

July 2011

# Trends in Medigap Coverage and Enrollment, 2010-2011

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This report presents trends in enrollment in Medicare Supplement (Medigap) insurance coverage, using data on the numbers of policies in force as of December 2010 from the National Association of Insurance Commissioners (NAIC) and an America's Health Insurance Plans (AHIP) survey of newly purchased policies issued by Medigap carriers through the first quarter of 2011. The NAIC dataset contains information on most Medigap policies in force in the U.S.,<sup>1</sup> representing approximately 9.7 million covered lives, with policies from 250 carriers. Respondents to the AHIP survey of newly purchased policies included large nationwide carriers, single-state plans, and commercial carriers, representing about 52 percent of Medigap enrollment.

- The total enrollment in Medigap policies has been steady at around 10 million since 2004. In 2011, enrollment in Medigap coverage increased by about 300,000 policies to 9.7 million, up from 9.4 million Medigap policies in force in December 2010.<sup>2</sup> Most Medicare beneficiaries obtain some form of supplemental coverage, either through Medigap, Medicare Advantage, Medicaid, or employer-based retiree plans.
- In December 2010, most Medicare beneficiaries with standard Medigap plans purchased Plan F (47 percent). Plan C, the second most popular plan, had 16 percent of the Medigap standard plan market. Plans F and C currently cover 100 percent of the deductibles and coinsurance charged by Medicare.
- Newer standardized Medigap plans K, L, M, and N, which contain enrollee cost-sharing requirements (copayments, coinsurance or deductibles), made up 12 percent of new Medigap purchases in 2010, and 23 percent in the first quarter of 2011. Plan N, which includes cost sharing of up to \$20 for physician office visits and up to \$50 for certain emergency room visits, represented 15 percent of new Medigap policies purchased in early 2011 and is by far the most popular of the newer standardized plans.

<sup>1</sup> Some Medigap carriers may not report enrollment to the NAIC. However, we believe that the number of Medigap enrollees among these non-reporting carriers is relatively small and that the NAIC dataset includes most Medigap enrollment.

<sup>2</sup> AHIP Center for Policy and Research, Characteristics of Medigap Policies, December 2009. See: <http://www.ahipresearch.org/pdfs/Medigap2009.pdf>.

## BACKGROUND

Medigap is a key source of supplemental coverage for Medicare beneficiaries. Seniors purchase Medigap coverage to protect themselves from high out-of-pocket costs, to budget for medical expenses, and to avoid the confusion and inconvenience of handling complex bills from health care providers.

In 2011, the Medicare program has a \$1,132 deductible per episode for inpatient hospital care (Part A) and 20 percent coinsurance for outpatient and physician care (Part B) after an annual deductible of \$162.<sup>3</sup> The Medicare program does not have a limit on beneficiaries' potential out-of-pocket costs.

Most Medigap plans cover beneficiaries' Part A deductibles and Part B deductible and coinsurance. Some Medigap plans also cover certain benefits not covered by Medicare. In addition, under most Medigap policies, policyholders can assign their benefits directly to providers and thereby avoid the need to decipher bills and file claims. In some cases, Medigap provides "first-dollar" coverage (no cost sharing at the point of service), while other plans reduce, but do not eliminate, the cost sharing amounts beneficiaries would otherwise pay.

*Standardized Plans.* Medigap policies sold after July 1992 are required to conform to one of 14 uniform benefit packages Plans A through J, based on provisions in the Omnibus Budget Reconciliation Act of 1990 (OBRA 1990).

<sup>3</sup> Centers for Medicare and Medicaid Services. *Medicare premiums and coinsurance rates for 2011*. See: [https://questions.medicare.gov/app/answers/detail/a\\_id/2305/~/medicare-premiums-and-coinsurance-rates-for-2011](https://questions.medicare.gov/app/answers/detail/a_id/2305/~/medicare-premiums-and-coinsurance-rates-for-2011).

