

Trends in Medigap Enrollment and Coverage Options, 2015

APRIL 2017

KEY TAKEAWAYS

11.2 million to 
11.8 million
MEDIGAP ENROLLEES

Between December 2014 and December 2015, enrollment in Medigap increased to 11.8 million, up from approximately 11.2 million in December 2014.¹

 **INCREASED
BY 16,000
ENROLLEES**

Enrollment in Plan K, which provides partial coverage for coinsurance and copayments and has an out-of-pocket limit of \$4,940, also increased by 28 percent from 2014 to 2015, or by 16,000 enrollees.

 **28 PERCENT
INCREASE
IN ENROLLEES**

The enrollment in Plan G, which covers all Medicare deductible and coinsurance amounts except the Part B deductible, increased by 28 percent from 2014 to 2015, or by 198,000 enrollees.

**INCREASE FROM
30 percent to 
32 percent**

The percent of fee-for-service (FFS) Medicare beneficiaries with Medigap plans increased from 30 percent in 2014 to 32 percent in 2015.²

Summary

This report presents trends in enrollment and coverage options in Medicare Supplement (Medigap) insurance using data on enrollment as of December 2015 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 11.8 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 need to handle complex bills from health care providers.

Specifically, in 2015, the Medicare program had a \$1,260 deductible per benefit period for inpatient hospital care (Part A) and coinsurance beginning with day 61 of hospitalization.³ Part B required a 20 percent coinsurance for outpatient and physician care after an annual deductible of \$147.⁴ In addition, the traditional 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 2015 standardized Medigap plans.

Standardized Plans. During the last 25 years, Medigap plans have undergone four major changes to benefit designs. First, the provisions of the Omnibus Budget Reconciliation Act of 1990 (OBRA 1990) required policies sold after July 1992 conform to one of 10 uniform benefit packages, Plans A through J. Then 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)⁵ 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 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. Being "guaranteed renewable" means that policyholders can maintain their coverage and the policy cannot be cancelled, as long as they continue to make their premium payments on time. 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 –

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currently offer full coverage for the Part B deductible. Plan F also can be sold as a high-deductible plan. Both Plan C and Plan F 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 beneficiaries' Part B coinsurance. However, there is a limit – \$4,940 for Plan K and \$2,470 for Plan L in 2015 – on beneficiaries' annual out-of-pocket costs for Medicare eligible expenses.⁶

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.

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, 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 January 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 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 in pre-standardized plans since 2011.

Methodology

For this report we analyzed 2015 Medicare Supplement data from the National Association of Insurance Commissioners (NAIC). Insurance



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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 2015 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 2015 by adding two variables together: 1) the number of policies issued before 2011, and 2) the total number of policies issued in 2015, 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: Guam, Northern Mariana Islands, Puerto Rico and Virgin Islands.

The NAIC data set is structured so reported enrollment is a point-in-time measure for December 31, 2015. 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, 2015, 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 December 31, 2015.

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.⁷

We calculated the percent of fee-for-service (FFS) beneficiaries with Medigap plans for 2012 to 2015 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.⁸ The denominator was the number of Medicare FFS beneficiaries from the Centers for Medicare and Medicaid Services (CMS) data for December of each year.⁹ 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 421,236 Medigap enrollees,¹⁰ about four 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 2015 with respect to whether their benefit designs comply with requirements under OBRA 1990, MMA, or MIPPA.

Companies Offering Coverage, December 2015

As of December 2015, almost half (46 percent) of all companies offering standardized Medigap policies operated in a single state or territory, versus 10 percent of Medigap insurers having a universal or almost universal presence (offering coverage to individuals in 41 or more states or territories). Nearly one quarter of the companies who offered Medigap in 2015 operated in half of the country, reflecting an opportunity of choice for individuals who are interested in these standardized options (see Table 1).

Table 1: Distribution of Medigap Companies with Standardized Medigap Policies in Force, by Market Size, December 2015

Number of States or Territories	Percent of Companies
41 or more	10%
26 to 40	14%
11 to 25	13%
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, 2015*.

Notes: 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 2015 was 267. The U.S. territories are Guam, Northern Mariana Islands, Puerto Rico and Virgin Islands. Percentages may not sum to 100 due to rounding.

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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 December 31, 2015. 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 December 31, 2015.

