AHIP
Guiding Greater Health

The State of Medicare Supplement Coverage

TRENDS IN ENROLLMENT AND DEMOGRAPHICS

March 2022

Summary

For Medicare enrollees, purchasing Medicare Supplement (Medigap) coverage helps fill gaps in their Medicare fee-for-service (FFS) benefits. This report describes Medicare Supplement coverage options, demographics of enrollees with Medicare Supplement policies, and the most recent enrollment trends by using the latest available data sources: 2020 National Association of Insurance Commissioners (NAIC) data, 2020 California Department of Managed Health Care data, and 2019 Medicare Current Beneficiary Survey (MCBS) results.

Key Takeaways

- Among fee-for-service (FFS) Medicare enrollees without additional insurance coverage (such as Medicaid, employer-provided insurance, etc.), **53% had Medicare Supplement coverage in 2020.**
- Between December 2017 and December 2020, the share of **Medicare FFS beneficiaries who purchase Medicare Supplement coverage increased from 35% to 39%.**
- Medicare enrollees with Medicare Supplement coverage were three times less likely to have problems paying medical bills compared to enrollees without Medicare Supplement policies. **Only 4% of enrollees with Medicare Supplement coverage reported having difficulty paying medical bills in the last 12 months,** compared to 12% of FFS Medicare enrollees without Medicare Supplement coverage.

What Is Medicare Supplement?

Medicare Supplement (also known as Medigap) is a key source of additional coverage for Medicare enrollees to protect more fully their health and financial security. Seniors purchase Medicare Supplement coverage to protect themselves from high out-of-pocket costs not covered by traditional Medicare, to budget for medical expenses, and to avoid the confusion and inconvenience of handling complex bills from health care providers.

In 2020, the traditional Medicare program had a $1,408 deductible per benefit period for inpatient hospital care (Part A) and coinsurance beginning with day 61 of hospitalization.[1] Part B required 20% coinsurance for outpatient and physician care after an annual deductible of $198.[2] The traditional Medicare program does not have a limit on enrollees' potential out-of-pocket costs.

Appendix A, found at the end of this report, provides detailed information on the benefits and cost sharing features of 2020 standardized Medicare Supplement plans.

Standardized Plans. Over the last 30 years, Medicare Supplement plans have undergone four major changes to benefit designs. First, the provisions of the Omnibus Budget Reconciliation Act of 1990 (OBRA 1990) required that policies sold after July 1992 conform to one of 10 uniform benefit packages, known among Medicare Supplemental plans as Plans A through J. Then in 2003, the Medicare Modernization Act (MMA) required elimination of prescription drug benefits from Medicare Supplement coverage, authorized two new plans (Plans K and L) with cost sharing features, and encouraged development of standardized benefit designs with additional cost-sharing features.

Further changes to standardized plans occurred in 2008 with the passage of the Medicare Improvements for Patients and Providers Act (MIPPA)[3] and included:

- Elimination of the at-home recovery benefit in favor of a new hospice benefit (described below).
- Addition of a new core hospice benefit that covers the cost sharing under Medicare FFS for palliative drugs and inpatient respite care;
- Removal of the preventive care benefit in recognition of the increased Medicare FFS coverage under Part B;
- Introduction of two new Medicare Supplement policies (Plans M and N) with increased enrollee cost-sharing features; and
- Elimination of several standardized plans (Plans E, H, I, J and J with high deductible) that became duplicative or unnecessary due to benefit design changes.

All Medicare Supplement plans are "guaranteed renewable" regardless of when they were purchased. Therefore, some policyholders continue to maintain plans with previous benefits even though the plans can no longer be sold.

Most Medicare Supplement plans cover enrollees' Part A deductible and Part B coinsurance. Two plans—standardized plans C and F—offer full coverage for the Part B deductible. (Plans F and G can also be sold as a high-deductible plan). These three plans also cover Part B coinsurance and copayment amounts, as do most, but not all, standardized plans.

Plans K and L do not cover the Medicare Part B deductible and cover a portion of enrollees' Part B coinsurance. However, there is a limit on enrollees' annual out-of-pocket costs for Medicare eligible expenses—$5,880 for Plan K and $2,940 for Plan L in 2020.[4]

New Plans M and N entered the market in June of 2010. Plan M covers half of the Part A deductible and does not cover the Part B deductible. Plan N covers all of the Part A deductible and does not cover the Part B deductible. Plan N also includes cost-sharing amounts of up to $20 for certain physician visits and up to $50 for certain emergency department visits.

Medicare SELECT plans are identical to standardized Medicare Supplement plans but require policyholders to use provider networks to receive the full insurance benefits. For this reason, Medicare SELECT plans generally cost less than other Medicare Supplement plans.

In April 2015, Congress passed the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). This new law provides that beginning on January 1, 2020, Medicare Supplement insurance carriers may no longer sell Medicare Supplement plans covering the Part B deductible to individuals who are "newly eligible" for Medicare. People who attain age 65 before Jan. 1, 2020, and those who were eligible for Medicare due to disability before that date, will continue to have access to Plans C and F, which are the only standardized plans currently available for sale that cover the Part B deductible.

Waivered States. Three states (Massachusetts, Minnesota, and Wisconsin) offer standardized Medicare Supplement plans but are exempt from the OBRA 1990 standardized plan provisions (and subsequent revisions under the MMA or MIPPA). Standardized plans may therefore be changed by waivered states without federal approval. Individuals who purchase Medicare Supplement plans in one of these three states may keep their plans if they move to other states.

Pre-Standardized Plans. Historically, Medicare Supplement changes have been phased in for new purchasers, and existing policyholders were allowed to retain their pre-standardized policies. Although OBRA 1990 prohibited the sale of new pre-standardized plans, some enrollees still have pre-standardized policies.

Who Enrolls in Medicare Supplement?

The 2020 calendar year, the year of the global pandemic, brought the unprecedented challenges for all individuals and organizations working in health care, including Medicare Supplement insurers. As a result, national Medicare Supplement enrollment in 2020 decreased by 87,000 (-0.6%). This stands in a sharp contrast with the consistent rate of growth of 3-4% observed in the three previous years. It will become clearer in the next several years if Medicare Supplement will return to its pre-pandemic rate of growth going forward.

Table 1. Trends in National Medicare Supplement Enrollment, 2016-2020

Statistic	Year				
	2016	2017	2018	2019	2020
• Enrollment reported to NAIC	12,636,647	13,059,201	13,546,429	14,013,086	13,900,107
• Enrollment reported to California DMHC	425,657	435,259	444,391	469,792	495,681
Total national Medicare Supplement enrollment	13,062,304	13,494,460	13,990,820	14,482,878	14,395,788
Annual percent change in total national Medicare Supplement enrollment, %	6.6%	3.3%	3.7%	3.5%	-0.6%

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibits, for the Years Ended Dec. 31, 2015; Dec. 31, 2016; Dec. 31, 2017; Dec. 31, 2018; Dec. 31, 2019; and Dec.31, 2020 and of the California DMHC Enrollment Summary Reports, 2015-2020.

