

Health Insurance Literacy and Older Adults

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@evardell



“I believe honor thy mother and father is not just a good commandment to live by, it is good public policy to govern by. That is why I feel so strongly about Medicare.”

-Barbara Mikulski



Presentation Outline

Overview of
Health Insurance
in the US

Medicare Basics

Literacy and
Other Concerns

Solutions to
Literacy Issues

Literacy-
Informed Sources

What can we do?

Health Insurance in the US

- Veterans Administration (VA) provides services to over 9 million Veterans (48.7% over the age of 65)
- Employer-sponsored insurance started in the 1940s
- Medicare created in 1965
- Affordable Care Act aimed to extend health care coverage to all in 2010



History of Medicare

- One of very few successful attempts at health care reform in the US
- Medicare focused on a politically sympathetic group
- People uninsured through no fault of their own (not eligible for ESI)
- People pay into the system
- At first, only covered catastrophic events, required high deductibles (leading to “Medigap” insurance)
- Same legislation created Medicaid



Medicare Facts

- Only truly national health care program in the US
- Helps more than 60 million seniors and people with disabilities
- ESI provided retiree health coverage to 3 in 10 (i.e., 30%) of traditional Medicare beneficiaries in 2016, expected to continue to drop
- Majority of individuals aged 65 and older obtain their health insurance coverage through Medicare



Medicare's Financial Strain

- High deductibles
- Cost-sharing requirements (e.g., coinsurance)
- Does not include coverage for many services sought by older individuals:
 - long-term services, dental services, eyeglasses, and hearing aids
- “Medigap” policies were created to fill this gap
 - Also called Medicare supplement insurance
 - Provided supplemental coverage for 29% of Medicare beneficiaries in 2016
 - Sold by private health insurance companies



Medicare Coverage: Parts A, B, C, and D

| | |
|--------|--|
| Part A | <ul style="list-style-type: none">• Most people ages 65 and over are entitled to Part A if they or their spouse are eligible for Social Security payments• Most people do not have to pay a premium for Part A if they paid payroll taxes for 10 or more years (these payroll taxes are the funding stream that keeps Part A “free” for beneficiaries)• Often described as hospital insurance to distinguish it from medical insurance (Part B)• Covers inpatient hospital stays, skilled nursing facility stays, some home health visits, and hospice care• Part A benefits are subject to a deductible and require coinsurance |
| Part B | <ul style="list-style-type: none">• Requires a monthly premium unless a beneficiary’s income is low enough to qualify for state assistance (most people pay a standard premium, \$144.60 in 2020)• Often referred to as medical insurance to distinguish it from hospital insurance (Part A)• Covers physician visits, diagnostic and lab tests, outpatient services, preventive services, outpatient mental health care, and some home health visits• Many Part B benefits are subject to a deductible and a coinsurance (typically 20 percent)• No coinsurance is charged for many annual wellness visits or preventive services |
| Part C | <ul style="list-style-type: none">• Referred to as the Medicare Advantage program• An optional program in which beneficiaries can enroll in a private health plan and receive all Medicare-covered Part A and Part B benefits and typically also Part D• Run by private insurance companies, who provide managed care primarily through health maintenance organizations (HMOs) or preferred provider organizations (PPOs)• As of 2018, 20 million beneficiaries enrolled in Medicare Advantage (i.e., 34% of all Medicare beneficiaries) |
| Part D | <ul style="list-style-type: none">• Outpatient prescription drug coverage through private plans that contract with Medicare• Optional coverage that requires paying additional premiums• Includes stand-alone prescription drug plans (PDPs) and Medicare Advantage plans with prescription drug coverage (MA-PDs)• For 2021 coverage, beneficiaries have an average choice of 60 Medicare Plans with Part D coverage (including 30 PDPs and 27 MA-PDs)• Part D coverage is the most recent Medicare program, having been initiated in 2006 |



Literacy and Other Concerns

Health Insurance Affordability Concerns among Older Adults

- 45% of respondents had little to no confidence in their **ability to afford health insurance in retirement**
 - which was linked to delaying or forgoing care due to cost concerns
 - Lower health insurance literacy and fair/poor health were associated factors
- “these results suggest that it may be possible to reduce health insurance affordability concerns and delayed/forgone care by improving adults’ confidence in understanding and using health insurance”

Measurements of Health Literacy in Seniors

- National Assessment of Adult Literacy surveyed 19,000 adults in 2003
- Adults aged 65 and older had lower average health literacy than adults in any other age group
 - For Medicare beneficiaries: 27% had below-basic health literacy and 30% had only basic health literacy skills

