

Getting It Right: The importance of making an informed decision about Medicare

An AARP study of Hispanic American older adults' experiences with and knowledge of Medicare plans



When choosing a Medicare plan, Hispanic Americans ages 65 and older have two very different paths: some spend lots of time consuming relevant information before making a selection; others do not have this luxury and may rush into a decision they later change. With more accessible, credible information at their fingertips, Hispanic Americans may make the best choice for them right out of the gate.

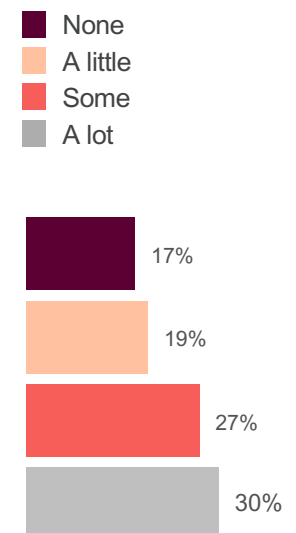
Hispanic Americans need more time and support to make the best Medicare plan selection

Before enrolling in Medicare, nearly one-half of Hispanic Americans ages 65 and older (46%) received health insurance through their employer, and roughly three in ten did so through the Health Insurance Marketplace (10%), their spouse's employer (9%) or a plan purchased directly from a health insurance company (8%). Once eligible for Medicare and on their own to determine their future health care coverage, most Hispanic Americans ages 65 and older spent time exploring the differences and features of different Medicare plans. However, time spent on this decision increases with income as those with lower incomes (24% less than \$25,000; 17% \$25,000 – \$54,999) report that they did not put any effort into learning about the different types of plans, perhaps because of a lack of awareness or access to credible materials in Spanish. In contrast, those with higher incomes said they spent a great deal of time investigating their options (53% \$75,000+; 36% \$55,000 – 74,999).



Time and effort spent evaluating different Medicare plans

Among total respondents



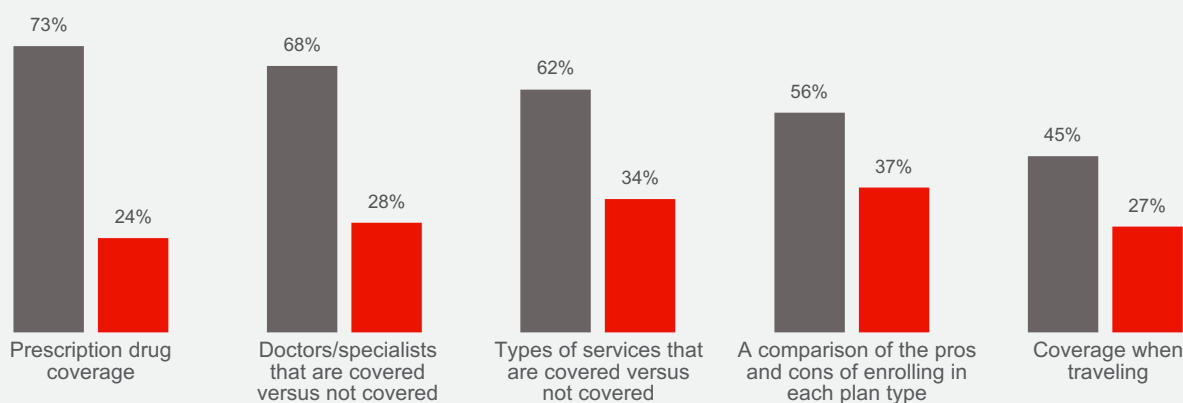
In their research, Hispanic Americans ages 65 and older found it difficult to find information about general pros and cons of each plan (37%), types of services which are covered or not covered under each plan (34%), doctors or specialists who are covered or not covered (28%), coverage when traveling (27%) and which prescriptions are covered (24%).



