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Medigap: Background and Statistics

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SUMMARY

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Michele L. Malloy
Research Librarian

Medigap: Background and Statistics

Medicare is a federal program that pays for covered health care services of qualified beneficiaries, which include most individuals aged 65 and older and certain younger individuals with permanent disabilities. Original Medicare (Parts A and B) provides broad protection against the costs of many covered services; however, beneficiaries can still face significant out-of-pocket spending. Many Medicare beneficiaries therefore have some form of additional coverage (private or public) to pay for some or all of their out-of-pocket costs.

Medigap (or "Medicare Supplement Insurance") is private insurance that is designed to cover cost-sharing gaps under original Medicare, such as deductibles, coinsurance, and copayments. Medigap is not equivalent to Medicare and is distinct from Medicare Part B ("Supplementary Medical Insurance"), Medicare Part C ("Medicare Advantage"), and Part D (which covers outpatient prescription drug benefits).

Medigap enrollment is voluntary. To be eligible to purchase a Medigap plan, Medicare beneficiaries must be enrolled in both Part A and Part B, and not enrolled in a Medicare Advantage plan. As of 2021, 14.6 million Medicare beneficiaries were enrolled in Medigap plans. Medigap is financed through premiums paid by beneficiaries who enroll in Medigap. Medigap plans are regulated by states, and Congress has enacted legislation to standardize Medigap plans and mandate consumer protections.

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Introduction and Background

This report provides brief descriptions of Medicare and Medigap, including the different types of Medigap plans on the market, which are identified by letter and financing. The report describes sources of Medigap data and their limitations, and it concludes with tables providing enrollment trends and demographics.

Medicare

Medicare is a federal program that pays for covered health care services of qualified beneficiaries, which include most individuals aged 65 and older and certain younger individuals with permanent disabilities.

Medicare consists of four parts:[1]

- Part A (Hospital Insurance) covers inpatient hospital services, skilled nursing care, some home health care, and hospice care.
- Part B (Supplementary Medical Insurance) covers physician and non-physician practitioner services, outpatient services, some home health care, durable medical equipment, clinical laboratory and other diagnostic tests, preventive services, certain prescription drugs and biologics, and other medical services.
- Part C (Medicare Advantage, or MA) is a managed care plan option offered by private insurers that covers all Part A and Part B services, except for hospice care.[2]
- Part D is a voluntary option offered through private insurers that covers outpatient prescription drug benefits.

Part A and Part B together comprise original Medicare, which pays providers of covered benefits on a fee-for-service basis.[3] In contrast, the private insurers that offer MA and Part D plans are paid under a capitation model.[4]

Medigap

Medigap (or "Medicare Supplement Insurance") is private insurance designed to provide secondary coverage to original Medicare (Parts A and B). Medigap is not equivalent to Medicare and is distinct from Part B ("Supplementary Medical Insurance"), Part C ("Medicare Advantage"), and Part D (which covers outpatient prescription drug benefits).

[1] For more information on Medicare, see CRS Report R40425, *Medicare Primer*.

[2] Medicare Advantage (MA) enrollees may choose hospice care, but, in general, that care is then paid for by Medicare Part A.

[3] Fee for service is a payment model in which health care providers and facilities are paid a separate amount for each service or item furnished. In general, under original Medicare, the government pays for covered items and services using different prospective payment systems or fee schedules that pay per unit, where a unit may be, for example, a spell of illness, an inpatient diagnosis, or a piece of equipment for home use.

[4] Whereas MA plans are paid under capitation, health care providers and facilities in MA plan networks are paid based on the conditions of their contracts with the MA plans. Under a capitation system, health plans receive a set amount of money for each enrollee, for a designated period of time, regardless of the level of service usage by the enrollee. Under those contracts, provider and facility payments may be structured as fee for service or capitation (or partial capitation), and portions of the payments may be conditional on meeting quality or performance benchmarks. For more information on capitation, see https://innovation.cms.gov/key-concept/capitation-and-pre-payment.

Although original Medicare provides broad protection against the costs of many covered services, beneficiaries can still face significant out-of-pocket spending. Many Medicare beneficiaries therefore have some form of additional coverage (private or public) to pay for some or all of their out-of-pocket costs.