In recent years, Congress has allowed new versions of the original standardized plans, authorized several new plans, and discontinued some of the original or modified plans.<sup>4</sup> The newer standardized plans require some cost sharing (deductibles, coinsurance, or copayments) to be paid by beneficiaries.

For example, Plan F is now authorized to be sold as a high-deductible plan. Plans K and L, which entered the market in 2006, do not cover the Medicare Part B deductible and only cover a portion of beneficiaries' Part B coinsurance. However, there is a limit on beneficiaries' annual out-of-pocket costs of \$4,640 for Plan K and \$2,320 (in 2011) for Plan L for Medicare eligible expenses.<sup>5</sup>

New Plans M and N entered the market in June of 2010. Plan M only covers half of the Part A deductible and does not cover the Part B deductible. Plan N provides coverage of all cost sharing, except for the Part B deductible and cost-sharing amounts of up to \$20 for certain physician visits and \$50 for certain emergency room visits (when the patient is not admitted to the hospital).

The Affordable Care Act of 2010 requires the NAIC to revise the standards for Plans C and F to include requirements for nominal cost sharing for Part B physicians' services beginning in 2015. Thus, Plans C and F, which are among the most popular Medigap plans, will no longer offer full "first-dollar" gap coverage for new purchasers after 2014.<sup>6</sup>

<sup>4</sup> Original Plans E, H, I, and J, and high-deductible Plan J are no longer available for new purchase.

<sup>5</sup> Centers for Medicare and Medicaid Services. *Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare, 2011*. See: <http://www.medicare.gov/publications/pubs/pdf/02110.pdf>.

<sup>6</sup> Medicare now covers certain preventive services on a "first-dollar" (no beneficiary cost sharing at the point of service) basis.

*Waiver State Standard Plans.* Three states (Massachusetts, Minnesota, and Wisconsin) offer standard Medigap plans, but are exempt from the OBRA 1990 standard plan provisions. Individuals who purchase Medigap plans in one of these three states may keep their plans if they move to other states.

*Pre-Standardized Plans.* Medigap changes are usually phased in for new purchasers, and allow existing policyholders to retain their policies. Although OBRA 1990 prohibited the sale of new pre-standardized plans, some beneficiaries still have the pre-standardized policies.

## POLICIES IN FORCE, DECEMBER 2010

According to the NAIC data, roughly 92 percent of Medigap policies in force in December 2010 were standardized plans. The number of people with pre-standardized plans, which are no longer offered, accounts for only 8 percent of all policyholders (see Table 1).

Among people with Medigap standardized plans, Plan F continues to be the most popular, covering 47 percent of policyholders in 2010; Plan C had the second highest share, with 16 percent of the market, and Plan J had 10 percent of the Medigap standard plan market in 2010 (see Table 2). Traditionally, these most popular Medigap plans have covered all or most of Medicare's deductibles and coinsurance. The Appendix to this report shows enrollment in Medigap by state (including the District of Columbia, but not including the U.S. territories) and plan type in December 2010.

Table 1. Number of Individuals with Standardized and Pre-Standardized Medigap Plans, 2010

	Policies	Percent
Standardized Plans	8,910,110	92%
Pre-Standardized Plans	769,422	8%
All Medigap Plans	9,679,532	100%

Source: AHIP Center for Policy and Research analysis of the National Association of Insurance Commissioners' (NAIC) *Medicare Supplement Insurance Experience Exhibit, For the Year Ended December 31, 2010.*

Table 2. Distribution of Individuals with Standardized Medigap Plans, by Type of Plan, December 2010

Medigap Plan Type	2010
A	2%
B	5%
C	16%
D	4%
E	2%
F	47%
G	4%
H	1%
I	2%
J	10%
K	*
L	0.5%
M	*
N	2%
Waiver State Plans	6%
Totals	100%

\* Less than 0.5 percent.

Source: AHIP Center for Policy and Research. Analysis of the National Association of Insurance Commissioners' (NAIC) *Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2010.*

Notes: The data for standard policies include Medicare SELECT plans and those issued in three states (MA, MN, WI) that received waivers from the standard product provisions of OBRA 1990. Percentages may not sum to 100 percent due to rounding.

