

Do Your Homework: Researching, selecting and reevaluating Medicare plans

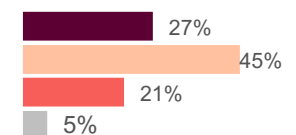
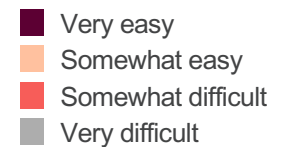
An AARP study of Black/African American older adults' experiences with and knowledge of Medicare plans

Turning 65 can bring a lot of change—possible retirement, recent empty nests and Medicare eligibility. For most people, health care plan options have been limited at best, so to now be faced with a myriad of plans from which to choose can be paralyzing. Fortunately, most Black/African Americans ages 65 and older have found ways to navigate the Medicare waters and land on a plan that meets their current needs.

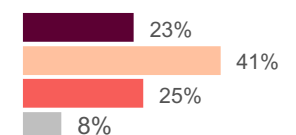
Shopping for Medicare plans can be a daunting but important task

Prior to turning 65, Black/African Americans had health care through their employer (44%) or purchased it either through HealthCare.gov (16%) or directly from a health insurance company (12%). When the time came to enroll in Medicare, a majority (56%) spent at least some time comparing the features of Original Medicare with a supplement, Original Medicare without a supplement and Medicare Advantage plans. However, one-fifth (20%) did not explore this at all and more than one-third (35%) said it was difficult to find a comparison of the pros and cons of enrolling in each plan type. A majority found it somewhat (45%) or very (27%) easy to understand the details of Medicare Part A and Medicare Part B, although slightly fewer felt the same way about learning the differences between enrolling in a Medicare Advantage plan or Original Medicare plan with or without supplement (41% somewhat easy, 23% very easy). More challenging yet was understanding the additional coverage options that can help pay for things Medicare does not include (22% very easy, 35% somewhat easy).

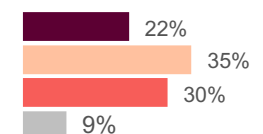
Ease or difficulty of learning about . . . *Among total respondents*



The details of Medicare part A and Part B



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



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

By the time Black/African Americans 65 and older needed to decide on what type of plan in which to enroll, a majority (56%) felt they had enough information and eight in ten (82%) were at least somewhat familiar with the differences between Original Medicare and Medicare Advantage plans.

Medicare Advantage is the preferred plan for Black/African Americans ages 65 and older

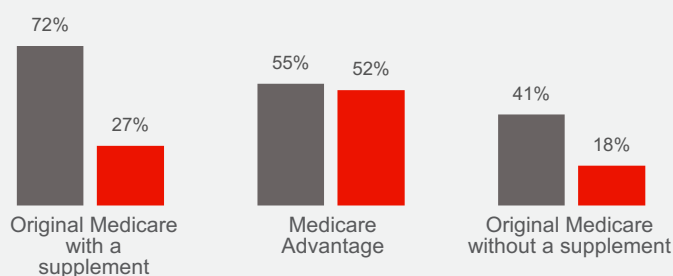
Nearly three in ten Black/African Americans ages 65 and older who considered enrolling in Original Medicare with a supplement ultimately enrolled in this type of plan (72% considered, 27% enrolled), while roughly the same number of those who explored Medicare Advantage chose it (55% considered, 52% enrolled). While far fewer ever considered an Original Medicare plan without a supplement, about one half of those who considered it eventually selected it (41% considered, 18% enrolled).

More than eight in ten (83%) believe they made the right decision, although those who more recently made the choice — those ages 65 – 69 — are less confident (15%, compared to 5% of those 70 and older). It is possible the longer one uses a plan, the more advantages he or she sees in their selection, thus explaining those who are older being more satisfied with their choice.



Medicare plan considerations and selections
Among total respondents

■ Considered ■ Enrolled



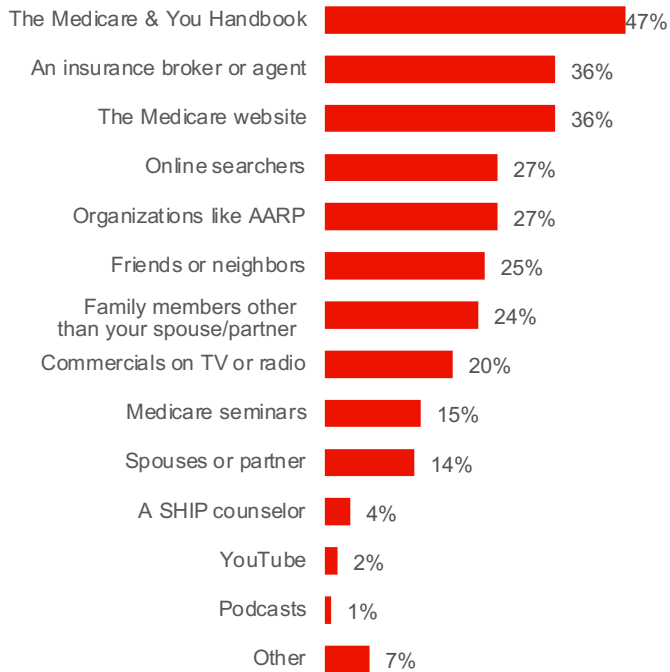
97% *Black/African Americans ages 65 and older are aware of Open Enrollment.*