Medigap is one type of private supplemental insurance and is designed to cover cost-sharing gaps under original Medicare, such as deductibles, coinsurance, and copayments.[5] Other sources of coverage that Medicare beneficiaries may have include retiree coverage through a former employer, group health care coverage through a current employer, and/or coverage through other governmental sources, such as Medicaid, the Department of Veterans Affairs (VA), or the TRICARE health care program for military personnel and veterans.

Eligibility and Enrollment

Medigap enrollment is voluntary. To be eligible to purchase a Medigap plan, a Medicare beneficiary must be

- enrolled in both Part A and Part B, and
- not enrolled in an MA plan.

Applicable statutory and regulatory requirements and consumer protections are outlined below.

As of 2021, 14.6 million Medicare beneficiaries were enrolled in Medigap plans, as shown in **Table 3**. Medigap enrollment is tracked primarily through the National Association of Insurance Commissioners (NAIC),[6] an association of the insurance commissioners, though there are other sources. Selected statistics are presented in the "Data and Sources" section of this report.

Financing

Medigap is financed through premiums paid by Medicare beneficiaries who choose to enroll in Medigap. Retirees may have premiums paid on their behalf by their former employers. There are no federal contributions toward Medigap premiums.

Statutes and Regulations

Medigap plans are regulated by states, which may use NAIC-developed model legislation.[7] As part of the Medicare Catastrophic Coverage Act of 1988 (MCCA; P.L. 100-360),[8] Congress required that state Medigap plans meet or exceed NAIC guidelines. States may either adopt the NAIC model and any subsequent revisions or enact regulations that are more stringent than those in the NAIC model. If the requirement is not met, then federal model standards are imposed on the state.

[5] See "What's Medicare Supplement Insurance (Medigap)?" at https://www.medicare.gov/supplements-other-insurance/whats-medicare-supplement-insurance-medigap.

[6] The National Association of Insurance Commissioners (NAIC) is an association of the insurance commissioners of the states and territories. NAIC "is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories," at https://content.naic.org/sites/default/files/about-faq.pdf.

[7] National Association of Insurance Commissioners (NAIC), "Model Regulation to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act," 2022, at https://content.naic.org/sites/default/files/model-law-651.pdf.

[8] Parts of this law were repealed under P.L. 101-234, but the Medigap provisions were not repealed.

Congress has also enacted legislation to standardize Medigap offerings and mandate consumer protections, including

- The Omnibus Budget Reconciliation Act of 1990 (OBRA-90; P.L. 101-508), which replaced previous voluntary guidelines with federal standards, including standardized plans, guaranteed plan renewal, and medical loss ratio standards.
- The Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA; P.L. 108-173), which established the Medicare Prescription Drug (Part D) benefit and barred Medigap plans from offering drug coverage to new beneficiaries. Provisions of the MMA also ordered the Department of Health and Human Services (HHS) to request that NAIC develop additional standardized Medigap plans.
- The Medicare Improvement for Patients and Providers Act of 2008 (MIPPA; P.L. 110-275), which required participating insurers to offer certain standardized plans.

In addition to the standardization of plans, legislation, including the laws highlighted above, has afforded consumer protections to Medigap insurance plan purchasers who are at least aged 65. These protections include

Guaranteed Issue Protections.[9] During the initial six-month open enrollment period for new beneficiaries,[10] insurers cannot refuse to sell an individual any Medigap policy that the insurer offers. Plans cannot exclude coverage for pre-existing health conditions, and insurers cannot charge more based on an individual's health history. Medicare beneficiaries also have some guaranteed issue protections after their initial open enrollment period, including

- the ability to buy a different plan following changes in residence or employment, in which they are forced to change plans,
- "trial rights" to switch from Medicare Advantage to Original Medicare and obtain a Medigap policy within the initial year of enrollment, and
- "no fault rights" that allow a beneficiary guaranteed issue if an insurer no longer offers an enrollee's plan or has misled an individual.

Some states have additional open enrollment rights according to state law.

