



*Center for Policy  
and Research*


# Trends in Medigap Enrollment and Coverage Options, 2014

OCTOBER 2015

# TWEETS

@AHIPCoverage

 **Report: 11.2 Million Beneficiaries Rely on Medigap for their Health Security**

 **Get the facts about Medigap enrollment and coverage options here**

 **Medigap enrollment continues to increase, new AHIP report finds**

## KEY TAKEAWAYS

**11.2 million**

Between December 2013 and December 2014, enrollment in Medigap increased to 11.2 million, up from approximately 10.6 million in December 2013.<sup>1</sup>

**27% to 30%**

The percent of Medicare fee-for-service (FFS) beneficiaries with Medigap plans has been stable since 2010, ranging from 27 percent to 30 percent each year.



Over the last several years, the fastest-growing Medigap plans have included newer standardized Medigap plans that contain enrollee cost-sharing requirements (copayments, coinsurance, and deductibles). For example, the highest rate of growth in enrollment was in Plan N, which includes cost sharing of up to \$20 for physician office visits and up to \$50 for certain emergency room visits (waived in some circumstances); enrollment in Plan N grew by 33 percent between December 2013 and December 2014.

## Summary

This report presents trends in enrollment and coverage options in Medicare Supplement (Medigap) insurance using data on enrollment as of December 2014 from the National Association of Insurance Commissioners (NAIC). The NAIC data set contains information on most Medigap policies in force in the United States and its territories, representing approximately 11.2 million enrollees, with policies from 305 companies.

## Background

Medigap is a key source of supplemental coverage for Medicare beneficiaries. Seniors purchase Medigap coverage to protect themselves from high out-of-pocket costs not covered by Medicare, to budget for medical expenses, and to avoid the confusion and inconvenience of handling complex bills from health care providers.

In 2014, the Medicare Part A program had a \$1,216 deductible per benefit period for inpatient hospital care (Part A) and coinsurance beginning with day 61 of hospitalization.<sup>2</sup> Part B required a 20 percent coinsurance for outpatient and physician care after an annual deductible of \$147.<sup>3</sup> In addition, the Medicare program does not have a limit on beneficiaries' 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 2014 standardized Medigap plans.

### Standardized Plans

Over the last 25 years, Medigap plans have undergone three 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, Plans A through J. In 2003, the Medicare Modernization Act (MMA) required elimination of prescription drug benefits, authorized two new 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)<sup>4</sup> 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 fee-for-service (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 Medigap policies (Plans M and N) with increased beneficiary 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.

It should be noted that all Medigap 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 Medigap plans cover beneficiaries' Part A deductible and Part B coinsurance. Two plans – standardized Plans C and F – currently offer full coverage for the Part B deductible (however, Plan F can also be sold as a high-deductible plan). These two 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 but cover a portion of beneficiaries' Part B coinsurance. However, there is a limit — \$4,940 for Plan K and \$2,470 for Plan L in 2014 — on beneficiaries' annual out-of-pocket costs for Medicare eligible expenses.<sup>5</sup>

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 Medigap 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 Medigap plans.

## Waivered States

Three states (Massachusetts, Minnesota, and Wisconsin) offer standardized Medigap 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 waived states without federal approval. Individuals who purchase Medigap plans in one of these three states may keep their plans if they move to other states.

## Pre-Standardized Plans

Historically, Medigap 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 beneficiaries still have pre-standardized policies. Because these policies may no longer be sold, there has been a 60 percent decline in the enrollment of pre-standardized plans since 2011.

## 2015 Congressional Action

In April 2015, Congress passed the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). This new law provides that beginning on Jan. 1, 2020, Medigap insurance carriers may no longer sell Medigap 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.

## Methodology

For this report we analyzed 2014 Medicare Supplement data from the National Association of Insurance Commissioners (NAIC). Insurance companies submit their annual statement data directly to the NAIC using an electronic filing portal. Each state sets its own requirements for filing. Data from four insurance companies in California are not included in the 2014 NAIC data; they are required to report their data to California's Department of Managed Health Care, which does not report Medigap enrollment data to the NAIC.