The updated data demonstrate that the share of enrollees in Medicare Supplement has been steadily growing in the recent years. This growth continued in 2020 when the proportion of Medicare fee-for-service beneficiaries with Medicare supplement increased from 38.2% to 38.7% (See Figure 1). The enrollment in the Medicare program is projected to continue growing rapidly through 2030, and further growth in Medicare Supplement enrollees seems likely.

Nationwide, Medicare Current Beneficiary Survey (MCBS) estimates show that 53% of all non-institutionalized Medicare enrollees without any additional coverage (i.e., Medicare Advantage, Medicaid, Veterans Affairs coverage, employer-provided insurance, retiree drug subsidy plan, self-purchased specialty plan, etc.) had Medicare Supplement policies in 2019.

Figure 1. Share of Medicare Fee-For-Service Enrollees with Medicare Supplement Insurance, 2015-2020

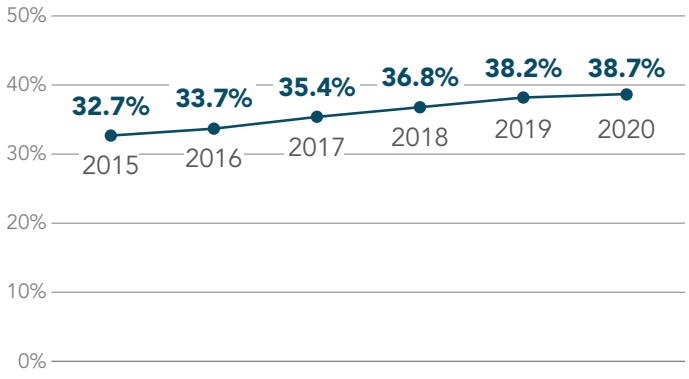
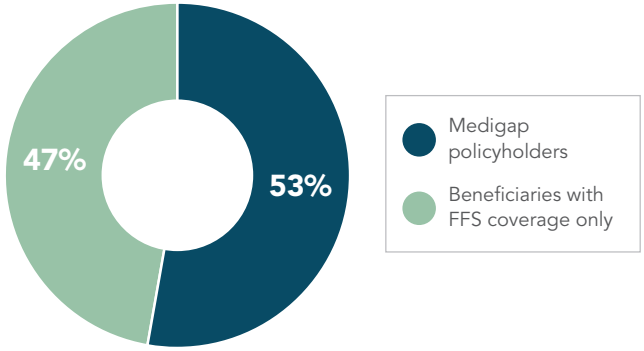


Figure 2. Medicare Enrollees Without Any Additional Insurance Coverage That Had Medicare Supplement Coverage, 2019



Source: Medicare Current Beneficiary Survey Limited Data Set Files, 2019 (CMS).

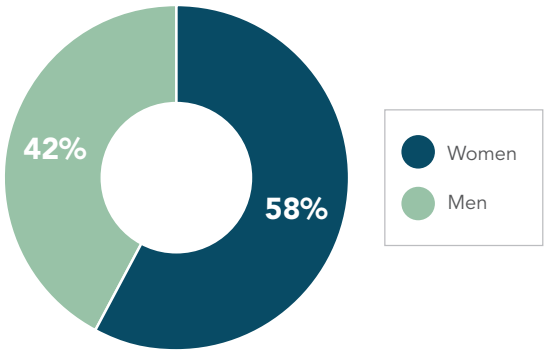
Demographic Characteristics of Medicare Supplement Enrollees

The demographic characteristics of Medicare Supplement enrollees are based on the Medicare Current Beneficiary Survey (MCBS) 2019 data, which is the latest year for which data are available.

Gender

Across the country, a majority—58% —of Medicare Supplement enrollees in 2019 were women (see Figure 3). This gender distribution did not change from the previous year.

Figure 3. Gender Distribution of Medicare Supplement Policyholders, by Geographic Location, 2019



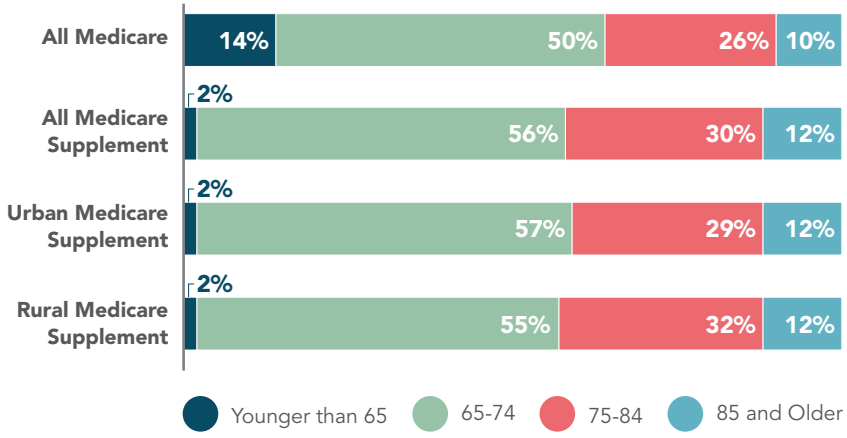
Source: Medicare Current Beneficiary Survey Limited Data Set Files, 2019 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare enrollees reporting gender.

Age

Medicare enrollees with Medicare Supplement insurance were older than the general Medicare population: 42% of Medicare Supplement policyholders were 75 years old or older compared with 36% for all Medicare enrollees (see Figure 4).

Figure 4. Age Distribution of Medicare Supplement Policyholders, by Geographic Location, 2019



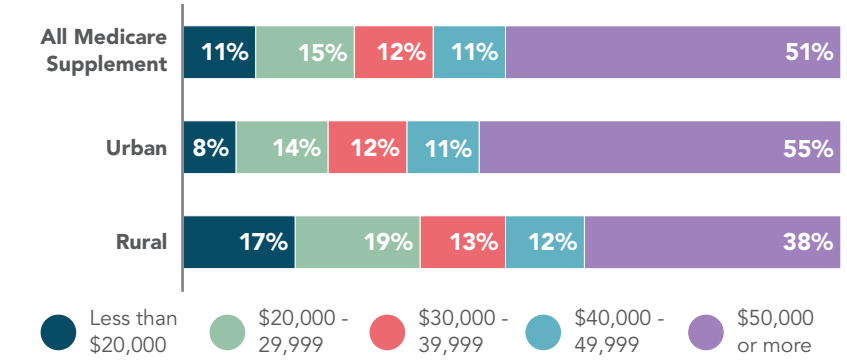
Source: Medicare Current Beneficiary Survey Limited Data Set Files, 2019 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare enrollees reporting income. The percentages in this table may not sum to 100 due to rounding.

