



## Choosing a Medicare Plan: It's Complicated

2022 AARP Focus Groups on Medicare Enrollment

### ABOUT THIS STUDY

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In August of 2022, AARP sponsored qualitative research to learn more about how U.S. adults ages 64 and older make decisions about enrolling in either Original Medicare (OM) or Medicare Advantage (MA). The purpose of this research was to evaluate how well Medicare beneficiaries understand the differences between Original Medicare and Medicare Advantage, what factors affect their enrollment choices, and how satisfied they are with their selection. On behalf of AARP, ANR Market Research Consultants held ten virtual focus groups, eight with current Medicare beneficiaries and two with “coming-of-agers”—adults aged 64 who were on the cusp of Medicare enrollment. Given the small number of individuals who participated in the focus groups (n=78), these findings are directional and should not be generalized to the national population.

### KEY INSIGHTS

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**Lack of clarity on enrollment choices.** Few Medicare enrollees approached the enrollment decision knowing that they needed to decide between Original Medicare and Medicare Advantage. Instead, most had basic information from their family members, friends, and broker/agents which led them to pick one type of coverage without their knowing there were trade-offs between the types of coverage.

**Social support and demographic characteristics matter.** Many factors contributed to how individuals made enrollment decisions, including enrollees’ demographic profiles (e.g., their income, educational level, and region of the country where they lived), the type of health care coverage they had prior to turning 65 years of age, and the sources from whom they received information about the Medicare program. For some, health status or experience with Medicaid also affected their choice.

**Little awareness of future options.** Few reported ever having considered switching between Original Medicare and Medicare Advantage, even though many Medicare Advantage beneficiaries said they review their plans each year, and some Original Medicare beneficiaries noted that they review their Part D prescription drug plan

options each year. It does not seem that beneficiaries know that comparing between Original Medicare and Medicare Advantage is an important process.

**Little effect of experience with program on views.** Based on the focus groups discussion, there was little evidence of significant change in perceptions due to beneficiaries’ experience with the Medicare program. A few with Original Medicare were intrigued by the lure of extra benefits through Medicare Advantage plans but did not think a switch would make sense for them. Some thought it would be better for them to have Original Medicare later in life when people tend to have more health problems, but no one realized that moving from a Medicare Advantage plan to Original Medicare could be problematic.

**High satisfaction with current choice.** Medicare beneficiaries appear to have a strong grasp on the benefits of their current coverage and are mostly pleased with what they have. As a result, considering switching from one type of coverage to the other is rare. Coming-of-agers seemed unaware of the choice between enrolling in Original Medicare or Medicare Advantage; their focus was solely on selecting one or the other and doing so in a timely fashion.

## DETAILED FINDINGS

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### Original Medicare

#### **Cost, Simplicity, and Freedom of Choice Drives Satisfaction Among Those with Original Medicare.**

Most recently enrolled Original Medicare beneficiaries said they value the ability to see any doctor and the perceived lower cost of their Medicare when compared to their prior (more expensive) employer-sponsored plans. The ease and simplicity associated with an Original Medicare plan is also very appealing to them, with many saying they liked arriving for their medical appointments and not having to worry about high co-pays or paperwork.

Most experienced Original Medicare beneficiaries noted that there is no need for referrals to specialists, so they have the freedom and flexibility to see any specialist of their choosing.

***"I would say that the thing I like the most about Medicare is that I have the freedom to go to any doctor or any kind of specialist that I want without having to get permission from someone."***

**A Wide Variety of Factors Influenced the Choice of Original Medicare.** Common factors that prompted individuals to choose Original Medicare over Medicare Advantage included cost and coverage, overall perceived simplicity, and the freedom of choice of doctors/the ability to keep their current doctors. Recommendations and advice from friends and family members also played a role in decision-making.

***"I think what was important back then, it still is today, cost and coverage."***

#### **Selecting the Right Coverage Can Be**

**Challenging...and Time Consuming.** Many Original Medicare beneficiaries said figuring out the best coverage for them was the most challenging part of their decision-making process. For example, they had questions around what happens with their coverage when travelling, which types of medical services are covered and not covered, and whether their preferred doctors accepted Medicare payments, depending on the selected plan. For those who said the process was time consuming, many were irritated by the numerous unsolicited phone calls and mailings they received.