Table 2: Number of Companies with Medicare Select Policies in Force and Number of Enrollees with Medicare Select Plans, December 2015

Number of Companies with Medicare SELECT Policies in Force	95
Number of Enrollees with Medicare SELECT Policies	669,325

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2015.

Table 3 displays the percentage of reporting companies with standardized Medigap policies in force on December 31, 2015 by each plan type. The percentages of companies with Plans K and L, which were authorized beginning in 2006, are 15 percent and 16 percent, respectively. In June 2010, new Plans M and N were authorized for sale. Ten percent of companies had policies in force

for Plan M and 50 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, 2015

Plan Type	Percent of Companies
A	82%
B	59%
C	75%
D	43%
E	27%
F	83%
G	52%
H	22%
I	22%
J	25%
K	15%
L	16%
M	10%
N	50%
Waivered State Plans	31%

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2015.

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 number of companies with standardized Medigap policies in force for 2015 was 267. 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.

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Policies in Force, December 2015

According to the NAIC data, 97 percent of Medigap policies in force on December 31, 2015 were standardized plans. Pre-standardized plans, which were no longer sold after July 1992, account for only three percent of all Medigap policies (see Table 4).

Table 4: Number of Policies, Standardized and Pre-Standardized Medigap Plans, December 31, 2015

	Policies	Percent
Standardized Plans	11,461,595	97%
Pre-Standardized Plans	374,132	3%
All Medigap Plans	11,835,727	100%

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2015.

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

Among people with Medigap standardized plans, Plan F continues to have the highest number of enrollees, covering 57 percent of policyholders in 2015; Plans C, G, and N had the second highest share, with 8 percent of the market each. (See Table 5).

Table 5: Distribution of Enrollment by Standardized Plan Type, December 2015

Standardized Plan	Percent of Enrollment
A	1%
B	3%
C	8%
D	2%
E	1%
F*	57%
G	8%
H	< 0.5%
I	1%
J	5%
K	1%
L	< 0.5%
M	< 0.5%
N	8%
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, 2015.

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. Percentages may not sum to 100 percent due to rounding.

Table 6 below shows the number of standardized Medigap policies in force in December 2012, December 2013, December 2014, and December 2015, by standardized plan type.

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Table 6: Change in Medigap Enrollment, Standardized, Pre-Standardized and Waivered-State Policies, December 2012 to December 2015, by Plan Type

Plan Type	Enrollment				Change in Enrollment 2014-2015	Percent Change 2014-2015
	2012	2013	2014	2015		
A	165,796	159,352	165,483	143,373	-22,110	-13%
B	394,166	374,294	346,086	294,935	-51,151	-15%
C	1,211,857	1,133,744	1,064,386	971,602	-92,784	-9%
D	259,792	232,275	213,572	192,640	-20,932	-10%
E	117,022	103,021	91,531	81,632	-9,899	-11%
F	5,057,890	5,510,183	6,008,216	6,496,615	488,399	8%
G	452,782	556,241	697,682	895,637	197,955	28%
H	53,090	46,362	40,492	34,654	-5,838	-14%
I	127,469	127,076	114,738	96,337	-18,401	-16%
J	680,916	627,813	575,042	521,422	-53,620	-9%
K	43,012	49,674	58,166	74,565	16,399	28%
L	103,029	42,916	45,571	48,535	2,964	7%
M	5,413	4,080	995	1,604	609	61%
N	358,165	573,243	761,495	966,887	205,392	27%
Waivered State Plans	548,658	562,928	590,864	641,157	50,293	9%
Pre-Standardized Plans	572,884	501,527	422,961	374,132	-48,829	-12%
Total	10,151,940	10,604,729	11,197,280	11,835,727	638,447	6%

Sources: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Years Ended December 31, 2012, 2013, 2014, 2015.

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 2012 data reflect a correction estimated by AHIP to the original NAIC data for Alaska and Washington. The percent change in Plan L for 2012-2013 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.