Income and Financial Security

A significant number of Medicare Supplement policyholders were individuals with lower incomes: 11% had annual household incomes below $20,000 and 26% had incomes below $30,000. This pattern was more widespread in rural areas, where 17% of Medicare Supplement policyholders had incomes below $20,000 (see Figure 5).

Figure 5. Income Range of Medigap Policyholders (Combined Income of Beneficiary and Spouse), By Geographic Location, 2019

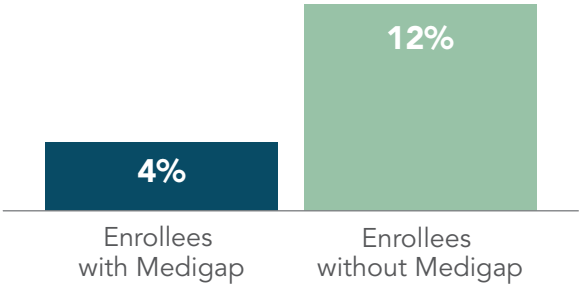


Source: Medicare Current Beneficiary Survey Limited Data Set Files, 2019 (CMS).

Note: Calculations based on responses by non-institutionalized Medicare enrollees reporting income. The percentages in this table may not sum to 100 due to rounding.

Fee-for-service Medicare enrollees with Medicare Supplement coverage were three times less likely to have problems paying medical bills compared to enrollees without Medicare Supplement policies (see Figure 6).

Figure 6. Share of Fee-For-Service Medicare Enrollees Who Had Problems Paying Medical Bills in Last 12 Months, by Medicare Supplement Insurance Status, 2019



Source: Medicare Current Beneficiary Survey Limited Data Set Files, 2019 (CMS).

Note: The category of Medicare enrollees without Medicare Supplement excluded any enrollees who reported being enrolled in a Medicare Advantage plan at any time during the calendar year of the interview.

Geography

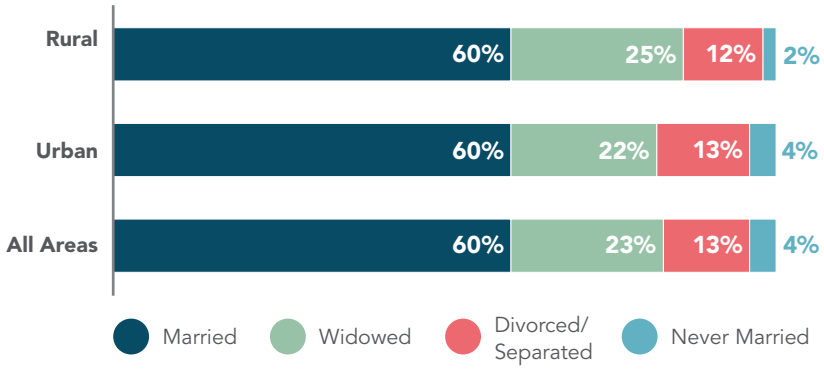
Data show that 25% of Medicare Supplement policyholders lived in non-metropolitan areas (which, for the purpose of this report, include any area with an urban cluster of less than 50,000 people) in 2019.

Rural Medicare Supplement policyholders had substantially fewer financial resources than urban policyholders: Only 38% of rural Medicare Supplement policyholders had household incomes of $50,000 or more compared to 55% for urban Medicare Supplement policyholders (see Figure 5).

Marital Status

Many Medicare Supplement enrollees live without a partner and thus have less robust support networks to rely on in case of financial or health problems: 40% of Medicare Supplement enrollees were widowed, divorced, separated, or never married in 2019 (See Figure 7). Medicare Supplement coverage provides an important source of security for that potentially vulnerable group.

Figure 7. Marital Status of Medicare Supplement Policyholders, by Geographic Location, 2019



Source: Medicare Current Beneficiary Survey Limited Data Set Files, 2019 (CMS).

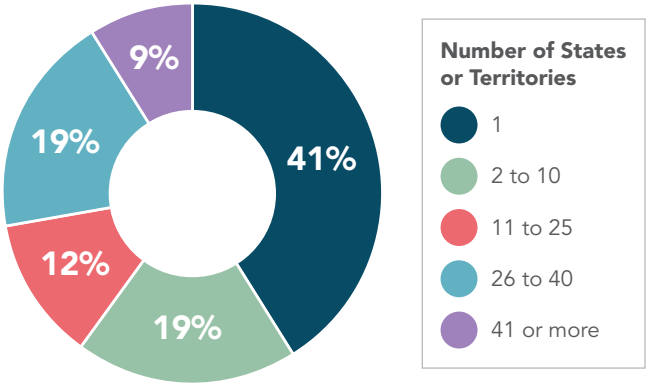
Note: Calculations based on responses by non-institutionalized Medicare enrollees reporting age. The percentages in this table may not sum to 100 due to rounding.

Companies That Offer Medicare Supplement

As of December 2020, 9% of companies offering standardized Medicare Supplement policies covered individuals in 41 or more states or territories, 19% of companies covered individuals in 26 to 40 states or territories, 12% covered individuals in 11 to 25 states or territories, and 19% of companies covered individuals with standardized Medicare Supplement plans in 2 to 10 states or territories. In addition, 41% of all Medicare Supplement companies had standardized policies in force in a single state or territory (see Figure 8).

This distribution has changed very little in the last three years.

Figure 8. Distribution of Medicare Supplement Companies with Standardized Medicare Supplement Policies in Force, by Market Size, December 2020



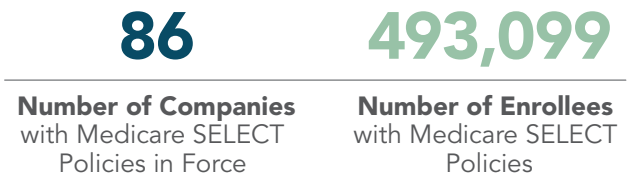
Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended Dec. 31, 2020.

Notes: The enrollment data for this Figure do not include Medicare Supplement enrollment numbers reported by insurance providers in 2020 to the California DMHC. Data in this table depicting the number of states is based on companies with standardized Medicare Supplement policies in force; data do not include companies with only pre-standardized policies in force. The data for standardized policies include Medicare SELECT plans and those issued in three states (MA, MN, and WI) that received waivers from the standardized product provisions of OBRA 1990. The number of companies with standardized Medicare Supplement policies in force reporting to the NAIC for 2020 was 295. The U.S. territories are Guam, Northern Mariana Islands, Puerto Rico, and Virgin Islands. Percentages may not sum to 100 due to rounding.

Eighty-six companies had Medicare SELECT policies in force for about 490,000 of Medicare enrollees on December 31, 2020 (see Figure 9). Companies with Medicare SELECT policies in force were located across the country in 39 states on December 31, 2020.