## CARRIERS OFFERING COVERAGE, DECEMBER 2010

In 2010, 10 percent of carriers covered individuals with standardized Medigap plans in 41 to 50 states, including the District of Columbia; 13 percent of carriers covered individuals in 26 to 40 states; 13 percent covered individuals in 11 to 25 states; and 20 percent of carriers covered individuals with standardized Medigap plans in 2 to 10 states. Over half (56 percent) of all Medigap carriers had policyholders in multiple states, and 44 percent had Medigap standardized policies in force in a single state only (see Table 3).

Table 3. Distribution of Medigap Carriers with Standardized Medigap Policies in Force, by Market Size, 2010

Number of States	2010
41 to 51 States	10%
26 to 40 States	13%
11 to 25 States	13%
2 to 10 States	20%
1 State	44%
Total	100%

Source: AHIP Center for Policy and Research. Analysis of the National Association of Insurance Commissioners' (NAIC) *Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2010*. Notes: Data in this table depicting the number of states is based on companies with standardized Medigap policies in force; it does not include companies with only pre-standard policies in force. The data for standardized policies include Medicare SELECT plans, and those issued in three states (MA, MN, WI) that received waivers from the standard product provisions of OBRA 1990. The number of carriers with standardized Medigap policies in force reporting to the NAIC for 2010 was 250. For this report the District of Columbia is counted as a "state."

Medicare SELECT plans are identical to standardized Medigap plans but require policyholders to use provider networks to receive the full insurance benefits. For this reason, Medicare SELECT plans generally cost less than other Medigap plans. Table 4 shows the number of carriers with Medicare SELECT

Table 4. Number of Carriers with Medicare Select Policies in Force and Number of Individuals with Medicare Select Plans, 2010

Number of Carriers with Medicare SELECT Policies in Force	106
Number of Individuals with Medicare SELECT Policies	865,460

Source: AHIP Center for Policy and Research. Analysis of the National Association of Insurance Commissioners' (NAIC) *Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2010*.

Table 5. Percent of Carriers with Standardized Medigap Policies in Force, by Plan Type, 2010

Standard Plan Type	2010
A	84%
B	62%
C	79%
D	44%
E	31%
F	81%
G	48%
H	26%
I	26%
J	29%
K	14%
L	13%
M	4%
N	28%
Waiver State Plans	28%

Source: AHIP Center for Policy and Research analysis of the National Association of Insurance Commissioners' (NAIC) *Medicare Supplement Insurance Experience Exhibit, for the Year Ended December 31, 2010*. Notes: The data for standardized policies include Medicare SELECT plans, and those issued in three states (MA, MN, WI) that received waivers from the standard product provisions of OBRA 1990. The number of carriers with standardized Medigap policies in force for 2010 was 250. All plans offering new coverage must offer Plan A.

policies in force, and the number of Medicare beneficiaries having a Medicare SELECT policy in 2010. Carriers with Medicare SELECT policies in force are located across the country in 45 states.

Table 6. Percent of Newly Purchased Medigap Policies with Cost-Sharing Features Sold/Issued in Standardized Categories, 2007 to First Quarter 2011

	2007	2008	2009	2010	First Quarter 2011
Plan F (High-Deductible)	1%	1%	3%	3%	4%
Plan K	1%	1%	2%	1%	2%
Plan L	1%	3%	2%	1%	1%
Plan M	**	**	**	*	*
Plan N	**	**	**	6%	15%
Total New Medigap Cost-Sharing Policies Issued/Sold	3%	5%	7%	12%	23%

Source: AHIP Center for Policy and Research.

\* Less than 0.5 percent.

\*\* Plans authorized for sale beginning June 2010.

Table 5 displays the percentage of reporting carriers with standardized Medigap policies in force by each product type. In 2010, the percentages of carriers offering the newer Plans K and L, which were authorized beginning in 2006, are 14 percent and 13 percent, respectively. In June 2010, new Plans M and N were authorized for sale. Only 4 percent of carriers offered plan M in 2010. However, nearly 30 percent of reporting carriers offered new Plan N in its first year of availability.

