

Demystifying Medicare: 2013 Summer Academy July 24, 2013

Stacy Sanders

Federal Policy Director

Susan (age 65) was recently hospitalized for a hip replacement and is now home recovering. On top of her monthly Medicare premiums, Susan is paying \$400 per month for anti-rejection drugs and physical therapy.

Susan's income totals **\$1,382** per month, and she has just over **\$13,000** in personal savings. Her modest income and assets make her ineligible for federal assistance programs to help pay for health care costs.

- ✤ <u>51 million</u> people with Medicare
- ✤ Half live on <u>\$22,500</u> or less
- ✤ Half have less than <u>\$77,500</u> in personal savings
- ✤ <u>4 in 10</u> with three or more chronic conditions
- ✤ <u>1 in 4</u> with a cognitive or mental impairment
- ✤ <u>1 in 4</u> live on \$14,000 or less

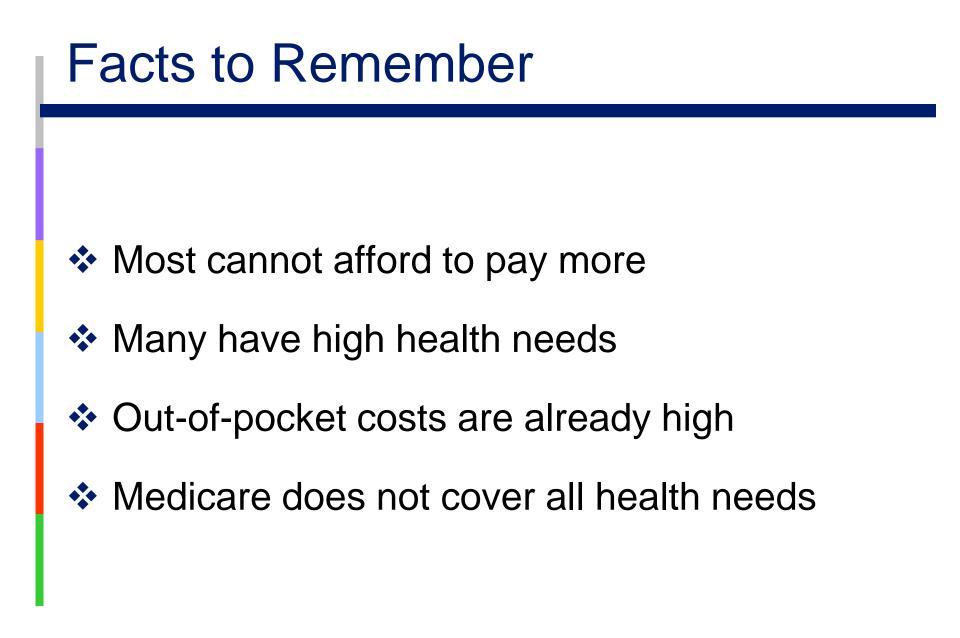
Average Medicare household spends <u>15%</u> of income on health care vs. <u>5%</u> among non-Medicare households

Spending on premiums is rising: <u>26%</u> of average Social Security benefit in 2010 vs. <u>6%</u> in 1970

- Medicare does not cover many long-term care needs and dental, vision or hearing services.
- ✤ Most (<u>72%</u>) enrolled in Traditional Medicare
 - Most with supplemental insurance to cover gaps
- Sizable share enrolled in Medicare Advantage
 (MA) plans—over one quarter (<u>28%</u>)

Common challenges facing our callers:

- 1. Difficulty affording health care costs
- 2. Denied prescribed treatments or medications
- 3. Help with enrollment



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