Overall, the percentage distribution of reporting companies with standardized Medicare Supplement policies in force by plan type in 2020 remained largely unchanged from 2017-2019 for most plan types (see Table 2). In accordance with previous trends, Plan G and Plan N continued to increase in popularity. In 2020, 73% of Medicare Supplement insurance providers had Plan G policies in force vs. 70% in 2019, while 64% of insurance providers had Plan N policies in force in 2020 vs. 62% in 2019. Also, over time, fewer companies are offering Plan B and Plan C: from 58% of insurance providers in 2016 to 53% in 2020 for Plan B, and from 75% of insurance providers in 2016 to 69% in 2020 for Plan C.

Figure 9. Number of Companies with Medicare Select Policies in Force and Number of Enrollees with Medicare Select Plans, December 2020



Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2020.

Notes: The enrollment data for this Figure do not include Medicare Supplement enrollment numbers reported by insurers in 2020 to the California DMHC.

Table 2. Percent of Companies with Standardized Medicare Supplement Policies in Force, by Plan Type, 2016 – 2020

Percent of Companies					
Plan Type	**2016**	**2017**	**2018**	**2019**	**2020**
A	82%	82%	81%	83%	82%
B	58%	56%	55%	54%	53%
C	75%	75%	74%	72%	69%
D	43%	42%	42%	42%	47%
E	26%	24%	24%	23%	22%
F	84%	85%	85%	85%	85%
G	57%	62%	66%	70%	73%
H	22%	21%	21%	21%	20%
I	21%	20%	19%	18%	18%
J	24%	23%	22%	22%	21%
K	16%	15%	15%	15%	15%
L	15%	15%	14%	15%	15%
M	10%	10%	9%	9%	8%
N	54%	56%	59%	62%	64%
Waivered State Plans	31%	32%	34%	35%	35%

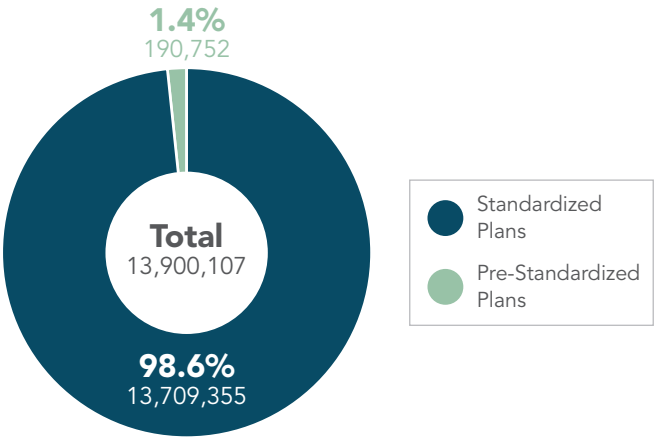
Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibits, for the Years Ended December 31, 2016; December 31, 2017, December 31, 2018, December 31, 2019, and December 31, 2020.

Notes: The enrollment data for this Figure do not include Medicare Supplement enrollment numbers reported by insurance providers to the California DMHC. The data for standardized policies include Medicare SELECT plans and those issued in three states (MA, MN, and WI) that received waivers from the standardized product provisions of OBRA 1990. The number of companies with standardized Medicare Supplement policies in force was 271 for 2016, 282 for 2017, 289 for 2018, 292 for 2019, and 295 for 2020. All plans offering new coverage must offer Plan A. Plans E, H, I and J are no longer sold but some policyholders have retained their coverage for these plans.

Medicare Supplement Policies in Force

According to the NAIC data, 98.6% of Medicare Supplement policies in force on December 31, 2020 were standardized plans. Pre-standardized plans, which were no longer sold after July 1992, account for only 1.4% of all Medicare Supplement policies (see Figure 10).

Figure 10. Number of Policies for Standardized and Pre-Standardized Medicare Supplement Plans, December 31, 2020



Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2020.

Note: The data for standardized plans contain both pre- and post-MIPPA plans. See page 2-3 for further explanation.

Among enrollees with Medicare Supplement standardized plans, Plan F retained its position as the plan with by far the highest number of enrollees. However, it continued to lose its market share, declining from 49% in 2019 to 46% in 2020. On the other hand, Plan G continued its previous rapid growth, increasing from 22% of enrollment in 2019 to 27% in 2020. (see Tables 3-4).

Despite the variety of standardized Medicare Supplement plans in the market, only three plan types (F, G, and N) accounted for more than 80% of the total enrollment. At the same time, four standardized Medicare Supplement plans with the lowest enrollment (E, H, L, and M) combined added up to less than 1% of all standardized policies (see Tables 3-4).

Table 3. Distribution of Enrollment by Standardized Plan Type, 2017-2020

Percent of Enrollment				
Standardized Plan	**2017**	**2018**	**2019**	**2020**
A	1%	1%	1%	1%
B	2%	2%	2%	1%
C	6%	5%	5%	4%
D	1%	1%	1%	1%
E	1%	< 0.5%	< 0.5%	< 0.5%
F*	55%	53%	49%	46%
G**	13%	17%	22%	27%
H	< 0.5%	< 0.5%	< 0.5%	< 0.5%
I	1%	1%	1%	< 0.5%
J	3%	3%	3%	2%
K	1%	1%	1%	1%
L	< 0.5%	< 0.5%	< 0.5%	< 0.5%
M	< 0.5%	< 0.5%	< 0.5%	< 0.5%
N	10%	10%	10%	10%
Waivered State Plans	5%	5%	6%	6%

* Includes high-deductible Plan F.

** Includes high-deductible Plan G.

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibits, for the Years Ended December 31, 2017; December 31, 2018; December 31, 2019 and December 31, 2020.

Notes: The enrollment data for this Figure do not include Medicare Supplement enrollment numbers reported by insurance providers to the California DMHC. The data for standardized policies include Medicare SELECT plans and those issued in three states (MA, MN, and WI) that received waivers from the standardized product provisions of OBRA 1990. Percentages may not sum to 100 due to rounding.

Table 4. Change in Medicare Supplement Enrollment, Standardized, Pre-Standardized and Waivered-State Policies, December 2017 to December 2020, by Plan Type

Plan Type	Enrollment				Change in Enrollment 2019-2020	Percent Change 2019-2020
	2017	2018	2019	2020		
A	145,124	120,514	107,919	99,809	-8,110	-8%
B	251,163	227,256	206,587	182,388	-24,199	-12%
C	781,070	700,552	624,321	542,229	-82,092	-13%
D	160,726	146,347	123,117	125,899	2,782	2%
E	65,096	58,229	51,203	45,485	-5,718	-11%
F	7,062,798	7,043,167	6,804,076	6,238,576	-565,500	-8%
G	1,660,548	2,305,925	3,067,424	3,727,474	660,050	22%
H	29,931	33,299	31,014	27,259	-3,755	-12%
I	81,727	72,217	74,338	56,501	-17,837	-24%
J	441,742	407,964	371,432	332,461	-38,971	-10%
K	82,066	82,202	80,527	76,331	-4,196	-5%
L	49,295	47,858	42,546	38,949	-3,597	-8%
M	4,785	4,403	4,151	3,782	-369	-9%
N	1,280,507	1,342,350	1,359,949	1,362,694	2,745	0%
Waivered State Plans	690,099	714,930	857,757	849,518	-8,239	-1%
Pre-Standardized Plans	272,524	239,216	206,725	190,752	-15,973	-8%
Total	**13,059,201**	**13,546,429**	**14,013,086**	**13,900,107**	**-112,979**	**-1%**

Sources: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Years Ended December 31, 2017, 2018, 2019, and 2020.

