Successful Plan Design for Vulnerable Beneficiaries in Medicare

By:

Marsha Gold, Sc.D.
Senior Fellow
Mathematica Policy Research
May 24, 2005

Prepared for presentation to the World Congress Leadership Summit on Medicare to Transform Public and Private Alliances.
Key Topics of Interest

- Characteristics of elderly and disabled Medicare beneficiaries
- Educational challenges that stem from these characteristics
- Support needed by beneficiaries to negotiate under the MMA
- Product needs and opportunities
Sources of Information

- Knowledge from monitoring M+C (now MA) since 1999
- RWJF funded national survey of Medicare beneficiaries in 2000 that oversampled vulnerable Medicare beneficiaries and focused on the perspectives on choice and sources of information (64 percent response rate)
- Insights on local community infrastructures and markets from six communities monitored between 1999-2003
- Analysis of selected provisions of the MMA of 2003 and their current status
Selected Vulnerable Subgroups of Medicare Beneficiaries, 2000

-Disabled under age 65: 12%
-Age 85 and older: 11%
-Fair/poor health: 36%
-Needs help 1+ areas: 37%
-Less than high school: 26%
-African-American: 9%
-Other races: 5%
-Hispanic: 4%
-$20,000 income or less: 60%

Source: MPR Survey of Medicare Beneficiaries, 2000
### Disabled Versus Elderly Medicare Beneficiaries: Selected Characteristics

<table>
<thead>
<tr>
<th>Percent With Characteristic</th>
<th>Disabled</th>
<th>Aged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school education</td>
<td>36%</td>
<td>25%</td>
</tr>
<tr>
<td>$10 income or less</td>
<td>43%</td>
<td>24%</td>
</tr>
<tr>
<td>Non-White</td>
<td>25%</td>
<td>12%</td>
</tr>
<tr>
<td>Female</td>
<td>43%</td>
<td>62%</td>
</tr>
<tr>
<td>Fair/poor health status</td>
<td>62%</td>
<td>33%</td>
</tr>
<tr>
<td>Needs help with personal care, routine needs or has condition that interferes with independence</td>
<td>32%</td>
<td>27%</td>
</tr>
<tr>
<td>Any of three</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>All of three</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: MPR Survey of Medicare Beneficiaries for RWJF, 2000
## Percent with Specific Characteristics that Affect Information Gathering or Processing

<table>
<thead>
<tr>
<th>Percent Answering “Yes” to Specified Item</th>
<th>All Beneficiaries</th>
<th>Under 65</th>
<th>65-84</th>
<th>85+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blind or vision poor with glasses</td>
<td>12</td>
<td>19</td>
<td>9</td>
<td>22</td>
</tr>
<tr>
<td>Deaf or poor hearing with hearing aid</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>22</td>
</tr>
<tr>
<td>Difficulty reading&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newspaper</td>
<td>16</td>
<td>47</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>Directions for taking medicine</td>
<td>12</td>
<td>22</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>Health provider notes</td>
<td>37</td>
<td>69</td>
<td>27</td>
<td>60</td>
</tr>
<tr>
<td>Food package labels</td>
<td>18</td>
<td>39</td>
<td>11</td>
<td>31</td>
</tr>
<tr>
<td>Recipes</td>
<td>17</td>
<td>44</td>
<td>11</td>
<td>23</td>
</tr>
<tr>
<td>Books</td>
<td>18</td>
<td>50</td>
<td>11</td>
<td>20</td>
</tr>
<tr>
<td>At least on of above</td>
<td>41</td>
<td>72</td>
<td>32</td>
<td>58</td>
</tr>
<tr>
<td>Three or more of above</td>
<td>17</td>
<td>45</td>
<td>11</td>
<td>24</td>
</tr>
<tr>
<td>Needs proxy to answer all or most of survey</td>
<td>15</td>
<td>16</td>
<td>12</td>
<td>35</td>
</tr>
<tr>
<td>Language other than English spoken at home most of the time</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spanish</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>English/Spanish equally</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Other non-English</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>--</td>
</tr>
<tr>
<td>Ever used the Internet</td>
<td>19</td>
<td>23</td>
<td>18</td>
<td>16</td>
</tr>
<tr>
<td>Number of beneficiaries (in millions)</td>
<td>34.2</td>
<td>4.2</td>
<td>26.3</td>
<td>3.7</td>
</tr>
</tbody>
</table>