We derived the total Medigap enrollment during 2014 by adding two variables together:

1. the number of policies issued before 2011, and
2. the total number of policies issued in 2014, 2013, 2012, and 2011.

The NAIC requires Medigap companies to report these data separately. Only one person is covered per Medigap policy.

All analyses in the report contain data from the 50 states, District of Columbia, and the U.S. territories. The territories are: American Samoa, 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 Dec. 31, 2014. 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 if end-of-year enrollment was zero. To show the number of companies with policies in force as of Dec. 31, 2014, we selected records where the number of people covered was greater than zero. Tables 1, 2, and 3 in this report represent companies with policies in force as of Dec. 31, 2014.

Table 6 of this report contains data from the 2012 NAIC Medicare Supplement file. This data set required two major "data cleaning" adjustments to reported enrollment, which America's Health Insurance Plans (AHIP) analysts corrected for over- or under-reported data. For more information please refer to the [AHIP report for that year](#).<sup>6</sup>

We calculated the percent of Medicare FFS beneficiaries with Medigap plans for 2010 to 2014 by dividing the number of Medigap enrollees by the number of Medicare FFS beneficiaries for each year. For the numerator we obtained the number of Medigap enrollees from the current and previous AHIP reports on Medigap trends.<sup>7</sup> The denominator was the number of Medicare FFS beneficiaries from the Centers for Medicare and Medicaid Services (CMS) data for December of each year.<sup>8</sup> The CMS data set provided the number of beneficiaries eligible for Medicare and the number of beneficiaries enrolled in Medicare Advantage. We subtracted the number of enrollees with Medicare Advantage from the number of eligible Medicare beneficiaries to get the number of Medicare beneficiaries with FFS. Figures 1 and 2 show these data by state and territory.

## Data Limitations

As noted, the total number of enrollees with Medigap 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 California's Department of Managed Health Care. Data from these companies represent 397,000 Medigap enrollees, about 3 percent of all Medigap enrollment in the United States, and are not included in the analyses in this report.

Beneficiaries 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.

Medigap 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 Medigap policies in force in December 2014 with respect to whether their benefit designs comply with requirements under OBRA 1990, MMA, or MIPPA.

## Companies Offering Coverage, December 2014

At year end, 10 percent of companies offering standardized Medigap policies covered individuals in 41 or more states or territories; 15 percent of companies covered individuals in 26 to 40 states or territories; 12 percent covered individuals in 11 to 25 states or territories; and 17 percent of companies covered individuals with standardized Medigap plans in 2 to 10 states or territories. Forty-six percent of all Medigap companies had standardized policies in force in a single state or territory (Table 1).

**Table 1: Distribution of Medigap Companies with Standardized Medigap Policies in Force, by Market Size, December 2014**

Number of States or Territories	Percent of Companies
41 or more	10%
26 to 40	15%
11 to 25	12%
2 to 10	17%
1	46%

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2014.

Note: Data in this table depicting the number of states are based on companies with standardized Medigap 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 Medigap policies in force reporting to the NAIC for 2014 was 266. The U.S. territories are American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and Virgin Islands. Percentages may not sum to 100 percent due to rounding.

**Table 2: Number of Companies with Medicare Select Policies in Force and Number of Enrollees with Medicare Select Plans, December 2014**

Number of Companies with Medicare SELECT Policies in Force	96
Number of Enrollees with Medicare SELECT Policies	735,262

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2014.

Table 2 shows the number of companies with Medicare SELECT policies in force and the number of Medicare beneficiaries having a Medicare SELECT policy on Dec. 31, 2014. Companies with Medicare SELECT policies in force are located across the country in 43 states. There were no Medicare SELECT policies in force in the U.S. territories on Dec. 31, 2014.

Table 3 displays the percentage of reporting companies with standardized Medigap policies in force on Dec. 31, 2014 by each plan type. The percentages of companies with Plans K and L, which were authorized beginning in 2006, are both at 16 percent. In June 2010, new Plans M and N were authorized for sale. Nine percent of companies had policies in force for Plan M and 47 percent of companies had policies in force for Plan N.

