



CALIFORNIA HEALTH ADVOCATES

Supplementing Medicare: Medigap Innovative Benefits

What is an “Innovative Benefit”?

Innovative benefits are additional items or services that may be offered as part of a lettered Medigap policy, but are not part of a Medigap plan’s standardized benefits for Medicare-covered services. These innovative benefits are often some amount of benefits for dental or vision services and supplies, a discounted price for a hearing device or hearing tests, or some other service or item not covered by Medicare. Not all insurance companies that sell Medigap policies include innovative benefits, and some companies only add those types of benefits to one or two of their lettered Medigap plans. None of these benefits are standardized and they vary considerably from one company to another.

Additional Benefits

Another option companies offer that is **not** an innovative benefit is a reward for buying a Medigap from a particular company. For instance, some companies provide gym membership rights to their policyholders, but these are not innovative benefits. There is no premium for this reward, and it can change from one year to the next.

Guaranteed Renewable

Medigap policies are automatically guaranteed renewable. This means a Medigap can only be canceled if the insured person doesn’t pay their premium. It can’t be canceled because an insured person’s health changes, or because of their age. Since innovative benefits are combined with a standardized package of medical benefits, these innovative benefits are also guaranteed renewable. That means that the innovative benefits cannot be eliminated by the insurance company unless the insured person doesn’t pay the premium for their Medigap policy.

Premiums

Innovative benefits are a separate cost from the standardized Medigap medical benefits. A premium for these benefits may be folded into the premium for a Medigap in advertising material. But the cost for any innovative benefits must be shown separately from the Medigap premium on the premium statement. If the cost for one or more of the innovative benefits becomes more expensive than the insured person wants to pay, they can’t drop those benefits without cancelling their Medigap coverage.

Comparing Innovative Benefits

It’s difficult, if not impossible, for Medicare beneficiaries to make a meaningful comparison between one company’s innovative benefits and another company’s. One company might offer a wide range of services for dental care, while another company’s benefit for dental care might cover only basic preventive services. Each innovative benefit may differ between one company and another, or even between several options from the same company. Comparing one benefit with another, the premium, and the annual limit for each benefit may not be the same from one company to another, or even between several options offered by a single company.

The copayment amount the insured person pays when using each of these benefits is another factor that must be considered. In addition, some companies require the use of a network of providers and the costs and copayments may be different depending on whether one gets care inside or outside the network. Some companies may require the use of a certain provider and the benefit isn’t

covered by any other provider. These are all factors that must be taken into consideration when trying to decide which, if any, of these innovative benefits are the most cost effective in terms of the cost of coverage.

Since innovative benefits and their out-of-pocket costs are not standardized, Medicare beneficiaries considering them often need to sort out which of these benefits might work for them. The chart at the end of the fact sheet may help you understand some of the details related to these benefits, and help compare how various companies are offering these benefits.

Escape Value

If you already have a Medigap, you can switch to another Medigap every year for 60 days following your birthday. You might want to do that if you are looking for a lower premium. You are, however, limited to a Medigap that has the same or fewer benefits than what you already have; you can't switch to a Medigap that has more benefits. However, innovative benefits can't be considered as more benefits than the Medigap you already have. For instance, if you have a Plan G, you can switch to another Plan G even if it has innovative benefits, but you couldn't switch to a Plan F, with or without innovative benefits, because Plan F has more benefits than Plan G.

HICAP Can Help

HICAP, the state and federally funded Health Insurance Counseling and Advocacy Program, provides help to Medicare beneficiaries with questions about their Medicare coverage and supplementing those benefits with a Medigap policy. While Medigap policies provide standard benefit packages, innovative benefits are not standardized and can be very confusing to figure out what benefits are included and how much an individual will have to pay when they use those benefits. See below for the number to contact your local HICAP.

This fact sheet contains general information and should not be relied upon to make individual decisions. If you would like to discuss your specific situation, call the Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides free and objective information and counseling on Medicare and can help you understand your specific rights and health care options. You can call 1-800-434-0222 to make an appointment at the HICAP office nearest you.

Note: Online access to all CHA fact sheets on Medicare and related topics is available for an annual subscription. See cahealthadvocates.org/fact-sheets/.

See next page for chart...

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Medigap Innovative Benefits: _____									
Name of Company and Lettered Medigap									
Vision Benefits	Frequency 12-24-36 Months	Benefit Amount	You Pay In Network	You Pay Out of Network	Provider	Maximum Benefit Amount	Annual Limit	Premium	Other
Eye exam	Months	\$	\$	\$		\$	\$	\$	
Lenses	Months	\$	\$	\$		\$			
-Single vision		\$	\$	\$		\$			
-Bifocal		\$	\$	\$		\$			
-Trifocal		\$	\$	\$		\$			
Frames	Months	\$	\$	\$		\$			
Contacts	Months	\$	\$	\$		\$			
-Elective-hard		\$	\$	\$		\$			
-Elective-soft		\$	\$	\$		\$			
Hearing Benefits	Frequency 12-24-36 Months	Allowance Or Discount	You Pay In Network	You Pay Out Of Network	Provider	Maximum Benefit Amount	Annual Limit	Premium	Other
Hearing exam			\$	\$		\$	\$	\$	
Hearing aid			\$	\$		\$			
Batteries			\$	\$		\$			
Dental Benefits	Frequency 12-24-36 Months	Benefit amount	You Pay In Network	You Pay Out of Network	Provider	Maximum Benefit Amount	Annual Limit	Premium	Other
Preventive and diagnostic		\$ %	\$ %	\$ %		\$ %	\$	\$	
Routine Cleanings		\$ %	\$ %	\$ %		\$ %			
X-rays -bitewing -panaromic		\$ %	\$ %	\$ %		\$ %			
Fillings		\$ %	\$ %	\$ %		\$ %			
Non-surgical periodontal services		\$ %	\$ %	\$ %		\$ %			