The State of Medicare Supplement Coverage

Trends in Enrollment and Demographics

Among fee-for-service (FFS) Medicare enrollees without additional insurance coverage (such as Medicaid, employer-provided insurance, etc.), **50% had Medicare Supplement coverage in 2019.**

Between December 2018 and December 2019, the national Medicare Supplement enrollment **increased from 14.0 million to 14.5 million enrollees.**

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.

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: 2019 National Association of Insurance Commissioners (NAIC) data, 2019 California Department of Managed Health Care data, and 2018 Medicare Current Beneficiary Survey (MCBS) results.

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 2019, the traditional Medicare program had a $1,364 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 $185.[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 2019 standardized Medicare Supplement plans.

Standardized Plans. Over the last 25 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. (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 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 —$5,560 for Plan K and $2,780 for Plan L in 2019.[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?

National Medicare Supplement enrollment has been growing in each of the last five years for which data are available. In 2019, 14.5 million Americans had Medicare Supplement coverage - an increase of 3.5% compared to 2018 (See Table 1). The 3.5% Medicare Supplement enrollment increase in 2019 was in line with the rate of growth in the previous 2 years: 3.7% in 2018 and 3.3% in 2017.

Table 1. Trends in National Medicare Supplement Enrollment, 2015-2019

Statistic	Year				
	2015	2016	2017	2018	2019
• Enrollment reported to NAIC	11,835,727	12,636,647	13,059,201	13,546,429	14,013,086
• Enrollment reported to California DMHC	421,236	425,657	435,259	444,391	469,792
Total national Medicare Supplement enrollment	12,256,963	13,062,304	13,494,460	13,990,820	14,482,878
Annual percent change in total national Medicare Supplement enrollment, %	5.7%	6.6%	3.3%	3.7%	3.5%

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibits, for the Years Ended Dec. 31, 2014; Dec. 31, 2015; Dec. 31, 2016; Dec. 31, 2017; Dec. 31, 2018 and Dec.31, 2019 and of the California DMHC The Enrollment Summary Reports, 2014-2019.

Notes: National enrollment statistics previously presented in AHIP's reports Trends in Medigap Enrollment and Coverage Options, 2013, 2014, 2015 included only the Medicare Supplement enrollment numbers reported by insurers to the NAIC.

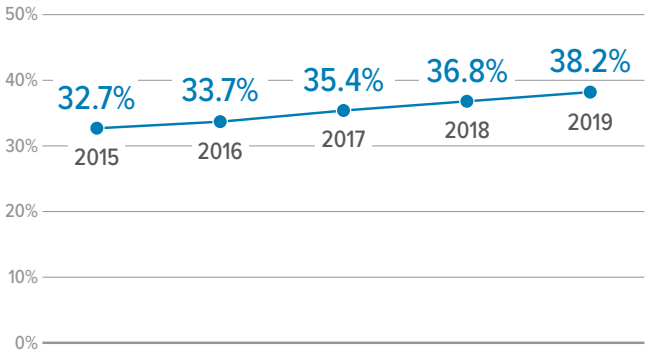
At the end of 2020, CMS identified and corrected the error in calculation of the number of eligibles in its 2017-2020 Medicare Advantage/Part D Contract and Enrollment Data files: the number of beneficiaries was double counted for beneficiaries with multiple addresses.[5] Since these data have been used in our previous reports to calculate the share of Medicare beneficiaries with Medicare Supplement insurance, our CMS data-based statistics for 2017-2018 consistently understated the Medicare Supplement coverage rates on both the national and state levels.

The updated data demonstrate that the share of enrollees in Medicare Supplement has been steadily growing in the recent years. This growth continued in 2019 when the proportion of Medicare fee-for-service beneficiaries with Medicare supplement increased from 36.8% to 38.2% (See Figure 1).

Since enrollment in the Medicare program is projected to continue growing rapidly through 2030, further growth in Medicare Supplement enrollees seems likely.

Nationwide, Medicare Current Beneficiary Survey (MCBS) estimates show that 50% 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 2018 (see Figure 2).

Figure 1. Share of Medicare Fee-For-Service Enrollees with Medicare Supplement Insurance, 2013-2018



Source: National Association of Insurance Commisioners (2013-2019), California's Department of Managed Health Care (2013-2019).

Notes: The enrollment data for this Figure include Medicare Supplement enrollment numbers reported by insurers in 2013-2019 to both the NAIC and the California DMHC.

Demographic Characteristics of Medicare Supplement Enrollees

The demographic characteristics of Medicare Supplement enrollees are based on the Medicare Current Beneficiary Survey (MCBS) 2018 data, which is the latest year for which data are available.