Guaranteed Renewal.[11] The insurer cannot cancel a Medigap plan as long as the beneficiary remains enrolled and pays the premium.

There is no *federal* requirement that insurers sell Medigap plans to disabled individuals under the age of 65. Some *states* require that Medigap plans be available to some or all disabled Medicare beneficiaries. In other states, insurers may choose to sell Medigap plans to younger disabled beneficiaries even though there is no requirement that they do so.

[9] Centers for Medicare & Medicaid Services (CMS) and NAIC, "Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare, 2023," p.21, at https://www.medicare.gov/publications/02110-medigap-guide-health-insurance.pdf.

[10] The *Medigap open enrollment period* is "a one-time-only, 6-month period when federal law allows you to buy any Medigap policy you want that's sold in your state. It starts in the first month that you're covered under Medicare Part B, and you're 65 or older. During this period, you can't be denied a Medigap policy or charged more due to past or present health problems." CMS and NAIC, "Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare, 2023," p.50, at https://www.medicare.gov/publications/02110-medigap-guide-health-insurance.pdf.

[11] CMS and NAIC, "Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare, 2023," p.36, at https://www.medicare.gov/publications/02110-medigap-guide-health-insurance.pdf.

In most cases, Medigap enrollees do not have a federal right to change Medigap policies beyond the open enrollment period unless they are eligible under the guaranteed issue rights outlined above.

Medigap plan insurers must meet certain federal requirements.

> ***Required plans.*** If an insurer offers any Medigap plans, it must offer the basic plan (Plan A; see **Table 1**). If an insurer offers any other plans, it must at least offer Plan C or Plan F to individuals who are not new to Medicare on or after January 1, 2020[12], and either Plan D or Plan G to individuals who are new to Medicare.[13]
>
> ***Premiums.*** The three rating options or methods by which an insurer can set premiums for health insurance policies within Medigap are (1) the community rating option (all individuals in a plan pay the same premium and it does not increase with a beneficiary's age), (2) the issue-age rating option (the premium is based on a beneficiary's age when the policy was first purchased), or (3) the attained-age rating option (the premium is based on a beneficiary's current age).[14]
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> ***Medical Loss Ratios (MLRs).***[15] MLRs measure the share of enrollee premiums that health insurers spend on medical claims as opposed to other non-claims expenses, such as administrative fees or profits earned, over a set time period (e.g., a calendar year or plan year). These measures are intended to ensure that health plans meet a minimum benefit standard. Medigap plans must return to the policyholders, in the form of aggregate benefits, at least 75% of the aggregate amount of premiums in the case of group policies and at least 65% of the aggregate amount of premiums in the case of individual policies.[16]

Federal statutes and regulations governing Medigap are

- 42 U.S.C. §1395ss: Certification of Medicare supplemental health insurance policies[17] and
- 42 C.F.R. Part 403 Subpart B - Medicare Supplemental Policies.[18]

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[12] P.L. 114-10 Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) prohibits the sale of Medigap plans with first-dollar coverage to an individual who is a "newly eligible Medicare beneficiary." Plans C and F included first-dollar coverage and can no longer be sold to people new to Medicare on or after January 1, 2020. However, if beneficiaries were eligible for Medicare before January 1, 2020 but haven't yet enrolled, they may be able to buy Plan C or F. See 82 FR 41684, https://www.federalregister.gov/documents/2017/09/01/2017-18605/medicare-program-recognition-of-revised-naic-model-standards-for-regulation-of-medicare-supplemental.

[13] CMS and NAIC, "Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare, 2023," p.10, at https://www.medicare.gov/publications/02110-medigap-guide-health-insurance.pdf.

[14] CMS and NAIC, "Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare, 2023," p.17, at https://www.medicare.gov/publications/02110-medigap-guide-health-insurance.pdf.

[15] Medigap Medical Loss Ratio (MLR) requirements predate those established within the Patient Protection and Affordable Care Act (ACA; P.L. 111-148, as amended), and the ACA MLRs are higher than Medigap MLRs. See CRS Report R42735, *Medical Loss Ratio Requirements Under the Patient Protection and Affordable Care Act (ACA): Issues for Congress*.