**Table 3: Percent of Companies with Standardized Medigap Policies in Force, by Plan Type, December 31, 2014**

Plan Type	Percent of Companies
A	82%
B	60%
C	75%
D	43%
E	28%
F	83%
G	52%
H	23%
I	23%
J	26%
K	16%
L	16%
M	9%
N	47%
Waivered State Plans	30%

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2014.

Note: 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 Medigap policies in force for 2014 was 266. 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.

## Policies In Force, December 2014

According to the NAIC data, 96 percent of Medigap policies in force in on Dec. 31, 2014 were standardized plans. Pre-standardized plans, which were no longer sold after July 1992, account for only 4 percent of all Medigap policies (Table 4).

**Table 4: Number of Policies, Standardized and Pre-Standardized Medigap Plans, December 31, 2014**

	Policies	Percent
Standardized Plans	10,774,319	96%
Pre-Standardized Plans	422,961	4%
All Medigap Plans	11,197,280	100%

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2014.

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

**Table 5: Distribution of Enrollment by Standardized Plan Type, December 2014**

Standardized Plan	Percent of Enrollment
A	2%
B	3%
C	10%
D	2%
E	1%
F*	56%
G	6%
H	<0.5%
I	1%
J	5%
K	1%
L	<0.5%
M	<0.5%
N	7%
Waivered State Plans	6%

\* Includes high-deductible Plan F.

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2014.

Note: 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 percent due to rounding.

Among people with Medigap standardized plans, Plan F continues to have the highest number of enrollees, covering 56 percent of policyholders in 2014; Plan C had the second highest share, with 10 percent of the market (Table 5).

Table 6 shows the number of standardized Medigap policies in force in December 2011, December 2012, December 2013, and December 2014, by standardized plan type. As a general rule, AHIP does not change or correct the NAIC data even though we are aware that some companies do not report to the NAIC. However, the 2012 report contains two major "data cleaning" adjustments to correct for over- or under-reported data in the preliminary NAIC data set.<sup>9</sup>

## Fast-Growing Medigap Plans

Table 6 also shows enrollment in Plan N – a new standardized plan with predictable cost-sharing amounts – grew by 33 percent from 2013 to 2014 to approximately 761,000 enrollees, an increase of about 188,000 enrollees from the previous year. Plan G, which covers all Medicare deductible and coinsurance amounts

**Table 6: Change in Medigap Enrollment, Standardized, Pre-Standardized, and Waivered-State Policies, December 2011 to December 2014, by Plan Type**

Plan Type	2011	2012	2013	2014	Change in Enrollment 2013-2014	Percent Change 2013-2014
A	186,941	165,796	159,352	165,483	6,131	4%
B	430,173	394,166	374,294	346,086	-28,208	-8%
C	1,307,991	1,211,857	1,133,744	1,064,386	-69,358	-6%
D	289,196	259,792	232,275	213,572	-18,703	-8%
E	131,770	117,022	103,021	91,531	-11,490	-11%
F	4,604,164	5,057,890	5,510,183	6,008,216	498,033	9%
G	356,444	452,782	556,241	697,682	141,441	25%
H	58,232	53,090	46,362	40,492	-5,870	-13%
I	135,228	127,469	127,076	114,738	-12,338	-10%
J	752,169	680,916	627,813	575,042	-52,771	-8%
K	40,832	43,012	49,674	58,166	8,492	17%
L	69,896	103,029	42,916	45,571	2,655	6%
M	596	5,413	4,080	995	-3,085	-76%
N	265,854	358,165	573,243	761,495	188,252	33%
Waivered State Plans	546,849	548,658	562,928	590,864	27,936	5%
Pre-Standardized Plans	705,627	572,884	501,527	422,961	-78,566	-16%
<b>Total</b>	<b>9,767,389</b>	<b>10,151,940</b>	<b>10,604,729</b>	<b>11,197,280</b>	<b>592,551</b>	<b>6%</b>

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Years Ended December 31, 2011, 2012, 2013, 2014.

