What Do Beneficiaries Want From Medicare

Andrew Scholnick
Senior Legislative Representative

NASI Symposium
April 23, 2015
Beneficiary Perceptions vs. Medicare Realities
Affordable Coverage vs. Existing Cost-sharing

<table>
<thead>
<tr>
<th></th>
<th>Median</th>
<th>Mean</th>
<th>Top 10 percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All Beneficiaries</strong></td>
<td>$3,324</td>
<td>$4,451</td>
<td>$8,030</td>
</tr>
<tr>
<td><strong>Excellent/Very Good Health</strong></td>
<td>$3,321</td>
<td>$3,993</td>
<td>$7,208</td>
</tr>
<tr>
<td><strong>Good Health</strong></td>
<td>$3,439</td>
<td>$4,487</td>
<td>$7,797</td>
</tr>
<tr>
<td><strong>Fair Health</strong></td>
<td>$3,047</td>
<td>$5,034</td>
<td>$9,421</td>
</tr>
<tr>
<td><strong>Poor Health</strong></td>
<td>$3,253</td>
<td>$5,494</td>
<td>$11,812</td>
</tr>
</tbody>
</table>

2010 MCBS data. Costs include Medicare premiums, supplemental premiums, and spending on Medicare and non-Medicare covered services.
# Affordable Coverage vs. Existing Cost-sharing

**Medicare Part A, Part B and Part D Deductibles, Coinsurance, and Premium Amounts**

<table>
<thead>
<tr>
<th>Part A</th>
<th>Part B</th>
<th>Part D</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Hospital Inpatient, Skilled Nursing &amp; Home Health)</td>
<td>(Hospital Outpatient Physician, Labs, Imaging)</td>
<td>(Outpatient Prescription Drugs)</td>
</tr>
<tr>
<td><strong>Deductible</strong></td>
<td>$1,260 per benefit period</td>
<td><strong>Deductible</strong></td>
</tr>
<tr>
<td><strong>Coinsurance</strong></td>
<td>$315 per day for the 61st to 90th day of each benefit period</td>
<td><strong>Coinsurance</strong></td>
</tr>
<tr>
<td></td>
<td>$630 per day for the 91st to 150th day of each benefit period</td>
<td><strong>Part B monthly premium</strong></td>
</tr>
<tr>
<td><strong>Skilled-nursing facility</strong></td>
<td>$157.50 per day for the 21st to 100th day of each benefit period</td>
<td><strong>Coverage Gap</strong> (&quot;Doughnut hole&quot;)</td>
</tr>
</tbody>
</table>

Confusion, Frustration, and Health Care Decisions
Causes of Confusion and Frustration

- No catastrophic coverage/out-of-pocket maximum
- Does not cover vision, dental, hearing aids, or long-term care
- Enrollment periods
- Distinguishing between Parts A, B, C, and D, and Medigap
- Roles of Federal government and private insurers, as well as suppliers, contractors, and state governments
- Overwhelming choices and information
- Terminology
Impact on Decision Making

• Around 30% of beneficiaries chose Part C Medicare Advantage plans
• Another 50% have Medigap or employer-sponsored supplemental coverage
• Medigap C & F plans are most popular
• Only 13% switch Part D drug plans each year
• Reliance on friends, family, and caregivers
Medicare Challenges Ahead
Can we make Medicare better?

- Benefit design and streamlining Parts A & B
- Expand coverage benefit
- Coordinated and patient-centered
- Make information user-friendly
Andrew Scholnick
AARP
Sr. Legislative Representative
ascholnick@aarp.org