Fast-Growing Medigap Plans

Table 6 also shows the highest rate of growth in enrollment was in plans G, K, and N.¹¹ The enrollment in Plan G, which covers all Medicare deductible and coinsurance amounts except the Part B

deductible, increased by 28 percent from 2014 to 2015, or by 198,000 enrollees. Similarly, enrollment in Plan K, which provides partial coverage for coinsurance and copayments and has an out-of-pocket limit of \$4,940, also increased by 28 percent from 2014 to 2015, or by 16,000



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enrollees. Finally, enrollment in Plan N, a new standardized plan with predictable cost-sharing amounts, grew by 27% from 2014–2015. Plan N had 967,000 enrollees in year 2015, an increase of about 205,000 enrollees from the previous year.

The largest absolute increase in Medigap enrollment from 2014–2015 was in Plan F, which grew by roughly 488,000 enrollees, an eight percent increase. Plan F provides coverage for Medicare deductibles and coinsurance amounts. High-deductible Plan F includes a deductible in the amount of \$2,180 (in 2015) before the policy pays benefits. The Medigap plan with the second highest absolute growth in enrollment from 2014 to 2015 was Plan N.

The growth in these plans reflect the broader concerns that consumers have regarding the increasing costs of health insurance coverage and a desire to obtain some financial protections from rising out-of-pocket costs. The plans that saw the highest rate of growth offer some additional security by providing the individual a predictable and consistent cost, which can be then be appropriately budgeted for during the calendar year.

Similar to what is frequently seen in the commercial insurance market, plans that offer coverage for copayments, coinsurance, and deductibles are seen more favorably and are often the preferred choice of consumers. Continued high absolute growth in Plan N is also noted, which can be attributed to the predictable cost-sharing amounts that align with newly eligible enrollees who have experienced similar plan design in the commercial/ employer market.

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 December 31, 2015.

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.



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Table 7: Enrollment: Plan Type by State and Territory, As Reported to the NAIC, December 2015

State	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Waivered	Pre-standardized	Total covered lives (state)
AK	279	103	523	74	49	8,605	103	8	302	1,111	132	109	0	798	0	180	12,376
AL	806	107,650	6,453	586	237	57,652	9,171	53	185	1,276	507	258	2	8,277	0	708	193,821
AR	653	505	2,017	499	99	37,108	4,445	21	176	3,284	432	278	6	6,173	0	116,386	172,082
AZ	2,215	1,149	11,690	882	584	173,054	32,061	489	1,284	10,591	1,658	1,019	21	18,862	0	2,518	258,077
CA	7,369	3,486	13,865	2,518	1,318	303,457	16,645	1,059	5,151	55,684	5,261	2,476	22	45,965	0	11,465	475,741
CO	1,737	1,101	3,347	972	382	119,380	11,777	87	1,310	7,450	1,000	791	11	13,336	0	1,957	164,638
CT	2,382	2,945	8,949	1,742	885	72,090	2,444	480	1,397	20,968	1,318	814	0	16,130	0	18,723	151,267
DC	187	120	422	42	46	5,810	177	16	147	1,360	96	52	0	764	0	264	9,503
DE	632	830	2,149	2,556	695	29,481	1,935	115	1,210	4,477	764	274	2	8,894	0	580	54,594
FL	10,359	38,856	71,360	56,208	12,138	415,156	14,268	1,113	6,724	76,184	6,411	3,996	132	56,038	0	18,738	787,681
GA	2,429	3,405	17,489	2,599	8,651	197,673	33,588	109	1,542	11,849	1,858	892	10	30,792	9	5,254	318,149
GU	13	15	127	1	0	248	1	0	1	23	1	0	0	30	0	0	460
HI	129	64	390	25	19	4,933	73	10	60	637	143	21	0	835	0	108	7,447
IA	1,316	277	2,529	715	2,696	237,605	12,316	76	267	6,040	205	751	6	7,993	0	7,293	280,085
ID	639	273	1,693	165	87	46,155	8,792	7	192	3,265	1,170	300	15	4,270	0	475	67,498
IL	4,636	4,682	23,571	25,847	2,135	511,450	77,581	192	1,493	10,357	1,759	1,887	8	41,705	1,588	14,277	723,168
IN	3,631	3,325	12,656	3,371	2,535	204,899	52,148	507	1,927	9,904	1,076	1,094	24	33,645	0	5,891	336,633
KS	1,381	661	16,109	1,744	746	175,855	8,739	76	651	3,011	1,060	364	6	11,336	0	2,847	224,586
KY	1,574	5,768	19,267	1,323	4,891	115,576	20,475	2,408	985	3,629	649	530	3	18,004	0	3,918	199,000
LA	552	3,046	2,920	483	204	95,542	16,312	52	650	1,330	1,246	665	2	9,879	0	2,505	135,388
MA	136	94	5,224	70	91	1,890	91	32	172	745	32	24	.	276	282,004	1,181	292,062
MD	6,148	5,057	18,227	2,562	628	124,223	17,024	771	777	11,224	1,989	1,003	27	25,511	0	5,106	220,277
ME	1,257	931	10,077	564	831	44,033	1,188	36	1,926	3,578	292	201	80	6,123	0	456	71,573
MI	12,478	1,105	183,725	1,509	711	117,239	28,059	164	1,211	6,850	1,604	786	8	38,752	0	12,965	407,166
MN	123	4,234	223	12	39	1,083	18	49	203	1,829	19	40	547	448	110,364	3,711	122,942
MO	2,557	2,785	12,957	6,996	1,384	208,442	32,360	535	2,330	10,208	986	1,002	19	17,102	0	6,528	306,191
MP	0	0	7	0	0	25	0	0	0	0	0	0	0	1	0	0	33
MS	1,370	1,109	3,527	884	248	102,594	17,525	69	245	4,494	499	311	3	9,142	0	1,821	143,841