Notes: The enrollment data for this Figure do not include Medicare Supplement enrollment numbers reported by insurance providers in 2017- 2020 to the California DMHC. The data for standardized policies include Medicare SELECT plans and those issued in three states (MA, MN, and WI) that received waivers from the standardized product provisions of OBRA 1990.

Fast Growing Medicare Supplement Plans

In 2020, the only plans that posted the enrollment increases were plans G, D, and N.

In the continuation of a multi-year trend of rapid growth, the enrollment in Plan G, which covers all Medicare deductible and coinsurance amounts except the Part B deductible, increased by 22% from 2019 to 2020, by 660,000 enrollees. Plan G also has a high-deductible option, the deductible for which was $2,340 in 2020. As was true in the previous year, Plan G posted the fastest rate of growth in 2020 in both relative and absolute terms.

In another sign of growth, Plan D posted an enrollment growth of 2% in 2020, which reversed several years of steady enrollment decreases. Plan D is similar to Plan G, except Plan D does not cover excess charges for Part B services.

The enrollment in Plan N—a new standardized plan with predictable cost-sharing amounts—also increased, but the 2020 rate of growth was only 0.2%, compared to the enrollment growth increase of 1% from in 2019, and 5% in 2018.

The enrollment in the largest Medicare Supplement plan by far, Plan F, decreased by 8% in 2020 compared to the previous year. The regular version of Plan F provides coverage for Medicare deductibles and coinsurance amounts. Like Plan G, Plan F also includes a high-deductible option that allows for a deductible amount of $2,340 (in 2020) before the policy can begin paying benefits.

Similarly, the enrollment in several other Medicare Supplement plan types continued to decline. Double-digit enrollment declines occurred in Plan I (-24%), Plan C (-13%), Plan B (-12%), Plan H (-12%), Plan E (-11%), and Plan J (-10%).

Medicare Supplement Policies by State

Table 5 shows enrollment in Medicare Supplement by jurisdiction—including the District of Columbia and U.S. territories—and plan type as of December 31, 2020.

Figure 11 is a map of the United States representing the number of Medicare Supplement enrollees by state, the District of Columbia, and U.S. territories. Figure 12 is a map of the United States showing Medicare Supplement enrollees as a percentage of Medicare FFS enrollees by state, the District of Columbia, and U.S. territories.

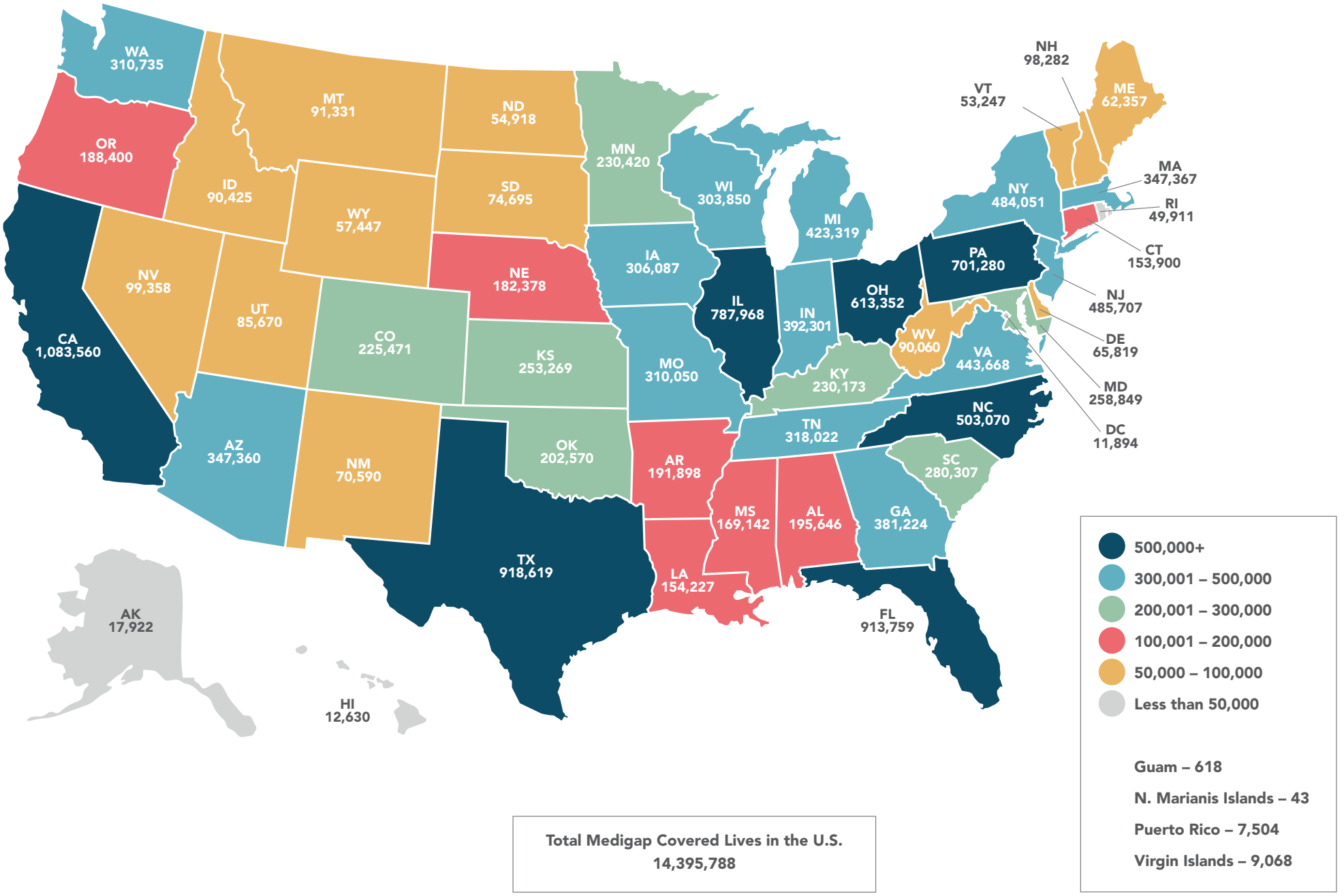
Table 5. Enrollment: Plan Type by State and Territory, As Reported to the NAIC, December 2020