Literacy Concerns

- Health Insurance Literacy:
 - “the extent to which consumers can make informed purchase and use decisions”
 - “knowledge, ability, and confidence to effectively choose and use health insurance”

Literacy Concerns

- Health Insurance Literacy:
 - ✓ how to find a physician
 - ✓ fill a prescription
 - ✓ use and pay for medications
 - ✓ use a Health Savings Account (HSA)
 - ✓ use preventive services (mammograms, annual physical)

Health Disparities Connection



- 65 years or older
- ethnic minorities
- ESL individuals
- a lower socio-economic level
- lower health status
- lower levels of education
- younger Americans
- the uninsured

Kutner, M., Greenburg, E., Jin, Y., & Paulsen, C. (2006). *The health literacy of America's adults: Results from the 2003 National Assessment of Adult Literacy* (NCES 2006-483). Washington, DC: National Center for Education Statistics.

McCormack, L., Bann, C., Uhrig, J., Berkman, N., & Rudd, R. (2009). Health insurance literacy of older adults. *Journal of Consumer Affairs*, 43(2), 223–248.


Norton, M., Hamel, L. Brodie, M. (2014). *Assessing Americans' familiarity with health insurance terms and concepts*. Retrieved from Kaiser Family Foundation: <http://kff.org/health-reform/poll-finding/assessing-americans-familiarity-with-health-insurance-terms-and-concepts/>

What does that mean for Seniors?

- Lower levels of health insurance literacy 
 - may not have the skills necessary to:
 - navigate Medicare
 - select appropriate options for medical and financial needs
- Higher medical needs 
 - more frequent interactions within the health care system
 - increased reliance on those health insurance literacy skills for which there may be cognitive or other limitations

So what?

- Seniors may be lacking skills such as:
 - reading and understanding dense, prose texts
 - locating information in dense documents
 - locating less familiar quantitative information
 - integrating multiple pieces of information located in complex documents
 - using quantitative information to solve multi-step problems



Skills needed when
selecting Part D
coverage or
navigating health care
system

More Choices, More Problems

- Individuals must select from between 40 and 60 competing private insurers
- Policy makers originally assumed a wide range of insurance plans would benefit older consumers
- Research has shown the more options, the more difficult the choice
- “many seniors choose Medicare Part D plans offering poorer coverage at greater cost”
- Research shows most people perform at near chance levels

Barnes, Andrew J., Yaniv Hanoach, Stacey Wood, Pi-ju Liu, and Thomas Rice. “One Fish, Two Fish, Red Fish, Blue Fish: Effects of Price Frames, Brand Names, and Choice Set Size on Medicare Part D Insurance Plan Decisions.” *Medical Care Research and Review*, 69, no. 4 (2012): 460-473.

Johnson, Eric J., Ran Hassin Hassin, Tom Baker, Allison T. Bajger, and Galen Treuer. “Can Consumers make Affordable Care Affordable? The Value of Choice Architecture.” *PLOS ONE*, 8, no. 12 (2013): e81521.



Solutions to Literacy Issues

Medigap's Solution

- Medicare has standardized Medigap policies with a lettering system
 - Designed to make it easier to compare
 - An attempt to make it easier to understand?



MEDICARE SUPPLEMENT (MEDIGAP) STANDARDIZED PLANS - EFFECTIVE AFTER JAN.1, 2023

★ = POLICY COVERS 100% OF BENEFIT % = POLICY COVERS THAT PERCENTAGE BLANK = POLICY DOES NOT COVER THAT BENEFIT

| BENEFITS | MEDICARE SUPPLEMENT (MEDIGAP) PLANS | | | | | | | | | | | |
|--|-------------------------------------|---|----------------|---|----------------|-------------------|---|-------------------|----------------------------------|-----|---------|----------------|
| | A | B | C ⁴ | D | F ⁴ | HD-F ⁴ | G | HD-G ¹ | K | L | M | N ³ |
| Medicare Part A Coinsurance hospital costs up to an additional 365 days after Medicare benefits are used up. | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ |
| Medicare Part B Coinsurance or Co-Pay | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ | 50% | 75% | ★ | ★ |
| Blood (First 3 Pints) | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ | 50% | 75% | ★ | ★ |
| Part A Hospice Care Coinsurance or Co-Pay | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ | 50% | 75% | ★ | ★ |
| Skilled Nursing Facility Care Coinsurance | | | ★ | ★ | ★ | ★ | ★ | ★ | 50% | 75% | ★ | ★ |
| Medicare Part A Deductible: \$1,600 | | ★ | ★ | ★ | ★ | ★ | ★ | ★ | 50% | 75% | 50% | ★ |
| Medicare Part B Deductible: \$226 | | | ★ | | ★ | ★ | | | | | | |
| Medicare Part B Excess Charges | | | | | ★ | ★ | ★ | ★ | | | | |
| Foreign Travel Emergency (Up to Plan Limit) | | | ★ | ★ | ★ | ★ | ★ | ★ | | | ★ | ★ |
| Medicare Preventive Care Part B Coinsurance | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ |
| | | | | | | | | | OUT-OF-POCKET LIMIT ² | | | |
| | | | | | | | | | \$6,940 | | \$3,470 | |