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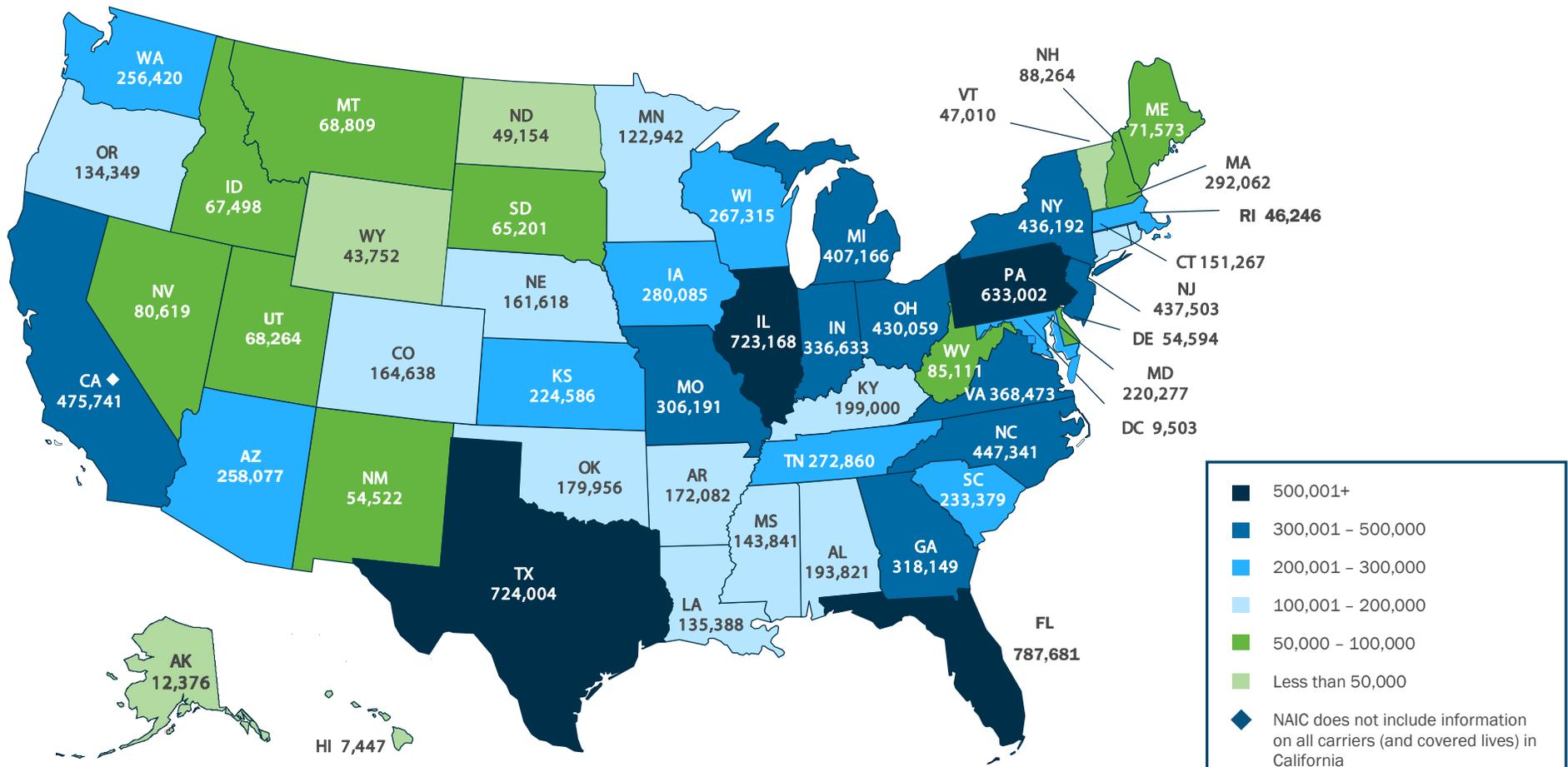
State	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Waivered	Pre-Standardized	Total covered lives (state)
MT	695	378	4,910	456	111	48,306	5,325	44	419	2,843	451	225	3	3,692	0	951	68,809
NC	3,257	4,166	14,576	2,793	1,728	289,832	54,904	603	3,659	28,307	9,601	1,126	159	25,421	0	7,209	447,341
ND	206	86	893	156	25	44,183	1,489	24	75	850	27	38	0	747	0	355	49,154
NE	544	787	3,523	697	73	127,690	16,299	80	283	3,655	181	395	24	4,268	0	3,119	161,618
NH	1,227	788	3,011	450	1,067	41,730	3,050	265	420	14,296	560	544	223	18,390	0	2,243	88,264
NJ	8,720	3,776	77,171	2,611	617	171,015	35,181	3,363	10,931	39,544	2,756	2,295	17	64,603	0	14,903	437,503
NM	941	839	2,045	367	108	35,849	3,579	70	873	3,929	353	214	8	4,467	0	880	54,522
NV	915	572	1,821	411	178	53,130	7,389	431	581	4,048	670	478	0	9,335	0	660	80,619
NY	16,151	28,492	32,552	1,840	6,313	241,766	6,033	3,825	8,991	7,700	4,836	3,828	31	66,700	1	7,133	436,192
OH	3,739	4,715	61,882	9,686	2,808	191,471	46,115	754	3,715	15,070	2,085	7,417	3	72,549	0	8,050	430,059
OK	3,045	1,284	3,930	2,382	515	129,308	17,295	123	569	4,706	1,446	1,760	9	10,637	0	2,947	179,956
OR	1,340	466	3,905	644	278	99,867	9,448	124	827	3,310	884	411	8	10,393	0	2,444	134,349