Notes: 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 2011 standardized waiver plan enrollment in Minnesota was estimated by AHIP based on information provided by a health plan in the state that was not included in the 2011 NAIC data set. The 2012 data reflect a correction estimated by AHIP to the original NAIC data for Alaska and Washington. The percent change in Plan L from 2012 to 2013 is driven mainly by the correction of a reporting error in the previous year's submission. This information was obtained via telephone with industry executives.

except the Part B deductible, had the second highest rate of growth in enrollment for that same time period: an increase of 25 percent, representing 141,000 enrollees.

The largest absolute increase in Medigap enrollment from 2013 to 2014 was in Plan F, which grew by roughly 498,000 enrollees, a 9 percent increase over the previous year. The regular version of Plan F provides coverage for Medicare deductibles and coinsurance amounts. Plan F also includes a high-deductible option that allows for a deductible amount of \$2,140 (in 2014) before the policy can begin paying benefits. The Medigap plan with the second highest absolute growth in enrollment from 2013 to 2014 was Plan N.

## Medigap Policies By State

Table 7 shows enrollment in Medigap by state – including the District of Columbia and U.S. territories – and plan type as of Dec. 31, 2014.

Figure 1 is a map of the United States representing the number of Medigap enrollees by state, District of Columbia, and U.S. territories, and Figure 2 is a map of the United States showing Medigap enrollees as a percent of Medicare FFS beneficiaries by state, District of Columbia, and U.S. territories.