State	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Waivered	Pre-standardized	Total covered lives (state)
AK	213	78	339	36	29	10,004	4,290	5	168	767	243	151	0	1,543	0	56	17,922
AL	504	78,112	2,176	576	99	65,356	36,277	26	114	835	438	195	2	10,791	0	145	195,646
AR	385	268	1,043	422	49	31,067	24,131	10	97	1,580	432	246	3	7,362	0	124,803	191,898
AZ	1,484	686	8,149	754	300	178,577	116,104	336	829	7,686	2,196	969	11	28,668	0	611	347,360
CA	5,116	2,317	7,830	1,637	630	369,145	81,282	550	3,113	38,927	6,342	2,668	20	65,044	0	3,258	587,879
CO	1,286	782	1,933	839	192	115,289	73,582	321	800	4,601	1,514	1,073	6	22,812	0	441	225,471
CT	1,658	1,555	4,058	741	372	57,850	23,983	3,985	693	13,172	1,665	742	0	34,840	0	8,586	153,900
DC	145	87	251	36	28	7,095	1,869	8	89	979	132	55	0	1,032	0	88	11,894
DE	494	547	1,648	1,974	339	32,047	12,260	81	766	3,090	824	277	0	11,296	0	176	65,819
FL	6,429	21,842	42,440	36,693	6,491	548,796	88,647	1,120	4,384	55,848	7,997	3,391	95	84,350	0	5,236	913,759
GA	1,560	1,825	9,783	1,586	4,641	172,679	139,886	64	844	7,940	1,643	686	9	36,786	6	1,286	381,224
GU	12	15	128	0	0	365	40	0	0	18	0	5	0	35	0	0	618
HI	104	49	230	25	9	7,349	1,756	7	42	423	385	72	0	2,148	0	31	12,630
IA	1,107	164	1,318	1,017	1,525	200,748	85,036	87	141	2,583	236	503	2	9,600	0	2,020	306,087
ID	606	201	877	173	61	39,487	37,508	123	109	2,422	1,142	279	13	7,319	0	105	90,425
IL	2,945	2,558	14,144	13,499	955	445,870	236,502	2,984	742	5,341	1,637	1,555	4	55,003	733	3,496	787,968
IN	2,324	1,624	6,298	3,166	1,034	165,292	163,813	451	1,046	5,597	1,003	815	17	38,508	0	1,313	392,301

State	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Waivered	Pre-standardized	Total covered lives (state)
KS	860	361	12,963	1,213	416	132,549	85,005	32	334	1,486	1,085	320	1	15,967	0	677	253,269
KY	988	2,645	10,108	1,146	3,110	114,729	68,839	1,307	600	2,137	746	443	1	22,415	0	959	230,173
LA	354	1,623	1,516	349	88	81,490	52,408	73	376	902	857	560	1	12,964	0	666	154,227
MA	112	61	505	45	68	2,599	165	28	136	734	65	31	2,622	756	339,092	348	347,367
MD	5,185	2,985	10,474	1,663	317	118,701	69,798	677	420	7,615	2,522	1,096	35	35,861	0	1,500	258,849
ME	851	471	4,364	264	363	32,584	11,419	20	1,007	2,209	313	143	70	8,200	0	79	62,357
MI	6,450	735	87,427	2,412	317	125,024	125,556	80	734	4,511	1,783	674	4	64,403	0	3,209	423,319
MN	130	2,245	172	8	2,166	1,552	91	33	125	1,172	38	44	472	790	221,076	306	230,420
MO	4,845	1,481	6,549	3,928	668	146,644	114,840	271	1,305	6,125	904	715	8	20,247	0	1,520	310,050
MP	0	0	5	0	0	24	7	0	0	0	0	1	0	6	0	0	43
MS	1,070	621	1,886	561	93	88,816	61,353	34	121	2,635	638	319	3	10,536	0	456	169,142
MT	562	229	2,699	354	48	44,489	33,886	70	277	1,674	495	210	6	6,080	22	230	91,331
NC	2,286	1,836	7,533	3,133	747	247,357	184,528	244	2,014	16,424	1,675	942	65	32,759	0	1,527	503,070
ND	152	41	701	71	6	38,996	12,942	12	44	417	44	26	0	1,375	0	91	54,918
NE	352	416	1,935	583	31	87,360	83,079	117	158	1,488	211	375	15	5,468	0	790	182,378
NH	800	482	1,439	475	473	39,124	22,382	144	220	9,116	587	399	149	21,690	33	769	98,282
NJ	5,295	2,227	48,749	3,467	334	177,780	116,928	2,146	6,378	23,355	3,090	2,770	4	89,526	0	3,658	485,707
NM	615	507	1,124	253	64	36,778	20,621	39	534	2,599	467	260	4	6,515	0	210	70,590
NV	557	323	1,050	181	91	49,503	31,377	158	315	2,773	719	404	0	11,767	0	140	99,358
NY	11,225	14,040	18,047	932	3,220	250,568	35,645	1,806	5,213	5,580	9,206	2,686	5	123,926	0	1,952	484,051
OH	2,454	2,336	35,021	4,978	1,154	231,921	222,692	463	2,136	8,968	2,495	3,027	31	93,853	0	1,823	613,352
OK	3,056	608	2,042	1,485	221	109,908	65,216	46	331	2,640	1,125	1,323	4	13,867	0	698	202,570
OR	871	278	2,121	536	145	72,257	90,404	33	435	2,078	1,066	415	3	17,149	0	609	188,400
PA	4,390	15,151	106,571	6,189	8,823	248,665	179,637	6,677	8,326	10,576	2,419	1,499	9	101,104	0	1,244	701,280
PR	25	27	1,593	8	7	4,509	233	19	27	784	18	12	0	215	0	27	7,504

State	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Waivered	Pre-standardized	Total covered lives (state)
RI	708	122	18,249	267	30	19,144	4,838	7	90	699	150	122	1	5,437	0	47	49,911
SC	1,296	1,677	5,791	10,684	234	142,270	87,680	103	569	4,343	998	677	3	23,338	0	644	280,307
SD	257	70	301	48	74	43,942	26,806	9	41	378	124	67	1	2,116	0	461	74,695
TN	1,567	1,395	9,815	4,828	1,716	159,883	107,346	148	867	7,767	932	411	45	20,094	0	1,208	318,022
TX	6,112	2,779	10,750	6,137	712	420,971	375,245	1,230	2,967	18,554	4,751	2,749	22	63,593	0	2,047	918,619
UT	495	225	1,555	614	167	42,513	28,186	249	200	1,632	544	281	0	8,798	0	211	85,670
VA	2,077	2,057	5,564	1,268	877	223,307	149,844	507	3,601	16,902	1,665	804	12	32,617	0	2,566	443,668
VI	73	51	389	26	4	6,380	391	6	21	298	44	20	0	1,362	0	3	9,068
VT	965	494	11,057	2,931	1,453	17,681	2,447	127	33	3,138	323	139	0	12,139	0	320	53,247
WA	2,135	629	5,318	882	314	157,784	78,905	58	1,816	5,134	5,553	819	3	44,949	4	6,432	310,735
WI	3,243	7,682	407	106	18	1,790	186	3	40	330	27	21	0	377	288,552	1,068	303,850
WV	650	605	2,776	570	118	44,034	28,692	106	582	2,231	396	260	1	8,598	0	441	90,060
WY	374	163	1,018	130	44	27,934	20,891	19	131	1,248	427	203	0	4,700	0	165	57,447