PA	7,383	31,548	183,618	12,055	15,784	215,812	34,392	12,685	12,941	18,214	2,610	1,601	17	76,906	0	7,436	633,002
PR	37	68	6,973	16	19	2,858	50	22	54	1,179	21	7	0	121	0	87	11,512
RI	537	226	24,912	79	63	14,159	381	12	136	958	104	203	2	4,309	0	165	46,246
SC	1,805	3,094	7,652	15,978	435	143,704	28,100	189	990	7,487	1,114	909	4	19,374	0	2,544	233,379
SD	390	127	633	61	148	53,993	5,957	14	74	789	85	112	0	1,239	0	1,579	65,201
TN	2,237	2,699	17,876	6,659	2,231	161,323	28,332	298	1,587	13,132	883	497	81	16,112	0	18,913	272,860
TX	9,072	4,963	22,026	9,275	1,577	456,627	116,842	1,463	5,390	32,502	5,676	3,914	42	45,867	0	8,768	724,004
UT	706	428	2,890	1,096	359	45,894	5,295	442	366	2,612	623	332	1	6,252	0	968	68,264
VA	3,050	3,908	10,120	1,644	1,869	252,045	28,018	829	6,247	25,647	1,471	714	15	23,467	0	9,429	368,473
VI	98	73	546	26	7	5,268	13	12	44	441	56	21	0	1,891	0	17	8,513
VT	1,250	915	14,290	6,978	1,974	7,941	613	222	43	4,952	240	122	2	6,290	0	1,178	47,010
WA	3,056	1,122	10,637	601	616	168,110	11,772	101	3,261	8,067	4,943	862	1	28,262	27	14,982	256,420
WI	4,464	4,425	660	33	31	1,123	38	9	63	359	8	16	0	155	247,164	8,767	267,315
WV	1,002	1,149	5,281	444	296	51,482	6,572	85	1,042	3,587	384	327	0	11,600	0	1,860	85,111
WY	518	265	1,776	253	73	30,871	3,839	31	238	1,880	330	229	0	2,759	0	690	43,752
																	11,835,727