**Table 7: Medigap Enrollment by Plan, Type, State, and U.S. Territory, as Reported to the NAIC, December 2014**

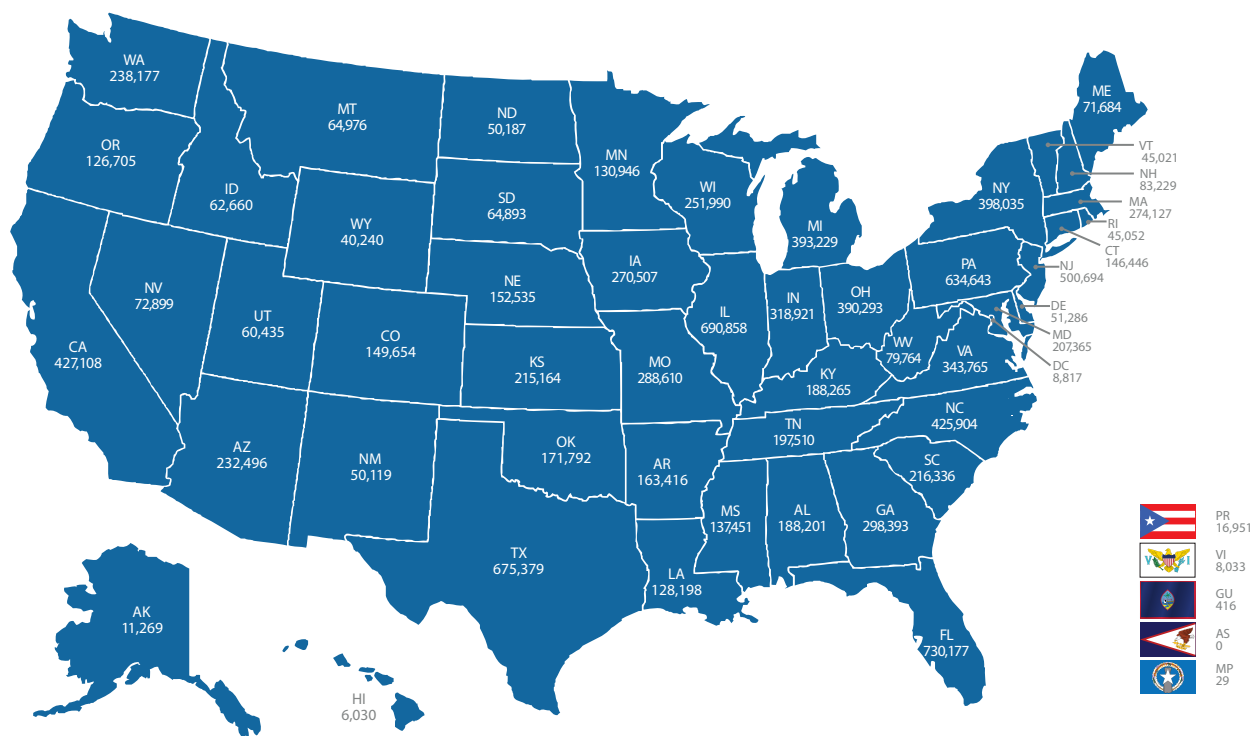
State	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Waived	Pre-standardized	Total Covered Lives (State)
AK	275	109	545	79	56	7,593	91	11	326	1,187	112	89	0	581	0	215	11,269
AL	1,143	112,121	7,004	660	299	50,548	6,593	59	204	1,355	444	235	2	6,653	0	881	188,201
AR	718	545	2,182	550	124	63,481	13,698	24	196	3,678	382	265	8	6,170	0	71,395	163,416
AZ	2,310	1,200	11,882	1,008	648	156,237	25,310	536	2,723	11,201	1,423	881	26	13,959	0	3,152	232,496
CA	7,653	3,538	15,109	2,828	1,454	262,072	12,668	1,172	5,581	59,508	4,546	2,126	27	34,787	0	14,039	427,108
CO	1,746	1,174	3,646	3,544	441	107,605	8,466	96	1,370	8,119	799	625	10	9,608	0	2,405	149,654
CT	2,488	3,093	10,182	1,974	1,007	67,004	2,448	555	1,535	22,523	1,030	752	0	10,646	4	21,205	146,446
DC	189	115	449	44	51	5,111	134	16	162	1,442	91	52	0	593	0	368	8,817
DE	639	905	2,280	2,645	765	26,729	1,631	130	1,320	4,760	653	261	2	7,852	0	714	51,286
FL	11,145	42,845	77,050	60,840	13,562	349,470	13,571	1,219	7,140	80,147	5,101	3,529	123	41,166	5	23,264	730,177
GA	2,489	3,818	19,349	3,004	9,525	184,381	25,055	119	3,743	12,644	1,661	849	12	25,158	9	6,577	298,393
GU	16	13	128	1	0	207	1	0	1	23	1	0	0	25	0	0	416
HI	137	56	410	31	22	3,862	55	11	69	663	90	21	0	477	0	126	6,030
IA	1,295	306	2,971	807	3,034	228,693	8,642	92	302	7,121	177	750	6	7,147	0	9,164	270,507
ID	648	293	1,822	184	99	43,559	6,808	8	230	3,436	1,287	313	14	3,378	0	581	62,660
IL	4,956	5,254	25,627	29,318	2,411	494,716	56,709	230	1,683	11,694	1,571	1,834	10	34,835	1,823	18,187	690,858
IN	4,894	3,646	13,848	3,891	2,977	193,852	44,997	594	2,099	11,122	951	1,045	21	27,751	0	7,233	318,921
KS	1,516	710	18,394	2,026	830	168,217	5,543	85	722	3,382	947	349	5	8,897	0	3,541	215,164
KY	1,736	6,378	20,785	1,543	5,108	107,924	17,039	2,600	1,058	3,977	547	486	3	14,342	0	4,739	188,265
LA	1,224	3,308	3,224	561	228	88,844	15,187	57	711	1,413	1,281	642	3	8,392	0	3,123	128,198
MA	140	88	5,332	68	91	1,715	105	32	183	749	0	0	0	0	264,150	1,474	274,127
MD	6,044	5,393	20,157	3,055	708	116,660	12,334	867	835	12,033	1,467	872	24	20,624	0	6,292	207,365
ME	1,283	1,020	11,615	634	964	42,684	1,302	39	2,120	3,930	266	206	65	4,978	0	578	71,684
MI	14,059	1,154	187,844	1,744	826	106,998	21,573	183	1,313	7,457	1,395	807	9	31,747	0	16,120	393,229
MN	42	5,249	323	14	82	1,382	22	107	224	2,041	22	39	29	282	116,830	4,258	130,946
MO	2,671	3,082	14,390	8,218	1,582	198,095	22,008	594	2,590	11,380	885	906	19	14,207	0	7,983	288,610
MP	0	0	7	0	0	22	0	0	0	0	0	0	0	0	0	0	29
MS	4,638	1,210	3,930	1,056	287	96,061	13,663	73	264	4,979	424	292	3	8,272	0	2,299	137,451
MT	1,399	412	5,448	345	129	44,524	4,195	48	451	3,127	421	222	3	3,288	0	964	64,976
NC	3,871	4,332	15,875	3,040	1,931	288,848	40,347	617	3,857	29,870	1,368	1,042	153	22,428	0	8,325	425,904
ND	242	98	985	182	31	45,289	1,085	27	81	968	27	40	0	698	0	434	50,187
NE	2,390	866	3,888	711	77	119,892	11,175	100	306	4,316	159	370	28	3,865	0	4,392	152,535
NH	1,288	870	3,372	506	1,248	38,892	2,252	302	464	15,382	444	564	204	14,742	0	2,699	83,229