[16] Federal Medigap regulations are at 42 C.F.R. §403.200, https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-A/part-403/subpart-B. Under §403.232, to be certified by CMS, a Medigap policy must meet NAIC model standards, loss ratio standards, and any state requirements applicable to a policy. See NAIC, "Model Regulation to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act", 2022, at https://content.naic.org/sites/default/files/model-law-651.pdf.

[17] 42 U.S.C. §1395ss, at https://uscode.house.gov/view.xhtml?hl=false&edition=prelim&req=granuleid%3AUSC-prelim-title42-section1395ss&f.

[18] 42 C.F.R. Part 403, Subpart B, at https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-A/part-403/subpart-B.

Plan Types and Benefits

Federal statutes and regulations require Medigap plan standardization. Each plan is identified by letter and associated with a specific benefit package. For example, all Plan A policies, regardless of insurer, have the same common benefit package.[19] Insurers may offer any of the standardized plans in **Table 1**, but insurers are not allowed to sell certain plans to newly eligible Medicare beneficiaries.[20] Medigap plans range from covering all allowable Medicare copayments, coinsurance, and deductibles to more limited options.

Medigap policies are sold in both the individual and the group health insurance markets. Whether purchased in the individual or the group market, each Medigap policy covers one individual. Standardized Medigap policies are guaranteed renewable by enrollees so long as the plan remains for sale in the geographic market.

Federal Medigap plan standards do not apply to insurers in Massachusetts, Minnesota, and Wisconsin. These states had their own standardized Medigap plans prior to the enactment of the federal standardization requirements, so they were exempted from federal standardization. Their state standardized plans are called *waivered state plans*.

- **Massachusetts**'s Medigap state plans fall into three categories: "Core," "Supplement 1," and "Supplement 2."[21] The Massachusetts Division of Insurance licenses insurers, reviews plans, and provides annual guides to available plans and carriers,[22] and the laws of the Commonwealth of Massachusetts address state-level requirements for these plans.[23]
- In **Minnesota**, state versions of some of the federal standardized plans are available, as well as the state "Basic Plan" and "Extended Basic Plan."[24] In addition to the federal standards, these plans cover state-mandated benefits such as diabetic equipment and supplies, routine cancer screening, reconstructive surgery, and immunizations. The Minnesota Department of Commerce reviews and approves Medigap plans sold in Minnesota.[25]

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[19] The term *plan* refers to all the Medigap insurance contracts with a common benefit package (e.g., Plan A), and the term *policy* refers to an insurance contract sold by an insurer to a beneficiary (e.g., United Healthcare's Plan A).

[20] Medicare.gov, "How to Compare Medigap Policies," at https://www.medicare.gov/supplements-other-insurance/how-to-compare-medigap-policies. As of January 1, 2020, Medigap plans sold to individuals newly enrolled in Medicare are not allowed to provide coverage of the Part B deductible. Plans C and F included first-dollar coverage and can no longer be sold to people new to Medicare on or after January 1, 2020. However, if beneficiaries were eligible for Medicare before January 1, 2020 but haven't yet enrolled, they may be able to buy Plan C or F. See 82 FR 41684, https://www.federalregister.gov/documents/2017/09/01/2017-18605/medicare-program-recognition-of-revised-naic-model-standards-for-regulation-of-medicare-supplemental. New enrollees may purchase Plans D and G that are similar to Plans C and F, except for coverage of the Part B deductible. In general, insurance companies that sell Medigap policies are not required to offer every Medigap plan, must offer Medigap Plan A if they offer any Medigap policy, and must offer Plan C or Plan F if they offer any plan (or D or G if offered to those newly eligible as of 2020).

[21] Medicare.gov, "Medigap in Massachusetts," at https://www.medicare.gov/supplements-other-insurance/how-to-compare-medigap-policies/medigap-in-massachusetts.

[22] Commonwealth of Massachusetts Division of Insurance, "Medicare and Medigap Coverage," at https://www.mass.gov/info-details/health-care-coverage-information#medicare-and-medigap-coverage-.