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, 2015.

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. Four companies in CA reported their enrollment to the state department only (it was 421,236): these numbers are not included.

Trends in Medigap Enrollment and Coverage Options

Figure 1: Number of Medigap Enrollees by State and U.S. Territory, December 2015



**Total Medigap Covered Lives in the U.S.
11,835,727***

* Includes U.S. Territories

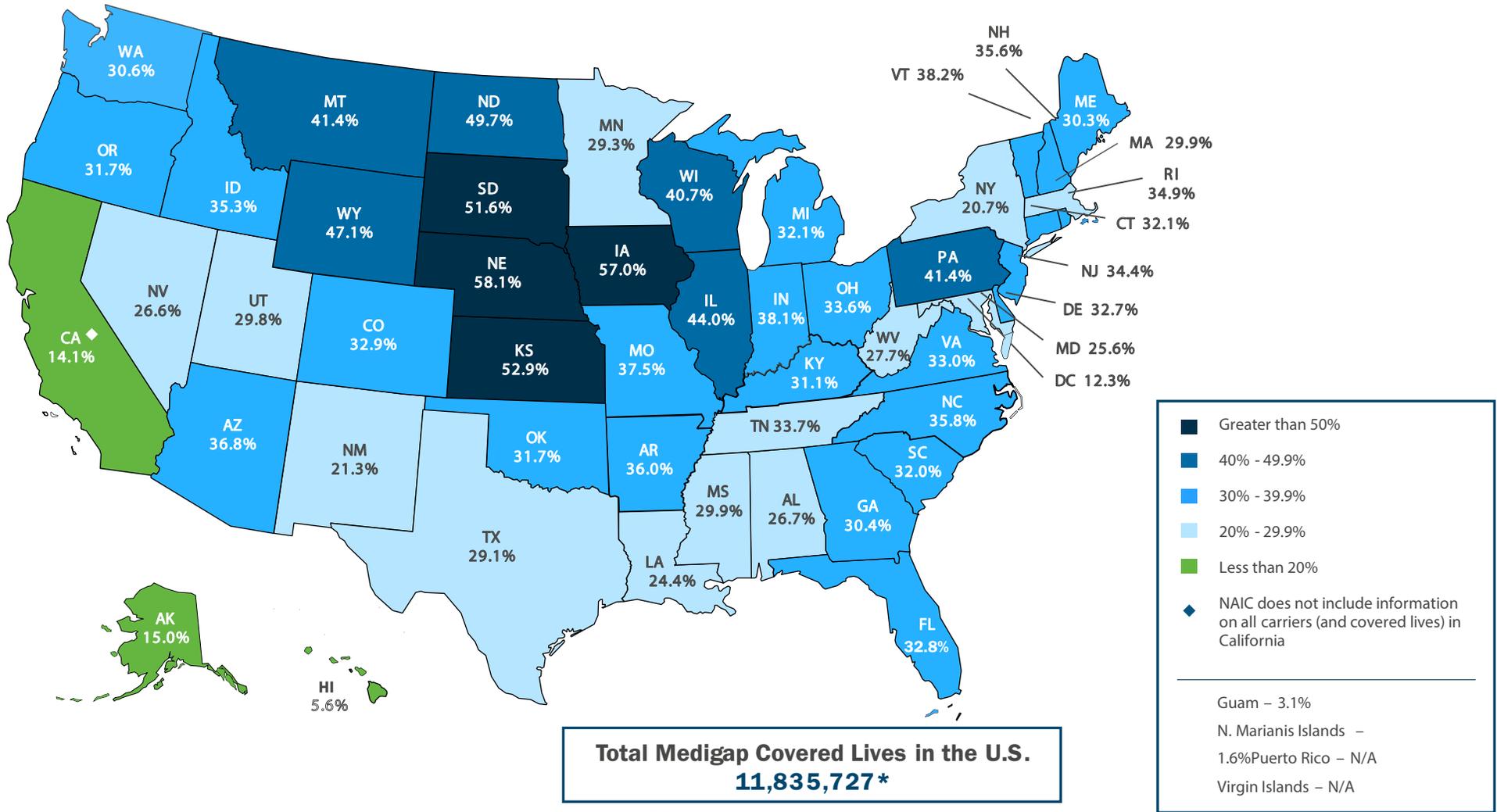
- 500,001+
- 300,001 – 500,000
- 200,001 – 300,000
- 100,001 – 200,000
- 50,000 – 100,000
- Less than 50,000
- ◆ NAIC does not include information on all carriers (and covered lives) in California