Gender

Across the country, a majority—58% —of Medicare Supplement enrollees in 2018 were women (see Table 2).

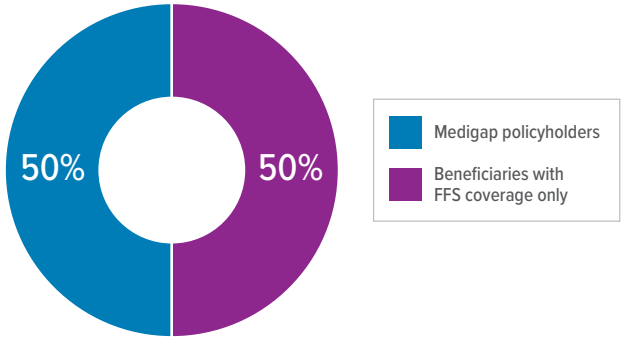
Table 2. Gender Distribution of Medicare Supplement Policyholders, by Geographic Location, 2018

Geographic Location	Gender Distribution	
	Men	Women
All Medicare Supplement Policyholders	42%	58%

Source: Medicare Current Beneficiary Survey Public Use Files, 2018 (CMS).

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

Figure 2. Medicare Enrollees Without Any Additional Insurance Coverage That Had Medicare Supplement Coverage, 2018



Source: Medicare Current Beneficiary Survey Public Use Files, 2018 (CMS).

Age

Medicare enrollees with Medicare Supplement insurance were older than the general Medicare population: 43% of Medicare Supplement policyholders were 75 years old or older compared with 35% for all Medicare enrollees (see Table 3).

Table 3. Age Distribution of Medicare Supplement Policyholders, by Geographic Location, 2018

Age Groups			
	Younger Than 65 Years	65-74 Years	75-84 Years
All Medicare	15%	51%	35%
All Medicare Supplement	3%	54%	43%
Urban Medicare Supplement	3%	54%	43%
Rural Medicare Supplement	2%	54%	44%

Source: Medicare Current Beneficiary Survey Public Use Files, 2018 (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.

Income and Financial Security

A significant number of Medicare Supplement policyholders were individuals with lower incomes: 10% had annual household incomes of 135% of the Federal Poverty Line (FPL) or less (the threshold used by the CMS to determine the eligibility for the need-based Part D subsidies) and 25% had incomes 200% of the FPL or less. This pattern was more widespread in rural areas, where 35% of Medicare Supplement policyholders had 200% of the FPL or less, while for urban policyholders the share of individuals with annual household incomes of 200% of the FPL or less was 22% (see Table 4).

Table 4. Income Range of Medicare Supplement Policyholders (Enrollee's Household Income as Share of Federal Poverty Level), By Geographic Location, 2018

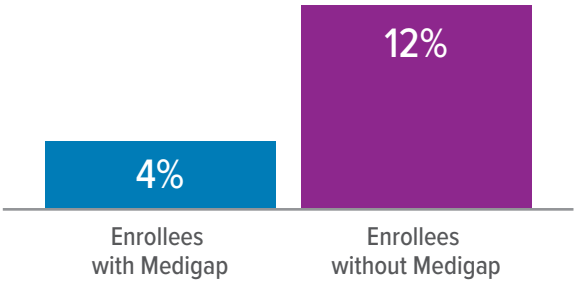
	Enrollee's Household Income as Share of Federal Poverty Level (FPL)				
	<=100% FPL	101%-120% FPL	121%-135% FPL	136%-200% FPL	>200% FPL
All Medicare Supplement	4%	3%	3%	14%	75%
Urban	3%	3%	3%	13%	78%
Rural	7%	4%	4%	20%	65%

Source: Medicare Current Beneficiary Survey Public Use Files, 2018 (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.

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 3).

Figure 3. Share of Fee-For-Service Medicare Enrollees Who Had Problems Paying Medical Bills in Last 12 Months, by Medicare Supplement Insurance Status, 2018



Source: Medicare Current Beneficiary Survey Public Use Files, 2018 (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 24% 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 2018.

Rural Medicare Supplement policyholders had substantially fewer financial resources than urban policyholders: Only 65% of rural Medicare Supplement policyholders had incomes above 200% of the FPL compared to 78% for urban Medicare Supplement policyholders (see Table 4).

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: 41% of Medicare Supplement enrollees were widowed, divorced, separated, or never married in 2018 (See Table 5). Medicare Supplement coverage provides an important source of security for that potentially vulnerable group.

Table 5. Marital Status of Medicare Supplement Policyholders, by Geographic Location, 2018

Income Range			
	Rural	Urban	All Areas
Married	61%	59%	59%
Widowed	24%	20%	21%
Divorced / Separated	13%	15%	14%
Never Married	2%	6%	5%
Total	**100%**	**100%**	**100%**

Source: Medicare Current Beneficiary Survey Public Use Files, 2018 (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.