[23] Commonwealth of Massachusetts General Laws Part I Title XXII Chapter 176K: Medicare Supplement Insurance Plans, at https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXXII/Chapter176K.

[24] Medicare.gov, "Medigap in Minnesota," at https://www.medicare.gov/supplements-other-insurance/how-to-compare-medigap-policies/medigap-in-minnesota.

[25] Minnesota Department of Commerce, "Medicare," at https://mn.gov/commerce/insurance/health/basics/medicare/. See the "Supplement Policies" section.

- **Wisconsin**'s Medigap state plans are either the "Basic Plan" or plans known as "50% and 25% Cost-sharing Plans," which are similar to federally standardized Plans K and L. A high-deductible plan is also available.[26] In addition to the federal standards, these plans cover state-mandated benefits such as skilled nursing facilities care and home health care. The Wisconsin Office of the Commissioner of Insurance approves policies and provides lists of insurers.[27]

Table 1 lists Medigap standardized benefit plans by identifying letter and the covered benefits of each plan.

Table 1. Medicare Supplement Insurance (Medigap) Standardized Plans, 2023

(benefit coverage by plan letter)

	Plan[a]									
Benefits	**A**	**B**	**C[b]**	**D**	**F[bc]**	**G[d]**	**K**	**L**	**M**	**N**
Part A Coinsurance and Hospital Costs[e]	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[f]
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 Emergency (up to plan limits)	No	No	80%	80%	80%	80%	No	No	80%	80%

[26] Medicare.gov, "Medigap in Wisconsin," at https://www.medicare.gov/supplements-other-insurance/how-to-compare-medigap-policies/medigap-in-wisconsin.

[27] Wisconsin Office of the Commissioner of Insurance, "Medicare Supplement Insurance Policies List 2023," at https://oci.wi.gov/Documents/Consumers/PI-010.pdf.

Benefits	Plan[a]									
	A	B	C[b]	D	F[bc]	G[d]	K	L	M	N
Out-of-pocket limit[g]	N/A	N/A	N/A	N/A	N/A	N/A	$6,940 in 2023	$3,470 in 2023	N/A	N/A

Source: Based on the "Compare Medigap Plans" table (CMS, https://www.medicare.gov/supplements-other-insurance/how-to-compare-medigap-policies); Chart 3.3 Covered benefits and enrollment in standardized Medigap Plans, 2020 (MedPAC, https://www.medpac.gov/wp-content/uploads/2022/07/July2022_MedPAC_DataBook_SEC_v2.pdf#page=38) and Appendix A of The State of Medicare Supplement Coverage (AHIP, https://ahiporg-production.s3.amazonaws.com/documents/202301-AHIP_MedicareSuppCvg-v03.pdf#page=17).

Notes: This table reflects the benefit design for Medicare Supplement plans under P.L. 114-10.

a. Discontinued plans (E, H, I, and J) are not included in this table. These plans are no longer sold to new enrollees, but if an insurer still offers a discontinued plan, enrollees can renew the policy.

b. Beginning in 2020, new policies for Plans C or F (or F with a high deductible) are not allowed to be sold. However, beneficiaries who purchased Plans C or F before 2020 are to be able to continue to purchase those plans in subsequent plan coverage years.

c. Plan F also offers a high-deductible plan in some states. If the enrollee chooses this option, the enrollee must pay Medicare-covered costs up to the deductible amount of $2,700 in 2023 before the Medicare Supplement plan pays anything.

d. Plan G offers a high-deductible plan in some states for those enrollees newly eligible after January 1, 2020.

e. Provides coverage for hospital costs up to an additional 365 days after Medicare benefits are used up.

f. 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.

g. For Plans K and L, after an enrollee has met the out-of-pocket yearly limit and the yearly Part B deductible, the Medicare Supplement plan pays 100% of covered services for the rest of the year.

Data and Sources

Medigap enrollment is tracked by multiple agencies or institutions. Available information regarding Medigap enrollment trends is accessible through the sources outlined below.