## TRENDS IN NEWLY PURCHASED POLICIES

In the summer of 2011, AHIP conducted a survey of Medigap carriers at the request of the NAIC. The results of that survey indicate that the newer standardized plans requiring some enrollee cost sharing are becoming a larger share of new policies purchased. In particular, new Plan N with predictable cost sharing amounts (instead of high deductibles or unpredictable coinsurance amounts), has rapidly become the most popular new plan, representing 6 percent of new policies sold in 2010, and 15 percent in the first quarter of 2011 (see Table 6).

## COMMENTARY

As this report was being completed, Congress and the Administration were negotiating possible budget cuts as part of a political deal to increase the nation's debt limit. Although the discussions have not been held in public, Medicare cuts involving restrictions on Medigap coverage have been mentioned among budget proposals being considered.<sup>7</sup> The Congressional Budget Office (CBO) routinely publishes lists of possible budget cuts in its periodic Budget Options report, and the CBO options for restricting Medigap coverage have been directly cited in the deficit debate.<sup>8</sup> Unlike previous changes to Medigap policies, which have been phased in only for new purchasers, the CBO options imply that existing

<sup>7</sup> Washington Post. *Five Questions on the Debt-Ceiling Debate*. 15 July 2011. [http://www.washingtonpost.com/politics/five-questions-on-the-debt-ceiling-debate/2011/07/14/gIQAclKeGI\\_story.html](http://www.washingtonpost.com/politics/five-questions-on-the-debt-ceiling-debate/2011/07/14/gIQAclKeGI_story.html); Appleby, Julie. *FAQ Seniors May See Changes in Medigap Policies*. Kaiser Health News. 15 July 2011. <http://www.kaiserhealthnews.org/Stories/2011/July/15/medigap-medicare-supplemental-faq.aspx>.

<sup>8</sup> Congressional Budget Office. *Reducing the Deficit: Spending and Revenue Options*. March 2011. See: <http://www.cbo.gov/ftpdocs/120xx/doc12085/03-10-ReducingTheDeficit.pdf>.

Medigap policies would also be subject to restrictions.

However, the effectiveness of adding additional cost-sharing requirements on Medicare beneficiaries by restricting Medigap coverage is unclear. A review of the issues, which includes the most recent research and provides some policy suggestions, was published in the *Journal of Economic Perspectives* in March of 2011.<sup>9</sup>

The key issues are whether Medigap policies raise Medicare costs by spurring possible overutilization of certain health services (mostly physician office visits and certain diagnostic tests)<sup>10</sup> and whether proposed restrictions on Medigap coverage could have unintended consequences, including additional hospitalizations and higher health costs, especially among enrollees with chronic health care conditions and/or with low incomes.

There are three main questions in the debate over restrictions on Medigap coverage:

1. Are observed differences between the Medicare spending of Medigap policyholders and those with no supplement coverage due to an “insurance effect” (more coverage causes more spending) or a “self-selection” effect (people who know they use more health care services seek more insurance coverage)?
2. Is Medigap coverage moving away from first-dollar coverage already, such that additional

restrictions would have a smaller-than-expected impact?

3. Could some types of restrictions on Medigap coverage cause enrollees to defer or skip medically necessary care, increasing their risk of adverse health consequences and expensive hospitalizations?

For years, CBO has noted the observation that Medicare enrollees with no supplemental coverage have Medicare costs that are about 25 percent less than those with Medigap coverage. This 25 percent estimate, in turn, is based on observed differences in Medicare spending between survey respondents with and without Medigap coverage, first from the National Health Interview Survey in the 1990s,<sup>11</sup> and similar estimates recently computed from the Medicare Current Beneficiary Surveys in the mid-2000s in a report commissioned by the Medicare Payment Advisory Commission (MedPAC).<sup>12</sup> The MedPAC report found that virtually all of the differences in Medicare spending among Medigap purchasers and beneficiaries with no supplemental coverage were attributable to Part B (physician and outpatient) services.

