

# PRESS RELEASE

**JANE DEE HULL**  
GOVERNOR



**CHARLES R. COHEN**  
DIRECTOR

## ARIZONA DEPARTMENT OF INSURANCE

2910 North 44th Street, Suite 210, Phoenix, Arizona 85018-7256 · (602) 912-8456 · FAX: (602) 912-8452  
*www.state.az.us/id*

**Media Contact:** Erin Klug  
Public Information Officer  
(602) 912-8456

2001-11  
For Immediate Release  
December 31, 2001

### **Department of Insurance Publishes New Medigap Premium Comparison**

The Arizona Department of Insurance has released its newest consumer publication: the Medicare Supplement Insurance Premium Comparison is now available in print and on-line at the Department's web site, [www.state.az.us/id](http://www.state.az.us/id).

Given the large population of Medicare beneficiaries in Arizona and the thousands of beneficiaries migrating from Medicare + Choice plans back to traditional "fee for service" Medicare, the Department of Insurance developed the Medicare Supplement Premium Comparison to enable consumers to comparison shop for Medicare Supplement insurance products.

"Because of the recent instability in the federal Medicare + Choice program and the many Arizonans finding themselves in need of Medigap coverage each year, I feel it is important to provide the information and tools seniors need to be informed, effective Medigap shoppers, and to find the products and prices that make the most sense for each of them," said Director of Insurance, Charles R. Cohen. "I am very gratified to make this important new premium comparison publication available to consumers of Medigap insurance."

There are approximately 690,000 Medicare beneficiaries in Arizona. Over 200,000 of these beneficiaries have elected to receive their benefits through an HMO program referred to as "Medicare + Choice". However, many Medicare + Choice HMOs have complained that federal reimbursement levels do not keep pace with actual health care costs. Consequently, many Medicare + Choice HMOs

More...

have withdrawn from regions of the state, and have decreased benefits and increased member co-pays for their remaining Medicare products. This has caused Medicare + Choice membership in Arizona to decrease by about 40,000 since 1998. Many beneficiaries previously obtaining their Medicare benefits through a Medicare + Choice HMO have returned to traditional "fee for service" Medicare and purchased a supplemental policy called Medigap or Medicare Supplement insurance. Medigap insurance helps to fill the gaps in health care costs not paid for by Medicare. For example, some Medigap policies provide limited coverage for prescription drugs.

Navigating the Medicare Supplement insurance market can be challenging. There are 42 insurers that offer Medigap coverage in Arizona and there are 10 different plans, A through J, from which consumers can choose the benefit level that best suits them. There is a significant range in the premiums between Plans and insurers. The following chart illustrates the range in monthly premium for the three most popular plans:

Age	Plan B	Plan C	Plan F
65	\$71 to \$221	\$77 to \$265	\$80 to \$243
70	\$82 to \$249	\$89 to \$299	\$74 to \$285
75	\$92 to \$292	\$106 to \$353	\$86 to \$334
80	\$98 to \$348	\$112 to \$425	\$94 to \$287

To compile the data for the premium comparison publication, the Department of Insurance surveyed Medicare Supplement insurers and instructed them to "quote" monthly premiums for various Medigap products for a healthy, non-smoking hypothetical applicant at age 65, 70, 75 and 80. Insurers were asked to provide quotes for seven different counties: Cochise Maricopa, Mohave, Pima, Pinal, Yavapai and Yuma. Due to space constraints, the printed version of the publication includes quotes for the five counties with the greatest population of Medicare Beneficiaries (Maricopa, Mohave, Pima, Pinal and Yavapai). To see the full survey results for all seven counties, including Cochise and Yuma, consumers can visit the Publications page on the Department's web site at [www.state.az.us/id](http://www.state.az.us/id).

While price is an important consideration, consumers should also consider an insurer's stability, benefits and service. Comparison shopping can result in considerable cost savings, but the process can also help consumers evaluate what is most important to them thereby ensuring that they get a policy with the benefits that suit them best, from a company that has the services they most want. For instance, some insurers, but not all, offer automated claims processing, 24-hour customer service, on-line Internet services, and toll-free phone numbers.

More...

The Medicare Supplement Premium Comparison should be used in conjunction with "Choosing a Medigap Policy: A Guide To Health Insurance For People With Medicare" (published by the U.S. Department of Health and Human Services) which provides a detailed description of the benefits under each of the 10 standardized Medicare Supplement plans. Whether a first time Medicare Supplement shopper or long time policy owner, it is important to know your options before you begin comparison shopping.

Another invaluable resource for Medigap shoppers is the Arizona State Health Insurance Assistance Program (SHIP). SHIP offers free counseling on Medicare, Medicare supplement insurance and related insurance products. Consumers can call toll free 1-800-432-4040, or email requests to [askaaa@mail.de.state.az.us](mailto:askaaa@mail.de.state.az.us).

To obtain a free copy of the Medicare Supplement Premium Comparison and the "Choosing a Medigap Policy: A Guide To Health Insurance For People With Medicare", consumers can contact the Department of Insurance by:

*Calling* toll free 1-800-325-2548 (statewide), or 602-912-8444 in Phoenix,  
*Sending an email* request to [info@id.state.az.us](mailto:info@id.state.az.us),  
*Visiting our web site* at [www.state.az.us/id](http://www.state.az.us/id),  
*Writing to or coming by* the Department of Insurance at 2910 N. 44<sup>th</sup> Street, 2<sup>nd</sup> Floor, Phoenix, AZ 85018.

###