Centers for Medicare & Medicaid Services

The Centers for Medicare & Medicaid Services (CMS) is the operating division within HHS that administers the Medicare program. CMS does not directly track Medigap enrollment because these plans are private options and not a part of the federal Medicare program. The Medicare Current Beneficiary Survey (MCBS),[28] a representative survey conducted by CMS, contains some questions regarding supplemental coverage, including Medigap. However, these data (from the Community Survey component of the MCBS) do not include information on beneficiaries residing in institutional settings, such as long-term-care nursing homes. MCBS does not gather information on specific types of Medigap plans.

[28] See "Medicare Current Beneficiary Survey (MCBS)" at https://www.cms.gov/research-statistics-data-and-systems/research/mcbs.

National Association of Insurance Commissioners and America's Health Insurance Plans

NAIC, an association of the insurance commissioners of the states and territories, collects financial and enrollment infornamation from insurance companies based on state requirements. NAIC does not directly make this information publicly available. AHIP[29], a trade group for health insurers, uses NAIC data to publish an annual report outlining Medigap enrollment trends at the national and state levels.[30] California's data are not fully represented by NAIC, but AHIP gathers this information through the California Department of Managed Health Care (DMHC)[31] and combines NAIC and DMHC data to determine the national Medigap enrollment. Additionally, AHIP uses MCBS data to provide demographic information about Medigap enrollees.

Medicare Payment Advisory Commission

The Medicare Payment Advisory Commission (MedPAC) is a nonpartisan independent legislative branch agency that provides the U.S. Congress with analysis and policy advice on the Medicare program. MedPAC's annual Data Book includes basic Medigap enrollment and benefits information within its "supplemental coverage" section,[32] based on MCBS and NAIC data. MedPAC reports *overall enrollment* in Medicare supplemental coverage products based on MCBS data, which exclude those in long-term care institutions.

MedPAC has also issued reports that discuss or analyze Medigap and other supplemental health coverage.[33]

Enrollment and Trends

CRS provides selected enrollment data based primarily on the data sources outlined above. More information on state-level enrollments and beneficiary demographics are available in the AHIP and MedPAC sources. The data presented below align with the most recent years available from each source.

Statistics come from different sources, and not all Medicare beneficiaries are eligible to enroll in Medigap. Some sources provide the share of Medigap enrollees as a percentage of "Original Medicare" (Parts A and/or B) enrollment. However, this does not take into account those in original Medicare who may not be eligible to enroll in Medigap due to their

- eligibility status (disabled beneficiaries under age 65 do not have a federally guaranteed right to enroll);
- Part B enrollment status (not all Original Medicare enrollees have Part B); or

[29] Formerly known as America's Health Insurance Plans.

[30] America's Health Insurance Plans (AHIP), "The State of Medicare Supplement Coverage: Trends in Enrollment and Demographics," February 2023, at https://www.ahip.org/resources/the-state-of-medicare-supplement-coverage-2.

[31] California Department of Managed Health Care, "Financial Summary Data" at https://www.dmhc.ca.gov/DataResearch/FinancialSummaryData.aspx.

[32] For Medigap information, see MedPAC July 2022 Data Book, pp. 25-27, at https://www.medpac.gov/wp-content/uploads/2022/07/July2022_MedPAC_DataBook_SEC_v2.pdf#page=26.

[33] Such as "Exploring the Effects of Secondary Coverage on Medicare Spending for the Elderly," Direct Research LLC for MedPAC, 2014, at https://www.medpac.gov/wp-content/uploads/import_data/scrape_files/docs/default-source/contractor-reports/august2014_secondaryinsurance_contractor.pdf.

- decision not to enroll during open enrollment (there is no federal guaranteed-issue right after open enrollment).

Because the Medicare and Medigap enrollment data are compiled from different sources, these numbers are not directly comparable. As explained above, not every Medicare beneficiary is eligible to enroll in Medigap.

Medicare Enrollment

Table 2 provides total Medicare enrollment during 2017-2021, with breakdowns by eligibility status (aged/disabled), and coverage type (Original Medicare or Medicare Advantage).

