION

You must have both **Medicare Part A and Medicare Part B** in order to purchase a Medigap policy. You pay the private insurance company a monthly premium for your Medigap policy in addition to the monthly Part B premium that you pay to Medicare. A Medigap policy covers only one person. If you and your spouse both want Medigap coverage, you will have to buy separate Medigap policies.

You can apply for a Medigap policy at any time of the year (the Medicare Fall Annual Enrollment Period for Part D and Medicare Advantage plans does not apply to Medigaps). However, medical underwriting may be used (see below).

Application Fee/Processing Fee - Some companies may charge a one-time application fee (e.g. \$20 or \$25). Some companies may also charge a processing fee every time you pay your premium with a credit card.

Guaranteed Issue Situations – Guaranteed issue rights are rights you have in certain situations when insurance companies are required by law to sell or offer you a Medigap policy even if you have health problems (for example, your Medicare Advantage plan is leaving Medicare or stops giving care in your area, or your employer group health plan is ending, etc.).

Medical Underwriting - If you have had Medicare Part B for more than six (6) months, (twelve months if on Medicare due to disability), companies do not have to sell you a policy. Once your Medicare supplement open enrollment period ends, companies can medically underwrite. This means they can look at your medical history to determine eligibility for enrollment, and you may be turned down, or charged higher rates. Companies cannot use medical underwriting during your first six months of Medicare Part B, or if you are in a **“Guaranteed Issue”** situation.

Non-Tobacco, Non-Smoker, and Preferred Rates (shown on charts for persons age 65) will apply if you purchase Medigap within the first six (6) months of the start of your Medicare Part B. This is called your **Medigap open-enrollment period**. These rates also apply in guaranteed issue situations. If over age 65, please contact companies for premiums.

Pre-existing condition waiting period- see bottom of page listing insurance company phone numbers.

Premium Discounts - Some companies may offer discounts for such things as multiple policies in same household, automatic premium deductions, etc.

Premium Increases – Can occur each year as you age. Ask the company how they use age when determining your annual rate. Also, rate increases can occur at any time during the calendar year with authorization from the New Jersey Department of Banking and Insurance (DOBI).

Prescription Drug Coverage - Medigap policies do not include prescription drug coverage. If you want prescription drug benefits, you will need to enroll in a separate Medicare Prescription Drug Plan (Part D). Part D plans available in New Jersey can be found on our website <http://www.state.nj.us/humanservices/doas/services/ship/index.html> or by calling 1-800-792-8820.

For more detailed information about Medigaps, please read Medicare’s publication ***Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare*** (Publication No. 02110) available from 1-800-Medicare, or on-line at <https://www.medicare.gov/publications/02110-medigap-guide-health-insurance.pdf>

Additional questions about premiums, discounts, application fees, benefit packages, eligibility for enrollment, and pre-existing medical condition waiting periods should be directed to the Medigap insurance company.