However, AHIP researchers have pointed to the higher-than-average observed levels of major and chronic illnesses as an indication that sicker beneficiaries choose Medigap coverage in the first place.<sup>13</sup> Thus, if a self-selection effect accounts for a

<sup>9</sup> Baicker, Katherine, Goldman, Dana, “Patient Cost-Sharing and Healthcare Spending Growth,” (Spring 2011), *Journal of Economic Perspectives*, Vol. 25 / No.2, pages 47–68, last accessed on 5/25/11 at: <http://www.aeaweb.org/articles.php?doi=10.1257/jep.25.2.47>.

<sup>10</sup> Medigap only covers services deemed “medically necessary” by Medicare.

<sup>11</sup> Christensen, S., and J. Shinogle. (1997). Effects of supplemental coverage on use of services by Medicare enrollees. *Health Care Financing Review* 19, no. 1 (Fall): 5–17.

<sup>12</sup> Direct Research LLC, Exploring the Effects of Secondary Coverage on Medicare Spending for the Elderly. See: [http://www.medpac.gov/documents/Jun09\\_SecondaryInsurance\\_CONTRACTOR\\_RS\\_REVISION\\_D.pdf](http://www.medpac.gov/documents/Jun09_SecondaryInsurance_CONTRACTOR_RS_REVISION_D.pdf).

<sup>13</sup> Lemieux, J., Chovan, T., and Heath, K. (2008). Medigap coverage and Medicare spending: A second look, *Health Affairs* 27, (continued)

substantial portion of the difference in spending between Medigap purchasers and Medicare beneficiaries with no supplemental coverage, the actual reduction in Medicare spending that would accompany any Medigap restrictions could be much smaller than the current estimates would imply.

MedPAC's June 2009 report to Congress, notes this ambiguity:

*"The issue of how much Medicare spending is induced by supplemental coverage is contentious. Researchers agree that beneficiaries with supplemental coverage tend to have higher use of services and spending than those with no supplemental coverage. However, they disagree about what proportion of this difference is due to the pure effect of insurance (called moral hazard or insurance effect) compared with the tendency of sicker individuals to seek insurance coverage (adverse selection).<sup>14</sup>"*

Second, the new AHIP survey indicates that new purchasers of Medigap coverage are already moving to policies that do not have first-dollar coverage, especially Plan N. Among newer standardized Medigap plans, Plan N is the first to show a substantial uptake in its first months of availability. If the shift to Plan N accelerates in 2011 and 2012, it is possible that any additional restrictions on Medigap

no. 2 (March/April): 469–477. See: <http://content.healthaffairs.org/content/27/2/469.abstract>. The AHIP report suggested that high risk scores for serious and chronic illness among Medigap purchasers suggested a substantial selection effect. The report also suggested that prior studies did not sufficiently account for military or VA health users among beneficiaries coded as having no supplemental coverage, although the subsequent MedPAC report doubted the importance of the this effect.

<sup>14</sup> MedPAC, June 2009 Report to Congress, Improving Incentives in the Medicare Program. See: [http://www.medpac.gov/documents/Jun09\\_EntireReport.pdf](http://www.medpac.gov/documents/Jun09_EntireReport.pdf).

coverage would have smaller-than-expected impacts on Medicare spending. Likewise, if the new Plan F and C policies with nominal cost sharing, which are scheduled to enter the market in 2015, are equally popular, many more beneficiaries would voluntarily move from first-dollar coverage. Thus, any additional restrictions on Medigap plans could have a smaller impact.

Finally, two new studies indicate that while certain outpatient visits may be reduced by higher cost sharing, the negative health consequences for patients with chronic illnesses or low incomes (or both) can lead to an increase in the number of expensive hospitalizations.