Table 6. Distribution of Medicare Supplement Companies with Standardized Medicare Supplement Policies in Force, by Market Size, December 2019

Number of States or Territories	Percent of Companies
41 or more	10%
26 to 40	18%
11 to 25	12%
2 to 10	17%
1	43%

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended Dec. 31, 2019.

Notes: The enrollment data for this Figure do not include Medicare Supplement enrollment numbers reported by insurance providers in 2019 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 2019 was 292. The U.S. territories are Guam, Northern Mariana Islands, Puerto Rico, and Virgin Islands. Percentages may not sum to 100 due to rounding.

Companies That Offer Medicare Supplement

As of December 2019, 10% of companies offering standardized Medicare Supplement policies covered individuals in 41 or more states or territories, 18% of companies covered individuals in 26 to 40 states or territories, 12% covered individuals in 11 to 25 states or territories, and 17% of companies covered individuals with standardized Medicare Supplement plans in 2 to 10 states or territories. In addition, 43% of all Medicare Supplement companies had standardized policies in force in a single state or territory (see Table 6). This distribution has changed very little in the last three years.

Ninety companies had Medicare SELECT policies in force for about 670,000 of Medicare enrollees on December 31, 2019 (see Table 7). Companies with Medicare SELECT policies in force were located across the country in 40 states on December 31, 2019.

Table 7. Number of Companies with Medicare Select Policies in Force and Number of Enrollees with Medicare Select Plans, December 2019

Number of Companies with Medicare SELECT Policies in Force	90
Number of Enrollees with Medicare SELECT Policies	665,684

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2019.

Notes: The enrollment data for this Figure do not include Medicare Supplement enrollment numbers reported by insurers in 2019 to the California DMHC.

Overall, the percentage distribution of reporting companies with standardized Medicare Supplement policies in force by plan type in 2018 remained largely unchanged from 2016-2018 for most plan types (see Table 8). In accordance with previous trends, Plan G and Plan N continued to increase in popularity. In 2019, 70% of Medicare Supplement insurance providers had Plan G policies in force vs. 66% in 2018, while 62% of insurance providers had Plan N policies in force in 2019 vs. 59% in 2018. Also, over time, fewer companies are offering Plan B: From 58% of insurance providers in 2016 to 54% in 2018.

Table 8. Percent of Companies with Standardized Medicare Supplement Policies in Force, by Plan Type, 2016 – 2019

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

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, and 292 for 2019. 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, 98.5% of Medicare Supplement policies in force on December 31, 2019 were standardized plans. Pre-standardized plans, which were no longer sold after July 1992, account for only 1.5% of all Medicare Supplement policies (see Table 9).

Table 9. Number of Policies for Standardized and Pre-Standardized Medicare Supplement Plans, December 31, 2019

	Policies	Percent
Standardized Plans	13,806,361	98.5%
Pre-Standardized Plans	206,725	1.5%
All Medicare Supplement Plans	14,013,086	100%

Source: AHIP Center for Policy and Research analysis of the NAIC Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2019.

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

Among enrollees with Medicare Supplement standardized plans, Plan F remained the most popular plan, with a market share more than twice the size of the next largest plan. However, it continued to lose its market share, declining from 53% in 2018 to 49% in 2019. On the other hand, Plan G continued its previous growth, increasing from 17% of enrollment in 2018 to 22% in 2019 (see Tables 10-11).

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 only 1% of all standardized policies (see Tables 10-11).

Table 10. Distribution of Enrollment by Standardized Plan Type, 2016-2019

Standardized Plan	Percent of Enrollment			
	2016	2017	2018	2019
A	1%	1%	1%	1%
B	2%	2%	2%	2%
C	7%	6%	5%	5%
D	1%	1%	1%	1%
E	1%	1%	< 0.5%	< 0.5%
F*	55%	55%	53%	49%
G	10%	13%	17%	22%
H	< 0.5%	< 0.5%	< 0.5%	< 0.5%
I	1%	1%	1%	1%
J	4%	3%	3%	3%
K	1%	1%	1%	1%
L	< 0.5%	< 0.5%	< 0.5%	< 0.5%
M	< 0.5%	< 0.5%	< 0.5%	< 0.5%
N	9%	10%	10%	10%
Waivered State Plans	5%	5%	5%	6%

* Includes high-deductible Plan F.

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; and December 31, 2019.