State	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Waivered	Pre-standardized	Total Covered Lives (State)
NJ	9,889	4,275	84,824	2,930	687	182,536	29,512	3,692	19,248	61,759	2,497	1,806	18	68,569	0	28,452	500,694
NM	1,007	892	2,224	413	117	32,610	2,470	69	953	4,232	305	209	7	3,494	0	1,117	50,119
NV	989	611	1,976	472	216	48,349	5,384	512	652	4,314	612	444	2	7,526	0	840	72,899
NY	16,876	32,263	35,973	2,106	7,022	209,732	6,590	4,351	9,884	8,207	3,777	3,633	33	48,796	2	8,790	398,035
OH	4,756	4,983	67,120	11,047	3,208	174,212	37,740	882	4,059	16,421	1,746	7,731	3	46,261	0	10,124	390,293
OK	3,146	1,428	4,341	2,672	580	124,610	12,693	143	634	5,296	1,474	1,754	11	9,217	0	3,793	171,792
OR	1,425	512	4,316	750	322	93,862	7,433	132	903	3,773	802	377	12	9,073	0	3,013	126,705
PA	8,282	38,949	217,807	13,547	17,376	174,032	24,777	15,834	13,888	20,092	2,288	1,473	17	49,861	0	36,420	634,643
PR	29	74	12,907	18	22	2,266	60	26	59	1,262	18	8	0	89	0	113	16,951
RI	468	217	26,076	88	71	12,561	263	13	142	1,027	87	180	2	3,650	0	207	45,052
SC	3,038	3,496	8,148	16,689	491	131,675	22,162	214	1,053	8,443	905	837	6	15,930	0	3,249	216,336
SD	446	134	724	65	177	55,486	3,525	14	80	981	74	111	0	1,058	0	2,018	64,893
TN	3,286	3,053	13,784	6,013	3,051	104,772	19,639	335	826	6,494	795	475	5	13,048	0	21,934	197,510
TX	11,952	5,385	24,782	10,515	1,829	427,181	92,445	1,780	6,064	35,880	5,327	3,728	50	37,310	0	11,151	675,379
UT	797	474	3,202	1,264	424	40,153	3,975	484	413	2,850	557	220	1	4,426	0	1,195	60,435
VA	3,183	4,384	11,119	1,883	2,085	234,199	20,117	899	6,837	27,481	1,191	677	16	17,948	0	11,746	343,765
VI	107	77	575	28	7	4,514	16	14	49	473	47	16	0	2,084	0	26	8,033
VT	1,307	1,590	13,880	6,411	2,108	7,021	671	248	39	5,286	191	99	2	4,719	0	1,449	45,021
WA	3,163	1,202	12,088	723	685	155,757	6,093	111	3,631	8,916	4,849	802	1	22,656	37	17,463	238,177
WI	4,420	27,392	726	34	33	1,033	39	8	64	361	0	0	0	0	208,004	9,876	251,990
WV	1,103	1,209	5,791	516	345	51,651	4,696	94	1,146	3,863	359	303	0	6,297	0	2,391	79,764
WY	530	285	1,950	277	78	28,837	2,675	34	251	2,004	293	224	0	1,935	0	867	40,240
<b>Total Covered Lives (All States)</b>	<b>165,483</b>	<b>346,086</b>	<b>1,064,386</b>	<b>213,572</b>	<b>91,531</b>	<b>6,008,216</b>	<b>697,682</b>	<b>40,492</b>	<b>114,738</b>	<b>575,042</b>	<b>58,166</b>	<b>45,571</b>	<b>995</b>	<b>761,495</b>	<b>590,864</b>	<b>422,961</b>	<b>11,197,280</b>

Source: AHIP Center for Policy and Research analysis of the National Association of Insurance Commissioners' (NAIC) Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2014.