***"I didn't find it difficult. It was just time consuming, but not difficult. I had the time. I was not working, so I had the time."***

Based on comments during the groups, it seems that experienced Original Medicare beneficiaries may have put more time and effort into researching coverage options when they first signed up but have spent less time assessing their coverage options in subsequent years.

#### **Original Medicare Beneficiaries Are Happy with Their Current Coverage.**

Most Original Medicare beneficiaries, regardless of their length of enrollment, said they are generally happy with their coverage and are not thinking of switching to a Medicare Advantage plan. A few commented, however, that they liked having the option to switch in the future should their needs change.

### Medicare Advantage

#### **The Appeal of Medicare Advantage Plans Is**

**Perceived Lower Cost and Extra Benefits.** Those with Medicare Advantage plans most frequently mentioned a wide range of coverage and benefits, particularly the inclusion of dental and vision coverage. Many said they liked low or no cost premiums or co-pays. Some noted the ability to keep their own doctors—that is, those who were in-network—while others stressed the ease of use.

### **When Choosing, Cost, Benefits, and Keeping Their Doctor Is Most Important to Medicare Advantage Enrollees.**

Many factors affected individuals' Medicare Advantage plan selection, with overall coverage most cited. Coverage benefits, such as prescription coverage and full dental coverage, were also mentioned by many with Medicare Advantage plans. Others stressed the ability to keep their current, in-network doctors as an important factor in their decision.

*"Mine was trying to decide which of the benefits that were being offered meant the most to me. Some of them offered the vision, some didn't. Some the prescription drugs are different. It's really evaluating the different programs to see which one would cost me less in the long run."*

### **Becoming Familiar with Coverage Options Was Most Challenging.**

Familiarizing themselves with all the parts of Medicare and the related coverage options was the most difficult part of the process for many of those with Medicare Advantage plans. Determining how coverage works, reading through all the resources provided, selecting the factors and benefits that mattered most to them, and then comparing options were all noted as challenging aspects of their enrollment decision. There were also a few people who expressed confusion around their prescription drug coverage. Notably, a few said there was nothing that was challenging or difficult for them, although they still put time and effort into studying the necessary materials.

### **Those With Medicare Advantage Plans Are Generally Satisfied.**

Most said they are generally satisfied with their current plan and have no major complaints. They saw their coverage as sufficient for their needs and liked that it is "all in one." Those with complaints pointed to what they saw as insufficient dental coverage or the cost of their prescription drugs.

### **Coming-of-Agers**

#### **Coming-of-Agers Are Looking Forward to Lower**

**Costs.** Many Coming-of-agers (COAs) said the financial aspect is what they are most looking forward to about their upcoming Medicare enrollment decision. In comparison to their previous employer-sponsored insurance plans or marketplace plans, they are anticipating lower overall costs, lower deductibles, lower co-pays, and saving money in general.

A wider range of qualifying doctors, and freedom of choice in doctors, including across the country, were mentioned by some participants as appealing aspects of Medicare. A few participants said they are looking forward to the comfort and stability that comes with a Medicare plan once they retire.

*"Lower deductibles or no deductibles... I'm looking forward to ditching the high deductibles."*

#### **Coming-of-Agers Feel the Pressure of Choosing the Best Option.**

The pressure and confusion of both researching and choosing the best plan is a common concern for COAs. Many expressed worry that they might select a plan that is not the most appropriate or advantageous for them. One participant described having multiple options as a good and bad situation—it is great to have the freedom of multiple options available, but it is difficult to know which is the "best" one to select. Others stressed that they do not feel as if they know enough about the decision-making process yet to even describe their issues and dislikes related to it.

#### **Wanting to Keep Their Current Doctor is a Key**

**Consideration for Coming-of-Agers.** For many, a very important factor they consider when evaluating Medicare options is staying with their current doctors. Specifically, many COAs worried about being forced to change doctors once enrolled in Medicare. Other factors and considerations that a few participants mentioned included access to specialists, questions regarding the integrity of the plan provider (i.e., insurance company), and choosing the best coverage configuration and plan for their individual needs.

## **Learning About Coverage is a Challenge -- COAs**

**Don't Know What They Don't Know.** For Coming-of-agers, the difficulty they mentioned most frequently when learning about Medicare is understanding coverage in general. Most referred to questions they have about which doctors and medications are covered versus those that are not covered, as well as specific details on associated costs. One participant expressed difficulty in choosing a provider, and another questioned the credibility of the information sources they were using to decide.