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 11. Change in Medicare Supplement Enrollment, Standardized, Pre-Standardized and Waivered-State Policies, December 2016 to December 2019, by Plan Type

Plan Type	Enrollment				Change in Enrollment 2018-2019	Percent Change 2018-2019
	2016	2017	2018	2019		
A	151,189	145,124	120,514	107,919	-12,595	-10%
B	273,199	251,163	227,256	206,587	-20,669	-9%
C	896,666	781,070	700,552	624,321	-76,231	-11%
D	177,654	160,726	146,347	123,117	-23,230	-16%
E	73,476	65,096	58,229	51,203	-7,026	-12%
F	6,939,504	7,062,798	7,043,167	6,804,076	-239,091	-3%
G	1,263,744	1,660,548	2,305,925	3,067,424	761,499	33%
H	31,359	29,931	33,299	31,014	-2,285	-7%
I	91,392	81,727	72,217	74,338	2,121	3%
J	479,014	441,742	407,964	371,432	-36,532	-9%
K	75,813	82,066	82,202	80,527	-1,675	-2%
L	47,989	49,295	47,858	42,546	-5,312	-11%
M	5,116	4,785	4,403	4,151	-252	-6%
N	1,143,035	1,280,507	1,342,350	1,359,949	17,599	1%
Waivered State Plans	659,431	690,099	714,930	857,757	142,827	20%
Pre-Standardized Plans	328,066	272,524	239,216	206,725	-32,491	-14%
Total	**12,636,647**	**13,059,201**	**13,546,429**	**14,013,086**	**466,657**	**3%**

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

Notes: The enrollment data for this Figure do not include Medicare Supplement enrollment numbers reported by insurance providers in 2019 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 2019, the only plans that posted the enrollment increases were plans G, N, and I.

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 33% from 2018 to 2019, by 760,000 enrollees. Plan G posted the fastest rate of growth in 2019 in both relative and absolute terms.

The enrollment in Plan N—a new standardized plan with predictable cost-sharing amounts – also increased, growing by 1% from 2018 to 2019. However, this increase was much smaller compared to its 5% growth in 2018, and the double-digit rate of growth in the previous several years.

The enrollment in the largest Medicare Supplement plan by far, Plan F, decreased by 3% in 2019 compared to 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 $2,300 (in 2019) before the policy can begin paying benefits.

Similarly, the enrollment in several other Medicare Supplement plan types continued to decline. The most sizable enrollment declines occurred in Plan D (-16%), Plan E (-12%), Plan C (-11%), Plan L (-11%), Plan A (-10%), Plan B (-9%), and Plan J (-9%).

As a side note, Plan I posted an enrollment growth of 3% in 2019, which reversed several years of steady enrollment decreases. However, Plan I is one of the least popular Medicare Supplement plans, being offered by only 18% of the companies and having only around 74,000 policyholders nationwide. At that level of enrollment, it is hard to know without information from later years, whether that reflects a trend or a temporary, one-time event.

Medicare Supplement Policies by State

Table 12 shows enrollment in Medicare Supplement by jurisdiction—including the District of Columbia and U.S. territories—and plan type as of December 31, 2019.

Figure 4 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 5 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 12. Enrollment: Plan Type by State and Territory, As Reported to the NAIC, December 2019