Easy or difficulty of finding helpful information

Among total respondents

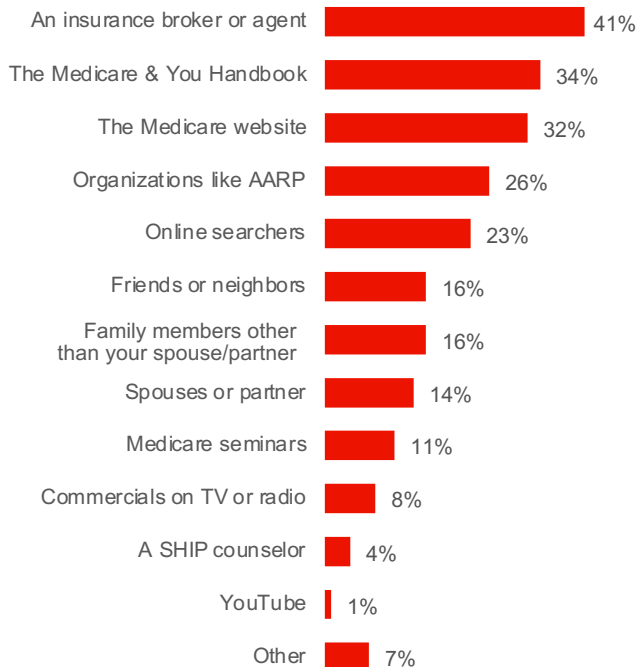
■ Easy ■ Difficult



Four in ten (41%) Hispanic Americans ages 65 and older relied on an insurance broker to provide information on Medicare plans and options, while one-third referred to the Medicare & You handbook (34%) or the Medicare website (32%). However, three-quarters of Hispanic Americans ages 65 and older trust their doctor (77%) and the Social Security Administration (75%) to give them accurate, credible information. Once the information on Medicare was found, majorities felt it was fairly easy to learn and understand the nuances of different plans available to them.

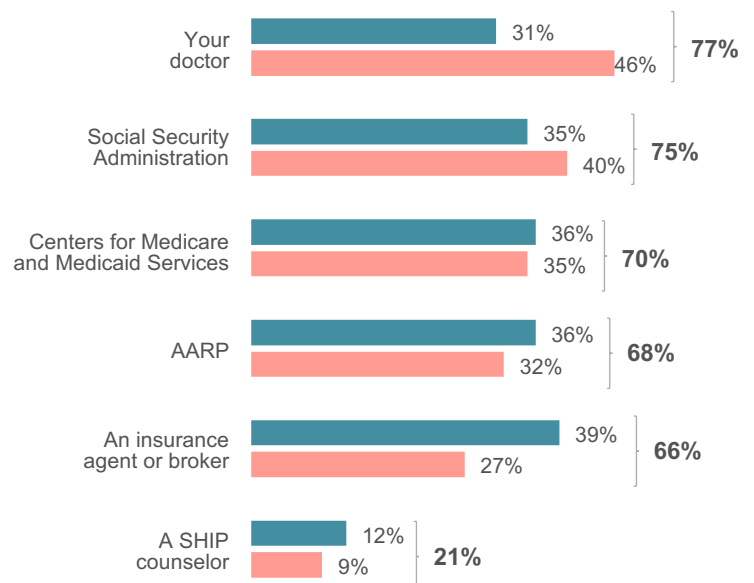


Sources of information on Medicare plans and options Among total respondents



Trustworthy sources of information on Medicare Among total respondents

■ Somewhat trustworthy ■ Very trustworthy





Original Medicare is sometimes called Traditional Medicare, the 80/20 plan, or Fee-for-Service Medicare; supplemental plans are sometimes called a Medigap plan.

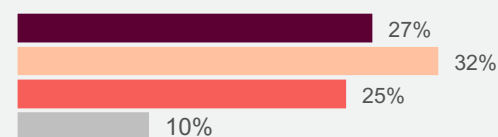
Medicare Advantage is the most popular selection for Hispanic Americans ages 65 and older—whether it is their initial choice or a later selection

While nearly three-quarters of Hispanic Americans ages 65 and older (71%) considered an Original Medicare plan with a supplement, fewer than half as many (32%) ultimately chose it. A similar pattern is observed for Original Medicare plans without a supplement (39% considered, 19% selected). Four in ten (41%) said they considered Medicare Advantage, yet the selection rate is far higher than the other plans, with as many who considered it selecting it (44%). Each plan has advantages and disadvantages, depending on a person's needs. However, in general, the biggest barrier to selecting an Original Medicare plan with a supplement was its cost (31%). For Original Medicare plans without a supplement, concerns about coverage were paramount (67%).

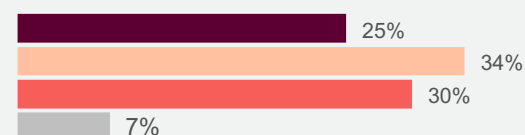
Ease or difficulty of learning about . . .

Among total respondents

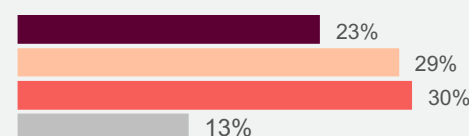
- Very easy
- Somewhat easy
- Somewhat difficult
- Very difficult



Deciding between enrolling in a Medicare Advantage plan or Original Medicare with or without a supplement