Continuing to make an informed choice regarding Medicare plans and supplements is extremely important

Just because Black/African Americans ages 65 and older have chosen a plan, it doesn't mean they're stuck with it forever. Three-quarters (77%) shop around for new plans, a majority doing so every year for Medicare Advantage plans (65%) or Plan D drug plans (51%). When considering alternative plans and options, nearly one-half (47%) of Black/African Americans ages 65 and older rely on The Medicare & You Handbook, followed by an insurance broker or agent (36%) and the Medicare website (36%). Online searches (27%), organizations like AARP (27%) and word of mouth from friends or neighbors (25%) and family members (24%) are also common sources of information. The Social Security Administration (84%), Centers for Medicare and Medicaid Services (81%) and doctors (81%) are the most trusted sources of Medicare information.

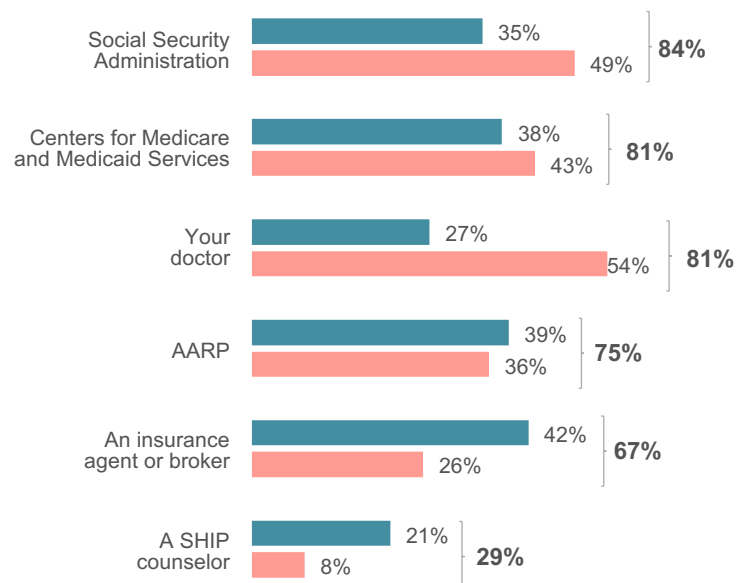


Sources of information on Medicare plans and options Among total respondents



Trustworthy sources of information on Medicare Among total respondents

■ Somewhat trustworthy ■ Very trustworthy



Interestingly, nearly all Black/African Americans ages 65 and older are satisfied (97%) with their current plan. However, not all are sure their future needs will be met. Of those with a Medicare Advantage plan, nearly three-quarters (73%) feel they will be well served with this choice, but one-fifth (21%) are not sure, and six percent do not think they will be, particularly those earning \$75,000 or more (15%). Those currently enrolled in Medicare Advantage are more likely to stay with it than switch to an Original Medicare plan (53%), even if their health insurance needs change in the future; four in ten (41%) say the same of switching from an Original Medicare plan to Medicare Advantage. Nearly three in ten Black/African Americans ages 65 and older (29% on an Original Medicare plan, 28% on an Advantage plan) are not sure they'd ever make such a change, a signal they may need additional information to help them decide if or when the time comes.

Implications

Given the high number of Black/African Americans ages 65 and older who investigated an Original Medicare plan with a supplement but ultimately opted for a different plan, it would be important to understand the barriers to selecting this type of plan. Furthermore, those who selected an Original Medicare plan are slightly more open to switching to Medicare Advantage in the future, suggesting that this plan isn't meeting their changing needs.

Since the Medicare & You handbook, Centers for Medicare and Medicaid Services and doctors are highly sought after sources of Medicare information for Black/African Americans ages 65 and older, each information source should address concerns unique to this community. For example, with Black/African Americans at higher risk for heart disease, cancer, asthma and diabetes,¹ if one plan, supplement or Part D covers more medications, treatment or screenings relevant to these conditions, the resources on which this community relies should clearly state this to help each person make an informed decision.

Black/African Americans ages 70 and older are much more likely to feel confident in their Medicare plan selection than their younger counterparts. Reasons for this confidence should be explored, with findings incorporated into new materials to aid in decision-making. If older Medicare recipients share about how each plan works in practice instead of just on paper, those weighing their options may likely find great value in that insight.

¹ "Black/African American Health." Office of Minority Health. Accessed 23 Oct. 2023.



For more information, Teresa A. Keenan at tkeen@aarp.org
For media inquiries, contact media@aarp.org.