In a study of changes in copayments among elderly enrollees in the California public employees' retiree system, Chandra et. al. found that a \$10 increase in physician copayments was associated with a 17 percent decrease in physician visits, but also a 6 percent increase in hospitalizations. The associated \$10.53 savings in Medicare-paid physician services was offset by a \$5.58 increase in Medicare-paid hospital costs.<sup>15</sup>

In a study comparing utilization of elderly patients subject to increased copayments with those whose copayments were not increased, Trivedi et. al. estimated that the increase in physician copayments was associated with a 20 percent reduction in outpatient visits, but a 13 percent increase in hospital days. Since the cost of a hospital day exceeds that of an office visit, Trivedi estimated that the additional

<sup>15</sup> Chandra, Amitabh, Gruber, and McKnight, "Patient Cost-Sharing and Hospitalization Offsets in the Elderly," (March 2010), *American Economic Review*, 100:1, 193–213, last accessed on 4/11/11, at <http://www.aeaweb.org/articles.php?doi=10.1257/aer.100.1.193>.



hospital costs would likely outweigh the savings from fewer physician visits.<sup>16</sup>

For these reasons, policymakers considering restricting Medigap coverage should weigh the potential disruption to Medicare beneficiaries against the possibility that actual Medicare savings could be much less than currently predicted. At the least, new estimates of Medigap restrictions should factor in the possibility of adverse health consequences and possible offsetting cost increases. It would also seem prudent to see whether the modified Plans C and F (with nominal cost sharing) and new Plan N gain substantial shares of the market in coming years before mandating additional changes to Medigap coverage.

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<sup>16</sup> Trivedi, Amal N., Moloo, Husein, M.P.H., et. al., "Increased Ambulatory Care Copayments and Hospitalizations Among the Elderly," (January 2010), *The New England Journal of Medicine*, last accessed on 4/4/2011 at <http://www.nejm.org/doi/full/10.1056/NEJMsa0904533>.

APPENDIX – DECEMBER 2010 MEDIGAP ENROLLMENT, BY PLAN TYPE  
AND STATE, AS REPORTED TO THE NAIC

	AK	AL	AR	AZ	CA	CO	CT	DC	DE	Total Covered Lives (All States)
Plan A	276	1,280	842	2,927	9,581	1,579	2,720	174	680	192,177
B	94	138,219	781	1,510	4,178	1,556	4,433	110	1,130	451,013
C	698	35,359	3,162	13,929	21,964	5,126	17,902	676	2,666	1,386,307
D	119	1,249	1,020	1,709	4,436	1,608	3,423	62	3,851	332,547
E	70	503	219	1,048	2,225	786	1,790	68	2,307	151,271
F	4,323	20,343	31,165	109,405	145,696	66,915	48,935	2,937	8,861	4,200,028
G	114	3,117	2,232	5,016	8,506	4,552	3,350	146	1,345	331,828
H	21	128	27	740	1,882	318	931	23	183	66,899
I	430	313	271	1,762	7,512	1,856	2,302	233	2,017	148,616
J	1,523	1,869	6,246	14,077	85,337	13,726	31,208	1,899	6,124	865,464
K	46	197	245	681	1,773	433	423	46	392	29,466
L	40	171	236	630	1,672	462	451	53	274	39,917
M	-	1	1	3	3	2	-	-	1	265
N	33	1,369	1,511	2,705	1,968	896	706	51	459	148,192
Waiver	-	-	-	-	-	-	-	-	-	547,310
Pre-Standard	433	2,051	106,094	7,374	28,253	5,465	36,049	663	2,994	769,127
Total Covered Lives (State)	8,220	206,169	154,052	163,516	324,986	105,280	154,623	7,141	33,284	9,660,427