State	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Waivered	Pre-standardized	Total covered lives (state)
AK	240	93	385	41	33	10,625	2,825	5	199	845	221	159	0	1,310	0	83	17,064
AL	591	85,789	2,583	498	120	70,281	29,236	29	132	967	500	222	2	10,906	0	228	202,084
AR	502	320	1,198	310	57	45,130	36,448	12	104	1,877	466	258	3	8,672	0	118,722	214,079
AZ	1,678	784	8,955	514	353	191,474	94,267	382	941	8,420	2,325	1,048	14	28,145	0	858	340,158
CA	5,692	2,605	8,896	1,537	813	397,589	55,547	639	3,611	42,726	6,667	2,850	25	65,880	0	4,430	599,507
CO	1,448	867	2,268	605	227	127,333	55,539	279	919	5,208	1,587	1,138	7	22,151	0	660	220,236
CT	1,872	1,925	5,017	916	468	65,690	15,749	4,502	853	14,911	1,741	773	0	34,918	0	9,938	159,273
DC	157	92	280	28	31	7,324	1,168	9	101	1,053	132	49	0	1,014	0	108	11,546
DE	530	594	1,678	2,062	391	33,724	9,455	89	844	3,382	857	289	0	11,222	0	232	65,349
FL	7,395	25,214	49,526	40,855	7,438	577,741	46,616	1,286	4,940	60,533	8,289	3,677	108	81,929	1	7,056	922,604
GA	1,833	2,132	10,861	1,571	5,452	188,764	116,207	81	1,030	8,912	1,813	795	9	37,396	8	1,866	378,730
GU	10	7	134	0	0	318	23	0	0	18	0	4	0	38	0	0	552
HI	105	53	269	25	9	7,878	954	18	44	447	409	71	0	1,758	0	43	12,083
IA	1,299	187	1,400	460	1,744	218,867	66,724	95	160	3,183	237	590	3	9,857	0	2,769	307,575
ID	538	218	1,039	100	66	46,171	32,455	97	120	2,588	1,278	313	14	7,259	0	147	92,403
IL	3,357	2,974	16,071	15,559	1,159	489,652	195,482	3,058	908	6,312	1,989	1,719	3	54,871	759	4,905	798,778
IN	2,596	1,887	7,480	2,064	1,285	185,062	141,242	487	1,231	6,382	1,113	918	21	41,400	0	1,890	395,058
KS	960	436	14,191	919	473	146,625	70,320	41	387	1,776	1,134	327	1	14,898	0	962	253,450
KY	1,125	3,186	11,945	662	3,487	123,337	58,181	1,529	677	2,434	792	496	2	23,460	0	1,313	232,626
LA	395	1,887	1,833	409	108	89,650	43,556	81	431	1,012	963	623	1	13,011	0	909	154,869
MA	113	68	548	52	81	2,521	109	26	147	744	59	34	2,903	671	336,573	472	345,121
MD	5,538	3,260	11,687	1,318	376	125,333	56,410	721	497	8,369	2,388	1,117	30	33,255	0	2,012	252,311
ME	998	537	5,273	305	420	38,410	8,141	23	1,167	2,463	319	165	82	8,300	0	121	66,724
MI	7,285	844	99,525	866	383	137,006	109,539	97	831	5,036	1,954	716	5	67,950	0	4,366	436,403
MN	135	3,628	193	12	794	1,794	44	36	137	1,320	36	48	495	238	227,304	427	236,641
MO	1,776	1,707	7,806	3,974	802	173,054	110,378	331	1,551	6,978	972	814	9	20,892	0	2,156	333,200
MP	0	0	5	0	0	23	3	0	0	0	0	1	0	4	0	0	36
MS	1,243	735	2,228	496	122	94,744	52,166	42	146	3,000	641	340	3	10,105	0	617	166,628

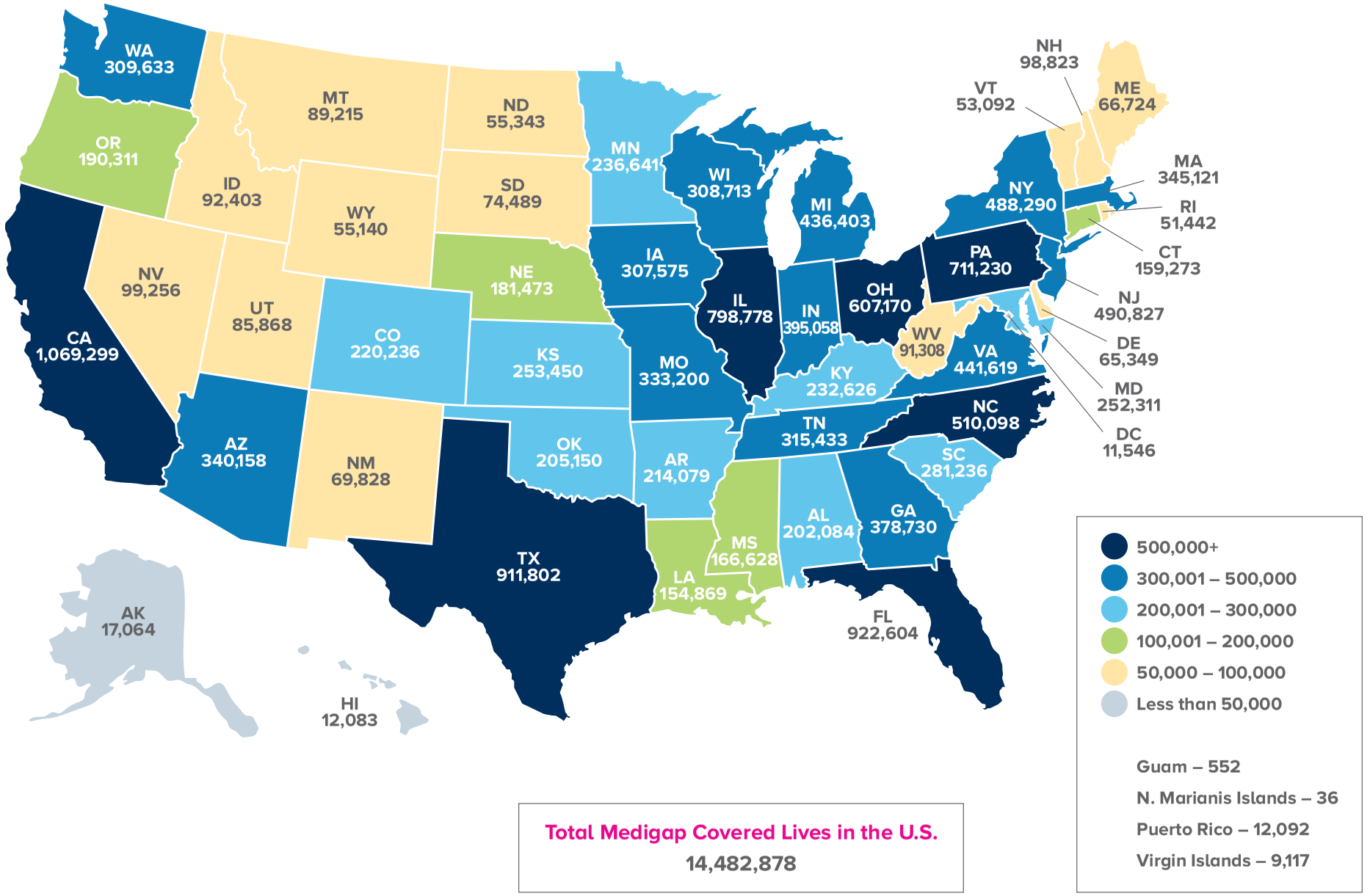
Table 12. Enrollment: Plan Type by State and Territory, As Reported to the NAIC, December 2019 (continued)