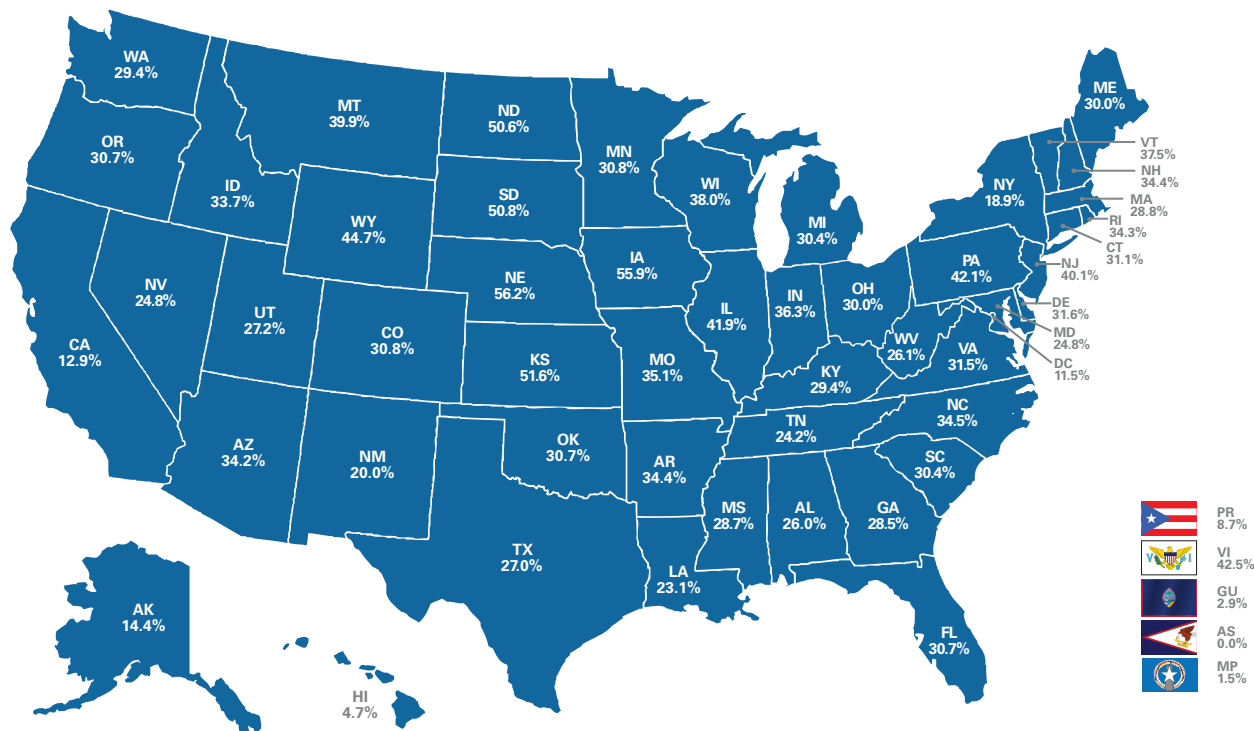
Notes: The data for standard policies include Medicare SELECT plans, and those issued in three states (MA, MN, WI) that received waivers from the standard product provisions of OBRA 1990. American Samoa is not included in the table since there was no Medigap enrollment of any type. NAIC data does not include all Medicare Supplement Insurance covered lives in California.

**Figure 1: Number of Medigap Enrollees by State and U.S. Territory, December 2014**



Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2014.

**Figure 2: Percent of Medicare FFS Beneficiaries with Medigap by State and U.S. Territory, December 2014**



Source: Number of beneficiaries with Medigap: National Association of Insurance Commissioners (NAIC) Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2014. Number of people with FFS Medicare: Centers for Medicare and Medicaid Services; MA State/County Penetration, for December 2014.

