

New study: Elderly Medicare beneficiaries most satisfied with their health insurance

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Elderly beneficiaries enrolled in Medicare plans are more satisfied with their health insurance, have better access to care, and are less likely to have problems paying medical bills than people who get insurance through employers or those who purchase coverage on their own, according to a new Commonwealth Fund study published today in *Health Affairs*. The study also found that beneficiaries enrolled in private Medicare Advantage plans are less satisfied with their insurance than those with a traditional Medicare plan, and more likely to experience access problems.

The study, "[Medicare Beneficiaries Less Likely To Experience Cost- And Access-Related Problems Than Adults With Private Coverage](#)," by Commonwealth Fund researchers Karen Davis, Kristof Stremikis, Michelle Doty, and Mark Zezza, finds that only 8 percent of [Medicare](#) beneficiaries rated their insurance as fair or poor, compared with 20 percent of adults with employer insurance and 33 percent who purchased insurance on their own. As the federal government weighs proposals to cut Medicare spending, the analysis, based on results from The Commonwealth Fund Biennial [Health Insurance Survey of 2010](#), suggests shifting Medicare beneficiaries into private plans could put the elderly at greater risk for not getting needed health care and being less satisfied with their insurance.

The study finds that Medicare beneficiaries have better access to care and greater financial protection than adults with private coverage. In 2010 about one-fourth (23%) of Medicare beneficiaries went without needed health care because of costs, compared with 37 percent of those with [employer coverage](#). Adults with employer-based insurance (39%) and individual insurance (39 %) reported medical bill problems at almost double the rate of Medicare beneficiaries (21 %). The study finds that while [health care access](#) and medical bill problems worsened for

adults with all types of coverage over the past decade, Medicare continued to provide better coverage during that time period.

"Medicare continues to do better than employer-sponsored and individual plans when it comes to providing people with good access to health care and adequate protection from burdensome medical bills," said Stremikis, senior researcher at The Commonwealth Fund. "Policies designed to move the elderly out of Medicare and into [private plans](#) need to be carefully designed, so as not to expose beneficiaries to the poorer access to care currently experienced by many working-age adults with private insurance."

The study found that those with individual and employer-based coverage were far more likely than Medicare beneficiaries to incur high out-of-pocket costs. Twenty-nine percent of elderly adults with Medicare reported spending 10 percent or more of their income on medical costs, compared to 37 percent of adults with employer-based insurance and 58 percent with individual insurance. Only 13 percent of Medicare beneficiaries were unable to pay for basic necessities such as food or rent or used up all their savings to cover medical bills, compared to 27 percent of adults with employer-based insurance and 33 percent with individual insurance.

Medicare Advantage vs. Traditional Medicare

Within Medicare, satisfaction rates differed depending on whether beneficiaries were enrolled in traditional Medicare plans or in [Medicare Advantage](#) plans offered by private insurance companies. Fifteen percent of elderly people with Medicare Advantage rated their insurance as fair or poor, compared with just six percent of those with traditional Medicare coverage.

The study also found that although Medicare Advantage enrollees were less likely to spend 10

percent or more of their income on premiums and out-of-pocket costs, they were more likely to report cost-related access problems than elderly adults with traditional Medicare. Thirty-two percent of beneficiaries with Medicare Advantage reported at least one access problem due to cost, compared with 23 percent of those with traditional coverage. The authors say this may in part reflect Medicare Advantage beneficiaries' experience with private HMO plans that offer lower premiums in return for limited access to a smaller network of providers.

Looking Ahead

The authors conclude that "in the policy debates over the Federal budget deficit, the affordability of Medicare, and the expansion of [health insurance](#) through the Affordable Care Act, listening to the experiences of individuals, whether covered by Medicare or private employer insurance, is important." Given the more positive experiences of those covered by Medicare, states may want to consider offering traditional Medicare coverage to non-elderly individuals through the state exchanges to be set up in 2014.

"As we expand insurance and move toward near-universal coverage, it is imperative that we ensure health plans provide financial protection and good access to care," said [Commonwealth Fund](#) President Karen Davis. "The achievements of Medicare in fulfilling the goals of health [insurance](#) coverage for beneficiaries can provide important lessons for the entire U.S. health system."

More information: A summary of the report, including a link to the study on the Health Affairs Web site, will be available on the Commonwealth Fund Web site on July 18, 2012 at: www.commonwealthfund.org/Publications/Experience-Cost.aspx

Methodology

The study data came from the Commonwealth Fund 2010 Health Insurance Survey, a nationally representative telephone survey of 4,005 adults, age nineteen or older, living in the continental United States. The survey was conducted by Princeton Survey Research Associates

International from July 14 to November 30, 2010 using an overlapping dual-frame survey of land-line phones and cell phones. The survey oversampled adults from telephone exchanges in geographic areas with a high density of low-income households. The final sample consisted of 2,550 interviews conducted by landline phone and 1,455 interviews conducted by cell phone, including 637 in households with no land-line phone. The survey was a twenty-five-minute telephone interview administered in English or Spanish. In this study we restricted the analysis to a sample of 3,033 adults ages 19-64 and 940 adults age 65 and older.

Provided by Commonwealth Fund

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