State	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Waivered	Pre-standardized	Total covered lives (state)
MT	513	257	3,116	275	62	50,412	25,262	51	314	1,888	516	224	6	6,003	0	316	89,215
NC	2,677	2,139	8,924	1,542	904	274,058	160,051	285	2,298	18,561	1,764	1,061	76	33,613	0	2,145	510,098
ND	167	50	851	82	8	43,100	9,105	13	54	530	37	25	0	1,188	0	133	55,343
NE	406	475	2,139	625	40	96,733	72,141	131	183	1,825	203	406	17	5,128	0	1,021	181,473
NH	894	550	1,752	279	587	43,174	15,907	168	253	10,292	604	460	166	22,745	30	962	98,823
NJ	6,110	2,545	56,322	1,613	406	191,961	95,125	2,411	7,300	26,557	3,252	2,851	7	89,248	0	5,119	490,827
NM	720	568	1,301	188	70	39,831	16,427	44	586	2,829	478	259	5	6,246	0	276	69,828
NV	662	367	1,185	201	101	53,602	26,437	211	378	3,067	753	438	1	11,646	0	207	99,256
NY	11,844	16,788	20,954	1,076	3,811	267,948	19,597	2,193	6,003	6,103	9,152	3,026	6	117,110	1	2,678	488,290
OH	2,791	2,705	39,368	5,149	1,414	251,584	183,699	546	2,446	10,142	2,681	3,412	4	98,460	0	2,769	607,170
OK	3,155	745	2,395	1,561	272	121,032	55,389	60	382	3,053	1,264	1,436	6	13,438	0	962	205,150
OR	985	302	2,461	366	168	87,900	77,056	41	490	2,306	1,089	438	3	15,882	0	824	190,311
PA	4,845	17,867	121,417	7,178	10,025	265,394	146,399	7,712	9,250	12,184	2,599	1,610	15	102,961	0	1,774	711,230
PR	44	46	6,137	8	8	4,592	28	20	33	887	20	10	0	227	0	32	12,092
RI	803	142	19,975	44	37	20,424	3,029	9	101	764	150	149	1	5,743	0	71	51,442
SC	1,455	1,934	5,914	11,634	262	152,601	75,306	115	674	4,936	1,119	774	4	23,625	0	883	281,236
SD	286	87	346	33	82	48,865	21,679	9	48	447	118	79	2	1,889	0	519	74,489
TN	1,540	1,633	11,158	3,521	1,958	156,978	95,404	304	10,557	8,051	1,056	512	51	21,192	0	1,518	315,433
TX	7,155	3,255	13,085	6,060	870	465,813	315,608	1,487	3,435	21,565	5,328	3,169	26	62,030	0	2,916	911,802
UT	570	258	1,831	635	195	47,707	22,220	281	234	1,844	607	300	0	8,889	0	297	85,868
VA	2,358	2,429	6,508	934	1,081	244,937	121,363	577	4,183	18,837	1,773	824	13	32,305	0	3,497	441,619
VI	76	57	422	22	5	6,567	101	6	23	327	47	18	0	1,442	0	4	9,117
VT	1,043	584	12,160	3,077	1,555	17,356	944	148	35	3,516	316	123	0	11,791	0	444	53,092
WA	2,395	735	6,399	365	372	174,777	59,721	70	2,115	5,776	5,938	877	2	42,389	5	7,697	309,633
WI	3,846	7,135	473	121	19	1,798	78	4	45	362	28	27	0	360	292,885	1,532	308,713
WV	755	719	3,293	226	148	48,370	24,353	103	667	2,502	409	284	0	8,681	191	607	91,308
WY	413	186	1,161	144	51	30,442	16,211	20	143	1,385	344	200	0	4,208	0	232	55,140