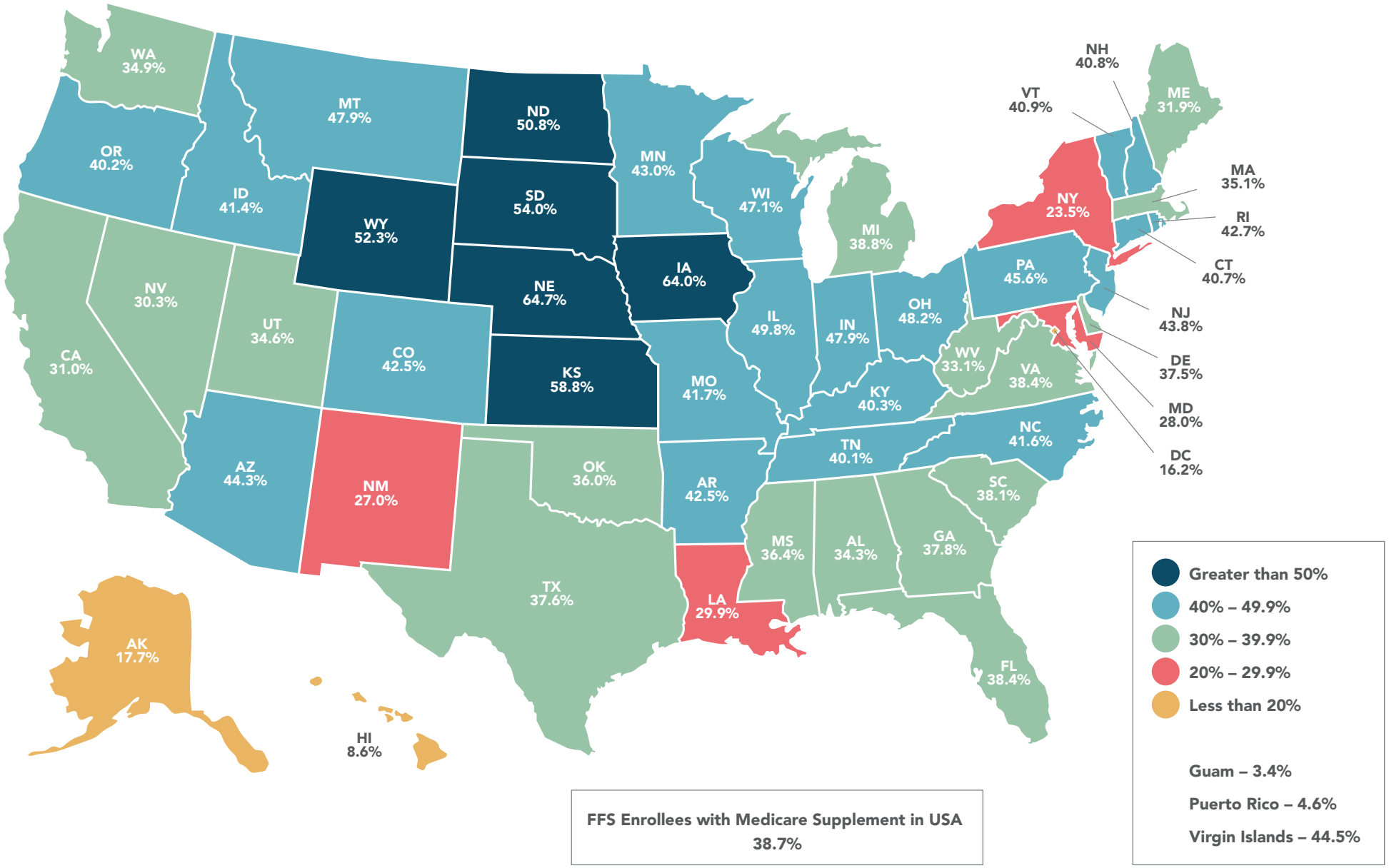
Figure 11. Number of Medicare Supplement Enrollees by State and U.S. Territory, December 2020



Source: National Association of Insurance Commisioners (2020), California's Department of Managed Health Care (2020).

Notes: The enrollment data for this Figure include Medicare Supplement enrollment numbers reported by insurers in 2020 to the California DMH (495,681 covered lives).

Figure 12. Percent of FFS Enrollees with Medicare Supplement, by State and U.S. Territory, December 2020



Source: National Association of Insurance Commisioners (2020), California's Department of Managed Health Care (2020).

Notes: The enrollment data for this Figure include Medicare Supplement enrollment numbers reported by insurers in 2020 to the California DMH (495,681 covered lives).

Methodology

For this report we analyzed 2020 Medicare Supplement data from the National Association of Insurance Commissioners (NAIC). Health insurance providers submit their annual statement data directly to the NAIC using an electronic filing portal. Each state sets its own requirements for filing.

Data from three health insurance providers are not included in the 2020 NAIC data; they are required to report their data to the California's Department of Managed Health Care (DMHC), which does not report Medicare Supplement enrollment data to the NAIC. Since, as in previous years, the DMHC does not provide the breakdown of the Medicare Supplement enrollment by plan type or market size, the data from the four Medicare Supplement insurance providers reporting to DMHC were included only in the tables and graphs presenting national and state Medicare Supplement enrollment and penetration, while all of the tables further subdividing Medicare Supplement enrollment by market size, Medicare Select policies, and Medicare Supplement plan type have been calculated using exclusively the data from the NAIC.

We derived the total Medicare Supplement enrollment during 2020 by adding two variables together: 1) the number of policies issued before 2011, and 2) the total number of policies issued in 2011-2020. The NAIC requires Medicare Supplement companies to report these data separately. Only one person is covered per Medicare Supplement policy.

All analyses in the report contain data from the 50 states, the District of Columbia, and the U.S. territories. The territories are Guam, Northern Mariana Islands, Puerto Rico, and Virgin Islands.