Table 2. Medicare Enrollment by Coverage Type and Eligibility (Aged/Disabled), 2017-2021

Medicare Enrollment	2017	2018	2019	2020	2021
Total Beneficiaries	58,457,244	59,989,883	61,514,510	62,840,267	63,892,626
Eligibility Status					
Aged Beneficiaries	49,678,033	51,303,898	52,991,455	54,531,919	55,851,321
Disabled Beneficiaries	8,779,211	8,685,985	8,523,055	8,308,348	8,041,304
Coverage Type					
Original Medicare Beneficiaries[a]	38,667,830	38,665,082	38,577,012	37,776,345	36,356,380
Medicare Advantage and Other Beneficiaries[b]	19,789,414	21,324,800	22,937,498	25,063,922	27,536,246

Source: Medicare Monthly Enrollment Dataset, CMS, https://data.cms.gov/summary-statistics-on-beneficiary-enrollment/medicare-and-medicaid-reports/medicare-monthly-enrollment.

Notes: Data extracted by CRS for yearly totals 2017-2021.

a. "Original Medicare" refers to fee-for-service Parts A and/or B. Only individuals enrolled in Original Medicare can purchase Medigap plans.

b. From the dataset definitions: "Count of all Medicare Advantage and Other Health Plan beneficiaries."

Medigap Enrollment

Table 3 provides total national Medigap enrollment, while **Table 4** highlights enrollment by plan type, but does not include California enrollees. For demographic information on Medigap enrollees, including age, income, eligibility status, and health status, see **Table 5**.

Table 3. National Medicare Supplement Insurance (Medigap) Enrollment, 2017-2021

Medigap Enrollment	2017	2018	2019	2020	2021
Reported to NAIC	13,059,201	13,546,429	14,013,086	13,900,107	14,077,889
Reported to California DMHC	435,259	444,391	469,792	495,681	514,179
Total	**13,494,460**	**13,990,820**	**14,482,878**	**14,395,788**	**14,592,068**

Source: The State of Medicare Supplement Coverage: Trends in Enrollment and Demographics, AHIP, 2023 https://www.ahip.org/documents/202301-AHIP_MedicareSuppCvg-v03.pdf#page=3.

Note: AHIP Center for Policy and Research analyzed NAIC Medicare Supplement Insurance Experience Exhibits and the California DMHC Enrollment Summary Reports to produce these enrollment statistics.

Medigap Enrollment by Plan Type

As described in the "Plan Types and Benefits" section, Medigap plans must conform to uniform benefit packages, known as standardized plans. However, waivered states (Massachusetts, Minnesota, and Wisconsin) offer their own standardized plans, which are exempt from the federal standardization requirements. Waivered state plans vary; states may offer one or multiple waivered plans, and there may be state versions of the federally standardized plans, with additional state-required benefits required. Some pre-standardized plans are still held by beneficiaries who originally enrolled before the standardization requirements took effect.

Table 4 lists Medigap enrollment by plan type, including waivered state plans and pre-standardized plans. California enrollees are not included in **Table 4** due to differences in reporting requirements and available data. State-level data (except for California) are available through the AHIP report.

Table 4. Medicare Supplement Insurance Enrollment by Plan Type, 2018-2021

(California enrollees not included)

Plan Type	2018	2019	2020	2021
A	120,514	107,919	99,809	92,828
B	227,256	206,587	182,388	181,741
C	700,552	624,321	542,229	478,702
D	146,347	123,117	125,899	151,327
E	58,229	51,203	45,485	38,371
F	7,043,167	6,804,076	6,238,576	5,749,712
G	2,305,925	3,067,424	3,727,474	4,513,504
H	33,299	31,014	27,259	21,891
I	72,217	74,338	56,501	46,350
J	407,964	371,432	332,461	300,074
K	82,202	80,527	76,331	69,866
L	47,858	42,546	38,949	33,648
M	4,403	4,151	3,782	4,546
N	1,342,350	1,359,949	1,362,694	1,384,304
Waivered State Plans	714,930	857,757	849,518	840,834
Pre-Standardized Plans	239,216	206,725	190,752	170,191
Total	13,546,429	14,013,086	13,900,107	14,077,889

Source: The State of Medicare Supplement Coverage: Trends in Enrollment and Demographics, AHIP, 2023 https://www.ahip.org/documents/202301-AHIP_MedicareSuppCvg-v03.pdf#page=9.