Source: AHIP Center for Policy and Research analysis of the National Association of Insurance Comissioners' (NAIC) Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2019.

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. Four companies in CA reported their enrollment, 469,792, to the CA DMHC only; these numbers are not included in the table.

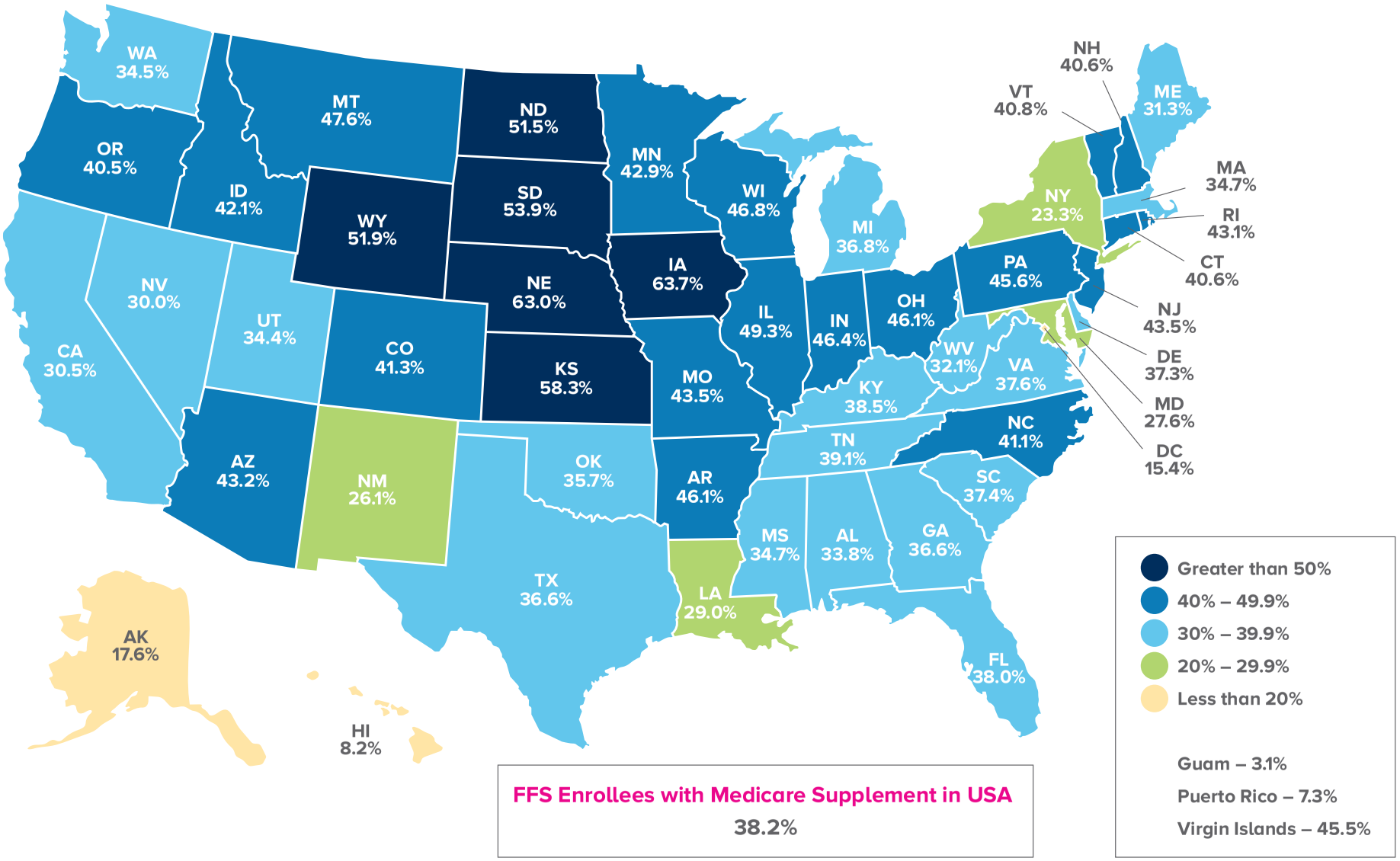
Figure 4. Number of Medicare Supplement Enrollees by State and U.S. Territory, December 2019



Source: National Association of Insurance Commisioners (2019), California's Department of Managed Health Care (2019).