The NAIC data set is structured so that reported enrollment is a point-in-time measure for December 31, 2020. Other data set measures, such as those for premiums and claims, are for the full year. Therefore, it is possible that a company may submit information on a plan type even though at the end of the year enrollment was zero. To show the number of companies with policies in force as of December 31, 2020, we selected records where the number of people covered was greater than zero.

We calculated the percent of FFS enrollees with Medicare Supplement plans for 2016 to 2020 by dividing the number of Medicare Supplement enrollees by the number of Medicare FFS enrollees for each year. For the numerator we obtained the number of Medicare Supplement enrollees from the current and previous AHIP reports on Medicare Supplement trends.[5] The denominator was the number of Medicare FFS enrollees from the Centers for Medicare & Medicaid Services (CMS) data for December of each year.[6] The CMS data set provided the number of enrollees eligible for Medicare and the number of enrollees enrolled in Medicare Advantage. We subtracted the number of enrollees with Medicare Advantage from the number of eligible Medicare enrollees to get the number of Medicare enrollees with FFS. Figures 11 and 12 show these data by state and territory.

Data describing the demographic makeup of Medicare Supplement enrollees came from the 2019 Medicare Current Beneficiary Survey (MCBS) Access to Care Limited Data Sets Files (LDS), maintained by CMS. Likewise, we used SAS Enterprise Guide® 6.1[7] software to analyze the data.

Our analysis includes data on non-institutionalized enrollees in the 50 states, the District of Columbia, and Puerto Rico eligible for Medicare as of January 1, 2019. June 2019 was the point in time for which enrollees' records were selected for inclusion.

Medicare enrollees were identified as Medicare Supplement policyholders based on survey responses indicating the June 2019 coverage via a self-purchased non-specialty private insurance. Additionally, in case of multiple insurance coverage, those enrolled in Medicare Advantage plans according to CMS administrative data, were excluded from the Medicare Supplement -covered category.

The current MCBS data format does not allow for the separation of enrollees enrolled in Medicare Advantage plans from enrollees enrolled in non-Medicare Advantage capitated plans. As a result, all of the statistics in this report presented as Medicare Advantage may include some enrollees in non-Medicare Advantage capitated plans.

In the MCBS dataset, Medicare enrollees were classified as residing in either metropolitan, micropolitan or rural areas in 2019 based on CMS administrative data. CMS used information from the Office of Management and Budget to define a metropolitan statistical area, which is used to define the "urban" category in this report. The "Urban" category in our report includes individuals living in Metropolitan Statistical Areas (MSA), which are defined by the Office of Management and Budget as urban clusters with a population of 50,000 or more, while the "rural" category includes all enrollees living outside of the MSAs.

As a general rule, all records in the MCBS dataset containing data values such as "unknown" or "refused" were dropped from the analyses.

Data Limitations

As noted, the total number of enrollees with Medicare Supplement is slightly understated because California does not require all insurance companies to report their data to the NAIC; four companies in California are required to report their data to the California Department of Managed Health Care. Data from these companies represent 495,681 Medicare Supplement enrollees,[8] about 3% of all Medicare Supplement enrollment in the United States and are not included in the subset of analyses describing Medicare Supplement insurers by market size, Medicare Select policies, and Medicare Supplement plan type.

Enrollees have an option to purchase Plan F as a high-deductible plan. However, due to the way data are reported to the NAIC we are unable to determine what percent of enrollees in Plan F have a high-deductible policy or what percent of companies offer high-deductible Plan F. Therefore, data in this report representing Plan F may also include the high-deductible version.

Medicare Supplement plans are guaranteed renewable, therefore policyholders may keep their plans even though the plan may have been discontinued or the standard benefit design changed. This report does not make a distinction among standardized Medicare Supplement policies in force in December 2020 with respect to whether their benefit designs comply with requirements under OBRA 1990, MMA, or MIPPA.

Appendix A

Medicare Supplement Benefits 2020	Standardized Medicare Supplement Plans									
	A	B	C	D	F*	G**	K	L	M	N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Part B coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes****
Blood (first 3 pints)	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A hospice care coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Skilled nursing facility care coinsurance	No	No	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A deductible	No	Yes	Yes	Yes	Yes	Yes	50%	75%	50%	Yes
Part B deductible	No	No	Yes	No	Yes	No	No	No	No	No
Part B excess charges	No	No	No	No	Yes	Yes	No	No	No	No
Foreign travel exchange (up to plan limits)	No	No	80%	80%	80%	80%	No	No	80%	80%
Out-of-pocket limit***	N/A	N/A	N/A	N/A	N/A	N/A	$5,880	$2,940	N/A	N/A

Notes: This table reflects the benefit design for standardized Medicare Supplement plans under the 2015 Medicare Access and CHIP Reauthorization Act of 2015. Plans C and F (and F with a high deductible) will be available ONLY for enrollees eligible prior to January 1, 2020. Plans C and F are redesignated Plans D and G for enrollees newly eligible after January 1, 2020.

*Plan F also offers a high-deductible plan. If the enrollee chooses this option, he/she must pay Medicare covered costs up to the deductible amount of $2,340 in 2020 before the Medicare Supplement plan pays anything.

**Plan G will offer a high deductible for those enrollees newly eligible after January 1, 2020.

*** For Plans K and L, after meeting the out-of-pocket yearly limit and the yearly Part B deductible ($198 in 2020), the Medicare Supplement plan pays 100% of covered services for the rest of the year.

**** Plan N pays 100% of the Part B coinsurance, except for a copayment of up to $20 for some office visits, and up to a $50 copayment for emergency room visits that do not result in an inpatient admission.

Questions About This Report?

For further information, please contact AHIP's Center for Policy and Research at 202.778.3200 or visit our website at www.AHIP.org/research.

Endnotes

1 There is no coinsurance for inpatient hospital care for the first 60 days of hospitalization, per benefit period. Enrollees would pay $352 in coinsurance per day per benefit period from days 61 to 90; and would pay $704 for coinsurance per each "lifetime reserve day" per benefit period after day 90 (up to 60 days over lifetime). After that all inpatient costs are borne by the enrollee. https://www.cms.gov/newsroom/fact-sheets/2020-medicare-parts-b-premiums-and-deductibles

2 Ibid.

3 Effective June 1, 2010.

4 https://www.cms.gov/Medicare/Health-Plans/Medigap/Downloads/CY2020_OOP_Limits_Medigap_Plans_KandL.pdf

5 State of Medigap 2018, 2019, State of Medigap: Trends in Enrollment and Demographics, accessed February 28, 2022, at https://www.AHIP.org/issues/medigap

6 CMS Medicare Advantage Penetration Reports, 2015-2020, accessed August 30, 2020 at https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Monthly-Enrollment-by-State

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8 California Department of Managed Health Care, Enrollment Summary Report 2020, accessed October 13, 2021 at http://www.dmhc.ca.gov/DataResearch/FinancialSummaryData.aspx