# Appendix A

Medigap Benefits 2014	Standardized Medigap 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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B coinsurance or copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓***
Blood (first 3 pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled nursing facility care coinsurance	X	X	✓	✓	✓	✓	50%	75%	✓	✓
Part A deductible	X	✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B deductible	X	X	✓	X	✓	X	X	X	X	X
Part B excess charges	X	X	X	X	✓	✓	X	X	X	X
Foreign travel exchange (up to plan limits)	X	X	✓	✓	✓	✓	X	X	✓	✓
Out-of-pocket limit**	N/A	N/A	N/A	N/A	N/A	N/A	\$4,940	\$2,470	N/A	N/A

\* Plan F also offers a high-deductible plan. If the beneficiary chooses this option he or she must pay Medicare covered costs up to the deductible amount of \$2,140 in 2014 before the Medigap plan pays anything.

\*\* For Plans K and L, after meeting the out-of-pocket yearly limit and the yearly Part B deductible of \$147 in 2014, the Medigap plan pays 100 percent of covered services for the rest of the year.

\*\*\* Plan N pays 100 percent 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.

Source: 2014 MEDIGAP GUIDE; [https://www.ahinsuranceservices.com/documents/2014\\_ChoosingaMedigapPolicy.pdf](https://www.ahinsuranceservices.com/documents/2014_ChoosingaMedigapPolicy.pdf)

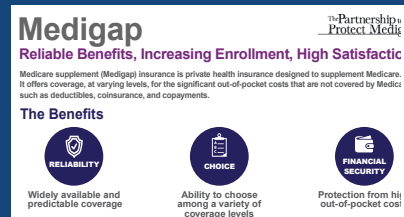
Notes: This table reflects the benefit design for standardized Medigap plans under the 2008 Medicare Improvements for Patients and Providers Act (MIPPA)

## Endnotes

- 1 AHIP Center for Policy and Research. Trends in Medigap Coverage and Enrollment, 2013. <https://www.ahip.org/Epub/Trends-in-Medigap-Enrollment-2013/>
- 2 There is no coinsurance for inpatient hospital care for the first 60 days of hospitalization, per benefit period. Beneficiaries would pay \$296 in coinsurance per day per benefit period from days 61 to 90; and would pay \$592 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 beneficiary. <http://medicare.org/index.php/financial-center/social-security/understanding-social-security/item/347-medicare-2013-costs.html>
- 3 Centers for Medicare & Medicaid Services. *Medicare costs at a glance*. See: <https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-glance.html>
- 4 Effective June 1, 2010
- 5 Centers for Medicare & Medicaid Services and National Association of Insurance Commissioners. *2014 Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare*
- 6 See Trends in Medigap Coverage and Enrollment, 2012; <http://ahip.org/Trends-Medigap-Coverage-Enroll2012/>
- 7 Trends in Medigap Coverage and Enrollment (2010 through 2013) at [www.ahip.org/AHIPResearch/](http://www.ahip.org/AHIPResearch/)
- 8 CMS Medicare Advantage Penetration Reports, 2010-2014, accessed August 5, 2015 at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAAdvPartDENrolData/MA-State-County-Penetration.html>
- 9 See Trends in Medigap Coverage and Enrollment, 2012; <http://ahip.org/Trends-Medigap-Coverage-Enroll2012/>

## Related Topic

Medigap: Reliable Benefits, Increasing Enrollment, High Satisfaction



**Medigap**  
 The Partnership to Protect Medicare  
**Reliable Benefits, Increasing Enrollment, High Satisfaction**  
 Medicare supplement (Medigap) insurance is private health insurance designed to supplement Medicare. It offers coverage, at varying levels, for the significant out-of-pocket costs that are not covered by Medicare such as deductibles, coinsurance, and copayments.

**The Benefits**

- RELIABILITY**  
Widely available and predictable coverage
- CHOICE**  
Ability to choose among a variety of coverage levels
- FINANCIAL SECURITY**  
Protection from high out-of-pocket costs

[Click here for more information](#)