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## **How Medigap Choices Are Changing**

*Plan F is fading away, and Plan G may gain more popularity.*

**Provided by Walter Pardo, CWS®, PPC™  
CEO/Certified Wealth Strategist**

**Soon, two types of Medigap policies will no longer be sold.** Seniors who enroll in Medicare in 2020 or later will be unable to buy Medigap Plan F or Plan C. These are the two Medicare Supplement policies that cover Medicare's Part B deductible (currently \$185).<sup>1,2</sup>

This change impacts *new* Medicare enrollees. If you already receive Medicare and you already have Plan F or Plan C coverage, you can keep that coverage after 2019.<sup>1</sup>

**What if you are eligible for Medicare before January 1, 2020, but not yet enrolled?** If that is the case, then "you may be able to buy one of these plans," according to Medicare.gov.<sup>1</sup>

Some journalists and health care industry analysts are speculating that a high-deductible Plan G could appear in 2020, in response to the unavailability of the high-deductible Plan F.<sup>3</sup>

**Why do people like Plan F?** Plan F is basically a "Cadillac plan": it is not cheap, but 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.<sup>4</sup>

**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 \$185 Part B deductible; Plan F does not. Premiums also differ notably. According to Weiss Ratings Medigap, which tracks the cost of Medigap policies, the average 2018 premium for a Plan F policy was \$2,204. The average 2018 premium for a Plan G policy? Just \$1,786.<sup>5</sup>

**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 Plan G deductible might significantly increase as well.<sup>4</sup>

**Do you think you might switch out of 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. As Kiplinger notes, some states may intervene and pass consumer protections for people who currently have Plan F policies.<sup>5</sup>

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**Citations.**

1 - [medicare.gov/supplements-other-insurance/how-to-compare-medigap-policies](https://www.medicare.gov/supplements-other-insurance/how-to-compare-medigap-policies) [6/24/19]

2 - [kiplinger.com/article/retirement/T039-C001-S003-medicare-premiums-deductibles-2019-part-b-part-a.html](https://www.kiplinger.com/article/retirement/T039-C001-S003-medicare-premiums-deductibles-2019-part-b-part-a.html) [8/10/18]

3 - [benzinga.com/general/health-care/19/01/13052659/whats-known-so-far-about-the-changes-coming-to-medicare-in-2020](https://www.benzinga.com/general/health-care/19/01/13052659/whats-known-so-far-about-the-changes-coming-to-medicare-in-2020) [1/29/19]

4 - [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]

5 - [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]