	FL	GA	HI	IA	ID	IL	IN	KS	KY	Total Covered Lives (All States)
Plan A	15,471	2,979	173	1,027	677	7,144	5,304	1,840	2,132	192,177
B	63,255	5,680	57	362	367	7,688	5,305	821	10,839	451,013
C	107,226	28,498	594	5,043	2,826	31,978	22,514	21,461	32,524	1,386,307
D	82,462	5,440	41	1,161	280	47,238	8,414	2,993	3,829	332,547
E	21,636	15,119	32	5,161	159	3,888	6,233	1,350	7,263	151,271
F	165,568	132,714	1,856	192,005	39,422	418,013	170,219	146,444	77,439	4,200,028
G	14,832	10,833	66	2,090	3,493	12,125	22,111	3,966	7,229	331,828
H	1,672	186	15	150	12	419	1,168	183	4,082	66,899
I	9,418	2,435	95	457	263	2,590	3,170	1,143	1,520	148,616
J	105,162	17,421	928	21,849	4,864	22,265	18,107	5,755	6,555	865,464
K	2,148	875	33	89	273	970	625	602	319	29,466
L	2,355	751	24	402	134	824	1,076	398	505	39,917
M	49	5	-	2	1	12	2	2	3	265
N	5,359	3,402	20	3,097	726	11,076	11,447	2,114	4,346	148,192
Waiver	2	10	-	-	-	3,150	-	-	-	547,310
Pre-Standard	46,541	14,315	287	20,990	1,434	40,217	17,754	8,169	11,233	769,127
Total Covered Lives (State)	643,156	240,663	4,221	253,885	54,931	609,597	293,449	197,241	169,818	9,660,427

(Continued)

APPENDIX – DECEMBER 2010 MEDIGAP ENROLLMENT, BY PLAN TYPE  
AND STATE, AS REPORTED TO THE NAIC (Continued)

	LA	MA	MD	ME	MI	MN	MO	MS	MT	Total Covered Lives (All States)
Plan A	691	153	5,282	1,641	15,368	2,556	3,703	1,136	1,039	192,177
B	4,233	69	7,013	2,894	1,464	3,918	4,255	1,792	616	451,013
C	5,589	1,588	28,877	19,690	185,307	275	21,520	6,234	7,890	1,386,307
D	1,153	87	6,326	1,204	4,410	24	14,714	2,427	698	332,547
E	393	116	1,065	1,964	1,904	41	3,540	507	219	151,271
F	82,767	1,139	75,958	31,746	76,687	1,006	156,444	86,717	30,669	4,200,028
G	7,388	100	4,249	2,173	16,350	25	10,924	5,905	2,207	331,828
H	162	34	1,212	60	387	72	986	137	71	66,899
I	1,034	223	1,203	3,179	1,892	306	3,643	472	582	148,616
J	1,987	543	16,438	7,919	11,964	3,265	21,384	8,249	4,493	865,464
K	542	.	608	101	968	39	513	204	91	29,466
L	520	-	630	237	1,064	43	620	197	150	39,917
M	1	.	3	1	26	-	7	3	1	265
N	2,918	-	2,910	601	7,242	-	6,051	4,810	411	148,192
Waiver	-	203,722	-	-	-	147,039	-	-	-	547,310
Pre-Standard	7,517	2,902	13,163	1,309	31,843	7,347	20,371	5,375	2,706	769,127
Total Covered Lives (State)	116,895	210,676	164,937	74,719	356,876	165,956	268,675	124,165	51,843	9,660,427

	NC	ND	NE	NH	NJ	NM	NV	NY	OH	Total Covered Lives (All States)
Plan A	3,495	222	786	1,387	12,106	1,019	1,339	22,341	5,074	192,177
B	5,925	150	1,261	1,070	5,189	1,166	904	53,067	6,558	451,013
C	24,487	1,480	5,908	5,326	105,639	3,055	2,777	52,736	96,778	1,386,307
D	6,236	302	1,181	789	4,376	693	896	3,461	22,124	332,547
E	3,414	70	160	2,288	995	185	394	10,891	6,158	151,271
F	218,042	49,949	89,053	23,385	68,457	22,649	27,376	142,998	124,763	4,200,028
G	15,577	330	5,207	2,496	14,488	1,286	2,669	11,976	21,447	331,828
H	1,104	41	192	479	5,424	110	688	7,539	1,800	66,899
I	4,127	123	442	670	15,974	1,380	981	14,394	5,854	148,616
J	51,400	1,572	10,819	21,289	64,863	6,054	6,193	11,204	24,566	865,464
K	670	9	62	124	1,105	144	293	1,612	874	29,466
L	901	23	103	668	1,246	198	350	1,889	9,255	39,917
M	6	-	9	1	2	7	1	35	3	265
N	9,310	159	1,403	780	3,197	398	619	3,132	7,764	148,192
Waiver	-	5	-	-	-	-	-	-	-	547,310
Pre-Standard	19,759	987	14,241	5,411	38,918	2,492	1,814	19,270	24,158	769,127
Total Covered Lives (State)	364,453	55,422	130,827	66,163	341,979	40,836	47,294	356,545	357,176	9,660,427