The details of Medicare part A and Part B

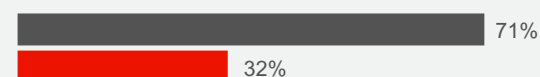


The additional coverage options that help pay for things Medicare does not cover

Medicare plan considerations and selections

Among total respondents

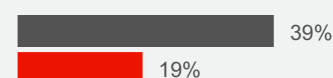
- Considered
- Enrolled



Original Medicare with a supplement



Medicare Advantage



Original Medicare without a supplement

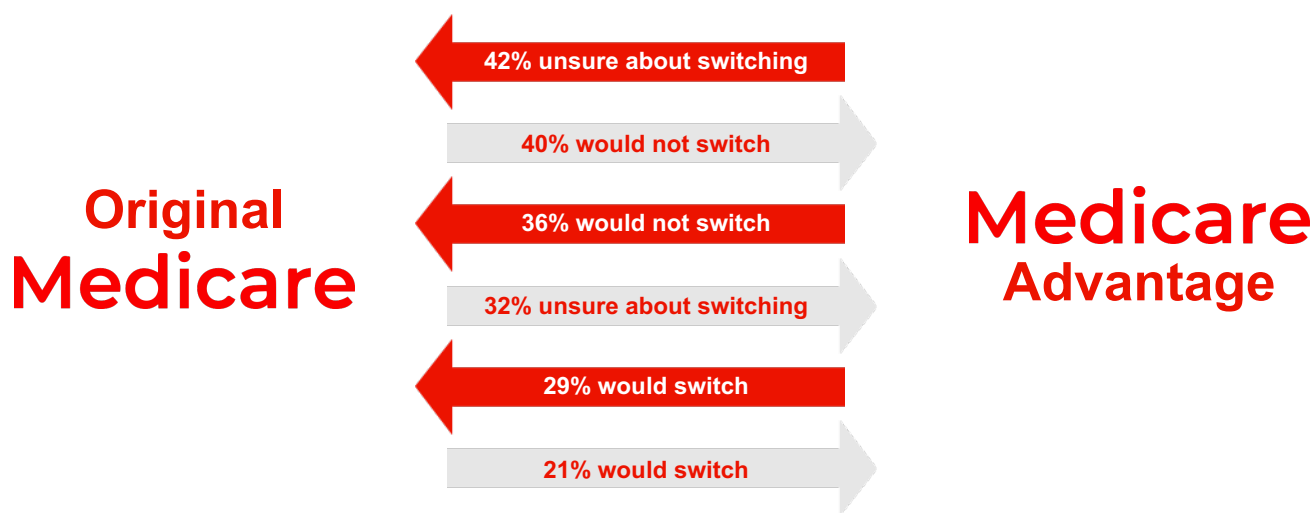
Ultimately, one-half of Hispanic Americans ages 65 and older (50%) believe they had enough information to decide, although more than one-quarter (28%) were less confident and one in six (17%) were not confident at all with their selection. This uncertainty is evident as nearly one-half (46%) said they have already switched from their original selection to a Medicare Advantage plan, the plan two-thirds (67%) of Hispanic Americans ages 65 and older hold. One-third (34%) of Hispanic Americans in this age group enrolled in an Original Medicare plan (25% with supplement, 8% without supplement) and nearly three-quarters (73%) have a supplemental plan that helps cover copayments, coinsurance and deductibles, which Original Medicare plans don't cover.

Nearly all Hispanic Americans ages 65 and older are pleased (94%) with their current Medicare plan selection.

Once Hispanic Americans select a Medicare Advantage plan, they are more likely than not to stick with it

Majorities of Hispanic Americans ages 65 and older report comparing costs and coverages of different plans at least every few years (85% Original Medicare with supplement; 74% Medicare Advantage), with a majority doing so annually (67% Original Medicare with supplement; 55% Medicare Advantage). More so than the Medicare plan itself, majorities of Hispanic Americans ages 65 and older (85%) explore and compare Part D prescription drug plans and have made some type of switch (55%).

When thinking about moving from an Original Medicare to a Medicare Advantage plan, roughly three in ten are unsure (32%) or would make the change (29%), while four in ten would stay with their current plan (40%). While a plurality is not sure if they'll ever make a switch from a Medicare Advantage plan to an Original Medicare plan (42%), more than one-third (36%) don't see this happening while one in five (21%) do. Perhaps this is because, of those with a Medicare Advantage plan, two-thirds (66%) feel it will continue to meet their needs into the future, although one-fifth (23%) are unsure and one-tenth (11%) don't think it will. Interestingly, the more money a person earns, the more likely they say they will be to stick with a Medicare Advantage plan (58% less than \$25,000; 61% \$25,000–\$54,999; 81% \$55,000–\$74,999, 81% \$75,000 or more).



Implications

Special attention should be paid on how to target and educate lower income Hispanic Americans ages 65 and older on the differences between Medicare plans, both initially and when the window to make changes comes around. Reaching out to them in places they regularly visit — workplaces, religious centers or community centers — may be effective. Educational sessions where questions can be answered freely and in preferred language(s) would also be helpful.

Given the large shift to Medicare Advantage plans after having initially selecting a different plan, increased efforts need to be made to help Hispanic Americans ages 65 and older find general pros and cons of each plan, including differences in coverage across services, doctors or specialists and prescriptions. Uncertainty (or dissatisfaction) with one's initial choice could be attributed to a lack of accessibility of available resources, either from a linguistic standpoint or from confusion on where to look for information.



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