Notes: The enrollment data for this Figure include Medicare Supplement enrollment numbers reported by insurers in 2019 to the California DMH (469,792 covered lives).

Figure 5. Percent of FFS Enrollees with Medicare Supplement, by State and U.S. Territory, December 2019



Source: National Association of Insurance Commisioners (2019), California's Department of Managed Health Care (2019).

Notes: The enrollment data for this Figure include Medicare Supplement enrollment numbers reported by insurers in 2019 to the California DMH (469,792 covered lives).

Methodology

For this report we analyzed 2019 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 four health insurance providers are not included in the 2019 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 2019 by adding two variables together: 1) the number of policies issued before 2011, and 2) the total number of policies issued in 2011-2019. 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, 2019. 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, 2019, 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 2015 to 2019 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.[6] The denominator was the number of Medicare FFS enrollees from the Centers for Medicare and Medicaid Services (CMS) data for December of each year.[7] 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 4 and 5 show these data by state and territory.

Data describing the demographic makeup of Medicare Supplement enrollees came from the 2018 Medicare Current Beneficiary Survey (MCBS) Public Use Files (PUF), maintained by CMS. Likewise, we used SAS Enterprise Guide® 6.1[8] 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, 2018. June 2018 was the point in time for which enrollees' records were selected for inclusion.

In the previous reports (up to and including the 2019 edition), the source of the demographic data was the MCBS Access to Care files. Over the years, CMS substantially increased the number of variables included in the publicly available MCBS PUF files, which made possible using these files for the description of the demographic composition of Medicare enrollees with Medicare Supplement insurance starting with the 2017 MCBS data.

It is worth noting that the MCBS survey field procedures, questionnaire structure, and data categorization in 2015 underwent significant changes compared to the MCBS surveys conducted in 2013 and prior. For example, the Income and Assets questionnaire section underwent a major redesign to improve the accuracy and level of detail of Medicare enrollees' reported income and assets. As a result, the income variable used in this report reflects the combined income of a Medicare enrollee and a spouse as opposed to the individual income of a Medicare enrollee used in our previous reports. For more details on changes in the MCBS methodology, please see *MCBS 2015 Methodology Report*[9].

Additionally, the changes in the MCBS data collection and categorization enabled the production of more precise point-in-time (as of June 2015) statistics, which was achieved by using the "ever enrolled" EEYRSWGT weights unlike the "continuously enrolled" CS1YRWGT weights used in the previous year's reports. As a result, comparisons of the data from this report with the data from our previous reports may not be meaningful.

Medicare enrollees were identified as Medicare Supplement policyholders based on survey responses indicating the June 2018 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 2018 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 469,792 Medicare Supplement enrollees[10], 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 2019 with respect to whether their benefit designs comply with requirements under OBRA 1990, MMA, or MIPPA.

Appendix A

Medigap Benefits 2019	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	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	$5,560	$2,780	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 $2,300 in 2019 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 ($185 in 2019), 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 $341 in coinsurance per day per benefit period from days 61 to 90; and would pay $682 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/2019-medicare-parts-b-premiums-and-deductibles

2 Ibid.

3 Effective June 1, 2010.

4 https://www.cms.gov/Medicare/Health-Plans/Medigap/Downloads/CY2019_OOP_Limits_Medigap_Plans_KandL.pdf

5 See README files accompanying 2017-2020 monthly enrollments reports at https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Monthly-Enrollment-by-State

6 Trends in Medigap Coverage and Enrollment (2014 through 2015), State of Medigap 2018, 2019, State of Medigap: Trends in Enrollment and Demographics accessed October 26, 2020 at https://www.ahip.org/research/

7 CMS Medicare Advantage Penetration Reports, 2014-2019, accessed October 26, 2020 at https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDEnrolData/Monthly-Enrollment-by-State

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9 Centers for Medicare & Medicaid Services. Medicare Current Beneficiary Survey, 2015 | METHODOLOGY REPORT. Baltimore, MD: U.S. Department of Health and Human Services, 2018, accessed October 26, 2020 at https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/MCBS/Downloads/MCBS2015MethodReport508.pdf

10 California Department of Managed Health Care, Enrollment Summary Report 2019, accessed October 26, 2020 at http://www.dmhc.ca.gov/DataResearch/FinancialSummaryData.aspx