(Continued)

APPENDIX – DECEMBER 2010 MEDIGAP ENROLLMENT, BY PLAN TYPE  
AND STATE, AS REPORTED TO THE NAIC (Continued)

	OK	OR	PA	RI	SC	SD	TN	TX	UT	Total Covered Lives (All States)
Plan A	3,205	1,774	8,023	351	2,371	479	2,014	12,477	891	192,177
B	2,185	643	63,360	272	4,908	234	4,305	7,097	731	451,013
C	6,626	6,186	283,366	26,042	9,402	1,140	19,696	38,601	4,836	1,386,307
D	4,903	1,278	22,528	147	22,347	108	7,417	17,781	2,068	332,547
E	1,114	528	27,071	110	847	329	4,060	3,224	736	151,271
F	97,697	68,090	56,081	4,960	92,523	57,314	84,467	315,988	21,461	4,200,028
G	5,267	2,607	9,525	153	10,038	928	6,475	46,930	2,610	331,828
H	311	121	25,924	19	421	17	380	4,343	678	66,899
I	930	1,291	18,895	197	1,498	159	1,104	9,728	675	148,616
J	9,001	6,833	32,602	1,318	15,387	2,152	8,576	62,569	4,794	865,464
K	1,214	335	1,334	23	420	24	495	3,947	92	29,466
L	1,953	273	1,725	262	518	112	449	4,378	173	39,917
M	3	7	5	1	2	2	-	43	-	265
N	3,117	3,077	8,442	187	3,516	346	4,542	14,246	697	148,192
Waiver	-	-	-	1	1	-	-	-	-	547,310
Pre-Standard	8,175	6,476	48,439	368	7,566	4,519	24,081	26,520	2,846	769,127
Total Covered Lives (State)	145,701	99,519	607,320	34,411	171,765	67,863	168,061	567,872	43,288	9,660,427

	VA	VT	WA	WI	WV	WY	Total Covered Lives (All States)
Plan A	3,628	1,309	9,045	8,545	1,331	590	192,177
B	6,251	1,454	1,573	8,081	1,667	323	451,013
C	16,608	13,553	19,741	408	8,153	2,647	1,386,307
D	3,606	7,030	1,463	39	976	420	332,547
E	3,675	2,641	1,970	52	632	121	151,271
F	148,919	1,002	102,885	636	35,337	20,603	4,200,028
G	6,550	137	7,794	36	2,106	752	331,828
H	1,318	333	188	13	146	49	66,899
I	9,475	35	7,918	83	1,997	365	148,616
J	37,230	6,783	28,270	2,907	5,315	2,610	865,464
K	347	94	2,726	.	225	61	29,466
L	531	63	556	-	256	116	39,917
M	5	1	2	.	1	-	265
N	3,482	368	1,391	-	1,511	280	148,192
Waiver	1	-	90	193,289	-	-	547,310
Pre-Standard	25,251	3,658	14,410	19,466	5,640	1,813	769,127
Total Covered Lives (State)	266,877	38,461	200,022	233,555	65,293	30,750	9,660,427

Source: AHIP Center for Policy and Research analysis of the National Association of Insurance Commissioners' (NAIC) *Medicare Supplement Insurance Experience Exhibit, For the Year Ended December 31, 2010*.

Notes: Data includes policies issued in three states (MA, MN, WI) that received waivers from the standard product provisions of OBRA 1990.



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