- Guam – 460
- N. Marianis Islands – 33
- Puerto Rico – 11,512
- Virgin Islands – 8,513

Source: AHIP analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, 2015

Trends in Medigap Enrollment and Coverage Options

Figure 2: Percent of FFS Beneficiaries with Medigap, by State and U.S. Territory, December 2015



Source: Number of beneficiaries with Medigap: National Association of Insurance Commissioners (NAIC) Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2015. Number of people with FFS Medicare: Centers for Medicare and Medicaid Services; MA State/County Penetration, for December 2015

Trends in Medigap Enrollment and Coverage Options

Appendix A

Medigap Benefits 2015

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	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% ^s	80%
Out-of-pocket limit**	N/A	N/A	N/A	N/A	N/A	N/A	\$4,940	\$2,470	N/A	N/A

Source: 2015 MEDIGAP GUIDE; https://www.ahinsuranceservices.com/documents/2015_ChoosingaMedigapPolicy.pdf

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

*Plan F also offers a high-deductible plan. If the beneficiary chooses this option he/she must pay Medicare covered costs up to the deductible amount of \$2,180 in 2015 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 (\$147 in 2015), the Medigap 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 don't result in an inpatient admission.



Acknowledgments

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

Endnotes

¹ AHIP Center for Policy and Research. Trends in Medigap Coverage and Enrollment, 2014. https://ahip.org/wp-content/uploads/2016/04/MedigapEnrollmentReport_Linked.pdf

² The calculation for 2015 does not include Puerto Rico due to the exclusion of Puerto Rico statistics from the CMS Medicare Advantage Penetration Reports for 2015.

³ There is no coinsurance for inpatient hospital care for the first 60 days of hospitalization, per benefit period. Beneficiaries would pay \$315 in coinsurance per day per benefit period from days 61 to 90; and would pay \$630 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. Accessed November 29, 2016 at <http://www.hhs.gov/about/news/2014/10/09/2015-medicare-part-b-premiums-and-deductibles-remain-the-same-as-last-two-years.html>

⁴ Centers for Medicare & Medicaid Services. *Medicare costs at a glance*. See: <https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html>

⁵ Effective June 1, 2010.

⁶ Centers for Medicare & Medicaid Services and National Association of Insurance Commissioners. *2015 Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare*, accessed April 6, 2017 at https://www.ahinsuranceservices.com/documents/2015_ChoosingMedigapPolicy.pdf

⁷ See Trends in Medigap Coverage and Enrollment, 2012, accessed April 6, 2017 at <https://www.ahip.org/trends-in-medigap-coverage-and-enrollment-2012/>

⁸ Trends in Medigap Coverage and Enrollment (2012 through 2015), accessed April 6, 2017 at [www.https://ahip.org/research/](http://www.ahip.org/research/)

⁹ CMS Medicare Advantage Penetration Reports, 2012-2015, accessed April 6, 2017 at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/MA-State-County-Penetration.html>

¹⁰ California Department of Managed Health Care, Enrollment Summary Report 2015, accessed April 6, 2017 at <http://www.dmhc.ca.gov/DataResearch/FinancialSummaryData.aspx#.WG5kCFUrKUK>

¹¹ Technically, the highest rate of growth was in the plan M (61%). This plan had by far the lowest enrollment in 2015 among all of the Medigap plans, 1,604 and was offered by a very few companies. Because of that, plan M typically exhibits large year-to-year changes (for example, in 2014 it experienced a 76% drop in the enrollment) that are unique to this plan alone.