<sup>a</sup>Asked only of those who had not graduated from high school or had some college; excludes those with visual impairities
Older People May Make Decisions Differently Than Younger Adults

- Review less information
- Eliminate choices more quickly
- Use set rules of decision-making
- Use references to prior life experiences

Source: Stevens “How Seniors Learn” Center for Medicare Education.
In Communicating with Older Adults

- Know your audience
- Limit your messages
- Draw on prior experiences
- Use stories
- Be concrete

Source: Stevens “How Seniors Learn” Center for Medicare Education.
Areas of Concern for Beneficiary Education

- Choosing among Medicare options
- Negotiating the health care system and provider network
- Achieving good outcomes
Plan Choice: Choice Historically Not Very Salient

- Never thought about it: 44%
- When first became Medicare eligible: 14%
- Two years or more ago: 20%
- Past year before September 15, 1999: 8%
- Since September 15, 1999: 15%


Note: Response to a question on when the beneficiary last thought about choice of Medicare HMO or other supplemental coverage.
Beneficiaries Want Access and Trade-Off Choice Against Benefits/Price

If sick, can get care: 63%
Choice of personal doctor: 49%
Prescription drug coverage: 49%
Keeping premiums down: 47%
Low out-of-pocket costs: 45%
Ability to self-refer to specialists: 44%
Easily get care away from home: 40%
Limited paperwork: 39%


Note: Percent saying the factor would be “extremely important” if they were choosing a health plan today.
Beneficiaries Rely Mainly on Informal Sources for Information


Note: Percent saying source was “most important source” in making choices, individuals for whom choice was salient in 2005.
Medicare and MMA’s Structures Complicate Burden of Choice

- Affected by supplements available (Medigap, group, Medicaid)
- Vary by geography
- Could involve three plans or more (Medicare, PDP, Medigap)
- Those choosing MA could have local, regional options with intramarket variability
- Those wanting to stay in traditional Medicare considering Part D could have 10+ PDP choice
What Medicare is Doing to Support Choice

- Medicare and You handbook
- 1-800-MEDICARE HELP-LINE
- Funding for localized personal assistance with choice through State Health Insurance Assistance Programs (SHIPs)
- Medicare.gov website

Source: CMS
What Medicare is Doing to Support Choice (continued)

- Regional office partnerships with local organizations to reach low-income beneficiaries (REACH Campaign)
- CMS partnership with other agencies, providers
- Multi-pronged approach—will it be enough?

Source: CMS
Negotiating the Care System and Improving Care

- There is no “average” Medicare beneficiary
- Use and needs vary dramatically
- Prior care patterns may be well established
- Team based care important, especially for those with greatest need
Negotiating the Care System and Improving Care (continued)

- Spouse/family interaction may be part of beneficiary care and informal systems of support critical

- Links between medical and community services important for some but often not covered

- Community resources available highly variable across communities
Medicare Beneficiaries Experience with Private Health Plans

- Most beneficiaries get their care through contact with individual providers.

- Experience with “managed care rules” (network, referrals, prior approval) may be limited, particularly for older beneficiaries and those without employer group supplement.

- Opportunities to improve quality and coordination are potentially extensive.
The “Specialized Health Plan” Option

- Dual eligible
- Institutionalized
- Other subgroups of beneficiaries with severe chronic or disabling conditions
Sources of Information

- www.cms.hhs.gov
- www.futureofaging.org
- www.improvingchroniccare.org
- www.Mathematica-MPR.com
- www.aarp.gov
- www.kff.org