Notes: AHIP Center for Policy and Research analyzed NAIC Medicare Supplement Insurance Experience Exhibits. AHIP states, "The enrollment data for this Figure do not include Medicare Supplement enrollment numbers reported by insurance providers in 2018- 2021 to the California DMHC. The data for standardized policies include Medicare SELECT plans and those issued in 3 states (MA, MN, and WI) that received waivers

from the standardized product provisions of OBRA 1990." Total Medigap enrollment, including for California, is included in **Table 3**.

Demographics of Medigap Enrollees

Data on certain demographic characteristics of Medigap enrollees are available only through the MCBS, with the most recent data available from 2019. Both the MedPAC Data Book and the AHIP report provide demographic analyses. **Table 5** replicates MedPAC's analysis of MCBS data on sources of supplemental coverage among noninstitutionalized Medicare beneficiaries. See the AHIP report for additional breakdowns.

Table 5. Sources of Supplemental Coverage Among Noninstitutionalized Medicare Beneficiaries, by Beneficiary Characteristics, 2019

	Beneficiaries (Thousands)	Employer-Sponsored Insurance	Medigap Insurance	Medicaid	Medicare Managed Care	Other Public Sector	Medicare Only
All Beneficiaries	50,097	18%	22%	9%	41%	0%	10%
Age							
<65	6,799	9	3	34	38	0	16
65–69	11,082	16	26	5	41	0	12
70–74	12,493	19	26	5	41	0	9
75–79	9,004	20	24	4	43	0	8
80–84	5,515	22	23	5	43	0	7
85+	5,203	21	25	5	40	0	8
Income-to-Poverty Ratio							
≤1.00	7,751	3	6	38	44	0	9
1.00 to 1.20	3,156	3	9	23	52	0	13
1.20 to 1.35	1,973	6	17	12	43	1	21
1.35 to 2.00	8,095	11	21	5	48	1	14
>2.00	29,121	26	28	0	37	0	8
Eligibility Status							
Aged	43,076	19	25	5	41	0	9
Disabled	6,712	9	3	33	39	0	16
ESRD	309	20	19	23	29	1	8
Residence							
Urban	40,469	17	21	8	44	0	9
Rural	9,628	18	27	12	28	0	14
Sex							
Male	22,465	18	21	8	40	0	12
Female	27,632	17	23	9	42	0	9

	Beneficiaries (Thousands)	Employer-Sponsored Insurance	Medigap Insurance	Medicaid	Medicare Managed Care	Other Public Sector	Medicare Only
Health Status							
Excellent/ Very Good	23,630	20	27	4	40	0	9
Good/Fair	23,415	16	19	12	42	0	11
Poor	2,846	12	12	24	39	0	13

Source: MedPAC Databook 2022 Chart 3-2, based on MedPAC analysis of MCBS Survey File 2019, https://www.medpac.gov/wp-content/uploads/2022/07/July2022_MedPAC_DataBook_SEC_v2.pdf#page=37.

Notes: MedPAC notes, "We assigned beneficiaries to the supplemental coverage category in which they spent the most time in 2019. They could have had coverage in other categories during 2019. 'Medicare managed care' includes Medicare Advantage, cost, and health care prepayment plans. 'Other public sector' includes federal and state programs not included in other categories. 'Urban' indicates beneficiaries living in metropolitan statistical areas (MSAs) as indicated by core-based statistical areas. 'Rural' indicates beneficiaries living outside MSAs, which includes both micropolitan statistical areas and rural areas as indicated by core-based statistical areas. Analysis excludes beneficiaries living in institutions such as nursing homes. Analysis also excludes beneficiaries who were not in both Part A and Part B throughout their Medicare enrollment in 2019 or who had Medicare as a secondary payer. The number of beneficiaries differs among boldface categories because we excluded beneficiaries with missing values. Numbers in some rows do not sum to 100 percent because of rounding. The Medicare Current Beneficiary Survey is collected from a sample of Medicare beneficiaries; year-to-year variation in some reported data is expected."

Author Information

Michele L. Malloy
Research Librarian

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