Based on comments during the groups, it seemed evident that many COAs lacked a basic understanding of the two general Medicare coverage options and the required choices regarding coverage configuration. There was typically little, if any, unaided discussion regarding the choice between Original Medicare (with or without a Medigap supplement) and Medicare Advantage. For many COAs, Medicare coverage options and configurations are clearly a case of "they don't know what they don't know."

## **IMPLICATIONS**

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**Simplify.** For both Coming-of-agers and more experienced Medicare beneficiaries, information such as the pros and cons of each plan type packaged in an easily-digestible way is critical to the decision making-process during both open enrollment and annual enrollment periods.

**Modify.** Develop new ways to emphasize the importance of getting an early start in thinking about – and researching - Medicare well in advance of turning 65. Real-life examples of situations in which beneficiaries needed “extra help” may be beneficial.

**Clarify.** Medicare is complicated and coverage can change from year to year so it's important to let beneficiaries know the importance reviewing their plan every year during Open Enrollment.

## FOCUS GROUP PARTICIPANT DEMOGRAPHICS

Characteristics		Audience Segment			Total (n=78)
		Original Medicare (n=31)	Medicare Advantage (n=31)	COA (n=16)	
Age	64:	-	-	16	16
	65-69:	15	16	-	31
	70-74:	11	9	-	20
	75-79:	5	6	-	11
Gender	Male:	16	14	7	37
	Female:	15	17	9	41
Race	African American/Black:	9	11	3	23
	Asian American:	2	2	-	4
	Other: Hispanic:	5	4	3	12
	Other: Multi Racial:	-	1	-	1
	White:	15	13	10	38
Ethnicity	Hispanic/Latino:	5	5	3	13
	Non-Hispanic/Latino:	26	26	13	65
Income	Less than \$25K:	3	7	3	13
	\$25-\$50K:	8	8	-	16
	\$50-\$75K:	7	9	6	22
	\$75-\$100K:	4	5	3	12
	\$100K-\$150k:	5	2	4	11
	\$150k+:	4	-	-	4
Education	High School Graduate or Equivalent:	1 11	3 16	- 4	4 31
	Some College or Technical School:	8 11	8 4	8 4	24 19
	College Grad:				
	Postgraduate:				
Region	Midwest:	6	3	3	12
	Northeast:	5	7	4	16
	South:	12	14	6	32
	West:	8	7	3	18
Geographic Area	Rural:	5	3	1	9
	Suburban:	15	15	9	39
	Urban:	11	13	6	30

## METHODOLOGY

ANR Market Research Consultants conducted ten virtual focus groups across three key audiences: 1) Coming-of-Agers (COAs) approaching Medicare decision-making (age 64), 2) recently enrolled Medicare beneficiaries, and 3) more experienced/older Medicare beneficiaries (defined as having been enrolled in Medicare between four and seven years). The eight (8) beneficiary groups were divided between Original Medicare and Medicare Advantage. Each focus group lasted approximately 90 minutes. *The goal of this qualitative research was to gather insights from COAs and beneficiaries regarding their decision-making process and experiences with Medicare. Findings should not be used to determine effect sizes or to generalize to the national population. Rather these findings enable better understanding of participants' attitudes, perceptions, feelings, experiences, and influences related to Medicare.*

For more information on the methodology, contact Teresa A. Keenan at 202-434-6274 or [tkeenana@aarp.org](mailto:tkeenana@aarp.org). For media inquiries, contact [media@aarp.org](mailto:media@aarp.org).

## ABOUT AARP

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AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering people 50 and older to choose how they live as they age. With a nationwide presence, AARP strengthens communities and advocates for what matters most to the more than 100 million Americans 50-plus and their families: health security, financial stability and personal fulfillment. AARP also produces the nation's largest circulation publications: AARP The Magazine and AARP Bulletin. To learn more, visit [www.aarp.org/about-aarp/](http://www.aarp.org/about-aarp/), [www.aarp.org/español](http://www.aarp.org/español) or follow [@AARP](#), [@AARPenEspañol](#) and [@AARPadvocates](#) on social media.

## ABOUT ANR MARKET RESEARCH CONSULTANTS

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