

What Does an Individual Medicare Buy-In Mean?

A Medicare buy-in program would allow individuals—either all individuals or restricted by age (50-64 year olds)—not otherwise entitled to Medicare to enroll by paying a premium for coverage that builds on Medicare benefits, provider networks, and/or payment rates.

Key Design Decisions

The impact of a Medicare buy-in program depends on participation among the eligible population, which in turn is a function of programmatic design decisions. These design features include:



Eligibility Criteria



Premium Levels



Cost-Sharing and Premium Assistance

Individual Buy-In Scenario

Eligibility	Age-restricted (50-64) Expanded: All individuals
Benefits and cost sharing	Current Medicare benefit and cost-sharing structure (Parts A, B, and D combined) Choice of traditional Medicare or Medicare Advantage plan
Payment rates	Providers would be paid current Medicare rates (or Medicare rates plus a percentage)
Risk pool and premiums	Buy-in risk pool is separate from both Medicare and ACA individual market risk pools Premiums are self-supporting
Premium and cost-sharing assistance	No assistance programs, or Assistance based on Medicare or the ACA exchanges

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Potential Impacts of a Medicare Buy-In Program

Policy goal	Buy-in program impacts
Expand coverage	<p>If eligibility were restricted by age (to older adults), a Medicare buy-in would likely have a limited impact on reducing the overall national uninsured rate.</p> <p>The broader the eligibility criteria, the greater the impact would be on reducing the number of uninsured.</p>
Improve access to care	<p>Individuals who were previously covered by insurance with narrow networks or were uninsured would likely have better access to care.</p> <p>A program with limited eligibility would likely have broad access to providers, but with large enrollment, provider revenue impacts are amplified and enrollees may have a narrower provider network than in the current Medicare program.</p> <p>Buy-in enrollees might have less access to specialists serving younger populations.</p>
Increase affordability	<p>The use of lower provider payment rates could lead to lower buy-in premiums with more comprehensive coverage, which could lower out-of-pocket costs.</p> <p>Under a buy-in program with Medicare financial assistance, individuals eligible for ACA premium and cost-sharing assistance may have less comprehensive coverage.</p>
Contain costs	<p>The use of Medicare payment rates for a larger share of the population could reduce national health expenditure to a greater extent than any associated increase in service use, presuming that most new enrollees were formerly covered by a private plan and that relatively few were uninsured.</p>
Increase choice	<p>All who are in the designated buy-in eligibility group would have increased choice of coverage options.</p> <p>For individuals choosing Parts A, B, and D, provider choice would increase because of no network restrictions; for individuals switching from a restrictive provider plan to MA, provider choice would also increase.</p>
Improve equity	<p>Depending on design features such as cost-sharing and premium assistance, a buy-in could be helpful in providing affordable coverage to lower-income persons, including individuals in states that chose not to expand Medicaid.</p>
Increase administrative simplicity	<p>A Medicare buy-in would increase both choice and administrative complexity for eligible individuals.</p> <p>It would not affect the administrative burden for providers.</p> <p>There would be a burden on the federal government to administer the program.</p> <p>Insurer administrative burden would increase by having to submit multiple bids in MA, a Medicare buy-in, and the ACA individual market.</p>