

How Medigap Choices Are Changing

Plan F is fading away, and Plan G may become the most selected option.

Soon, the most popular Medigap policy will no longer be sold.

Seniors will lose the chance to buy Plan F in 2020 as well as the less popular Plan C.^{1,2}

These policies cover Medicare's Part B deductible, which is currently \$183. A new federal law prevents the sale of any Medigap policies that cover this deductible once the 2020s begin.²

Be assured, if you already have Plan F (or Plan C) coverage, you can stick with it after 2020. You just cannot buy a new Plan F (or C) policy after that date.²

What does this mean if you are considering a Plan F policy?

The short answer is that if you want to buy Plan F coverage, you have until the end of 2019 to do so. That said, you could be better off with Plan G in the next decade, barring a big jump in Medigap premiums.^{1,2}

Why do people like Plan F?

It is basically a **Cadillac plan**: It lets you see any doctor or hospital that accepts Medicare patients, and the upfront cost is the total cost. With Plan F, you are not surprised by subsequent requests to pay a deductible, a copayment, or coinsurance.¹

How does Plan G differ from Plan F?

While both plans provide similar coverage, the major differences are about dollars and cents. Plan G asks you for the \$183 Part B deductible; Plan F does not. Premiums also differ notably. Coming into the fourth quarter of 2018, monthly payments on a Plan F policy averaged \$185.96. Average monthly premiums on a Plan G policy? Just \$155.70.^{1,2}

Plan G appears to be gaining popularity. CSG Actuarial, a firm that provides data to insurance companies, reports that 37 percent of new Medigap enrollees are choosing Plan G (although 53 percent still choose Plan F).¹

What will happen to Plan F and Plan G premiums in the 2020s is hard to say.

Plan F premiums may jump because the supply of 65-year-olds buying Plan F will be abruptly cut, leaving an older and less healthy population to cover. Plan G premiums could rise also because a Medigap plan must accept new enrollees by the terms of Medicare regardless of how healthy or ill they may be. The current \$183 Plan G deductible might significantly increase as well.¹

Do you think you might switch from one Medigap policy to another?

That move may be harder to make once 2020 rolls around. If it has been more than six months since you enrolled in Medicare Part B, and you want to switch Medigap plans or supplement traditional Medicare with one, some Medigap insurers in certain states may exercise their right to charge you more in view of pre-existing health conditions and even turn you down. It is possible that states may intervene and pass new regulations to prevent this in the coming years.^{1,2}

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Citations.

1 - [reuters.com/article/us-column-marksjarvis-medigap/medicare-supplement-plans-are-changing-what-you-need-to-know-idUSKCN1LZ18F](https://www.reuters.com/article/us-column-marksjarvis-medigap/medicare-supplement-plans-are-changing-what-you-need-to-know-idUSKCN1LZ18F) [9/19/18]

2 - [kiplinger.com/article/retirement/T039-C001-S001-two-medigap-plans-to-be-phased-out.html](https://www.kiplinger.com/article/retirement/T039-C001-S001-two-medigap-plans-to-be-phased-out.html) [8/10/18]