FOOTNOTES:

¹ Plans F & G offers a high-deductible plan. If you choose this option, this means that you must pay for Medicare-covered costs up to the deductible amount of \$2,700 (2023) before your Medigap plan pays anything.

² After you meet your out-of-pocket limit and your yearly Part B deductible (\$226 in 2023), the Medigap plan pays 100% of covered services for the rest of the calendar year.

³ Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to \$50 copayment for emergency room visits that don't result in an inpatient admission.

⁴ Plan F, High Deductible Plan F & Plan C are ONLY available to those who were considered Medicare-eligible prior to 2020.

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Additional Solutions

Ability to navigate is “*likely influenced by cognitive abilities consumers possess (e.g., numeracy) and the amount of information available in the decision environment*”

- Health insurance providers should consider:
 - symbolic representations
 - side-by-side comparisons of plan options
 - bronze vs. gold naming conventions
 - premium pricing breakdowns (i.e., weekly vs. monthly),
 - educational tutorials
 - calculation aids

Beyond Literacy Issues

Individuals may be juggling multiple types of coverage (Medicare coverage, employer-sponsored, VA, Medicaid)

Geographic concerns (snowbirds who travel between locations)

Retirees who undertake international travel

Decisions are often made jointly

Adult children may be highly involved in care

Older adults may be facing greater isolation



Literacy-Informed Sources

Health Insurance Information Sources

- Seniors use an average of 2.8 sources for making informed decisions about Medicare
- Researchers highlight:
 - importance of educating beneficiaries
 - susceptibility to “aggressive marketing”
- Need for targeted educational efforts aimed at intermediaries: patient advocates, consumer health librarians, family members, and health professionals

Hibbard, Judith H. Jacquelyn J. Jewett, Siegfried Engelmann, and Martin Tusler. “Can Medicare Beneficiaries Make Informed Choices?” *Health Affairs*, 17, no. 6 (1998): 181–193. p. 181

Bayer, Ya'akov M. "Older Adults, Aggressive Marketing, and Unethical Behavior: A Sure Road to Financial Fraud?" In *Ethical Branding and Marketing: Cases and Lessons*, 1-18, New York: Routledge, 2019.

Why is HIE unique?

- Difficult topic to get help from someone without a vested interest
- State Health Insurance Assistance Program (SHIP, <http://www.shiptacenter.org/>)
- Insurance brokers
- AARP's Medicare Resource Center

The screenshot shows the AARP Medicare Resource Center website. At the top, there are banners for "Access to more doctors, yes.* Referrals, no." and "AARP Medicare Supplement by UnitedHealthcare". Below these is a red navigation bar with the AARP logo, "Join", "Renew", "Help", "Member Benefits", "AARP Rewards", "Register | Login", and a search icon. A secondary banner promotes "Maximize your benefits" with a "\$12" offer for the first year. The main heading is "HEALTH Medicare Resource Center". Below this is a navigation bar with "Eligibility & Enrollment", "Managing Your Medicare", and "Medicare Q&A Tool". The main content area features a large illustration of a syringe and an insulin bottle. To the right, there are three news snippets: "More Employers Choosing Medicare Advantage", "New Rule Reduces Medicare Coverage Gaps", and "SSA Helps Enrollees Blocked by Phone Problems". At the bottom right, there is another banner for "100% certainty that you can keep your doctor.*" with a "View Plans" button.

Medicare & You

- Centers for Medicare & Medicaid Services (CMMS) create a handbook each year
- Mailed out annually to all Medicare beneficiary households since 1999
- Serves as a primary information source for many Medicare enrollees
- Printed in a larger font size
- Includes the use of symbols, charts, and an index



Medicare & You 2023

The official U.S. government
Medicare handbook



Medicare & You

- Signing up for Medicare
- Finding out if Medicare covers your test, item, or service
- Original Medicare
- Medicare Advantage Plans & other options
- Medicare Supplement Insurance (Medigap)
- Medicare drug coverage (Part D)
- Get help paying for health & drug costs
- Know your rights & protect yourself from fraud
- Get more information
- Definitions
- Compare health & drug plans in your area (which is customized to geographic location)



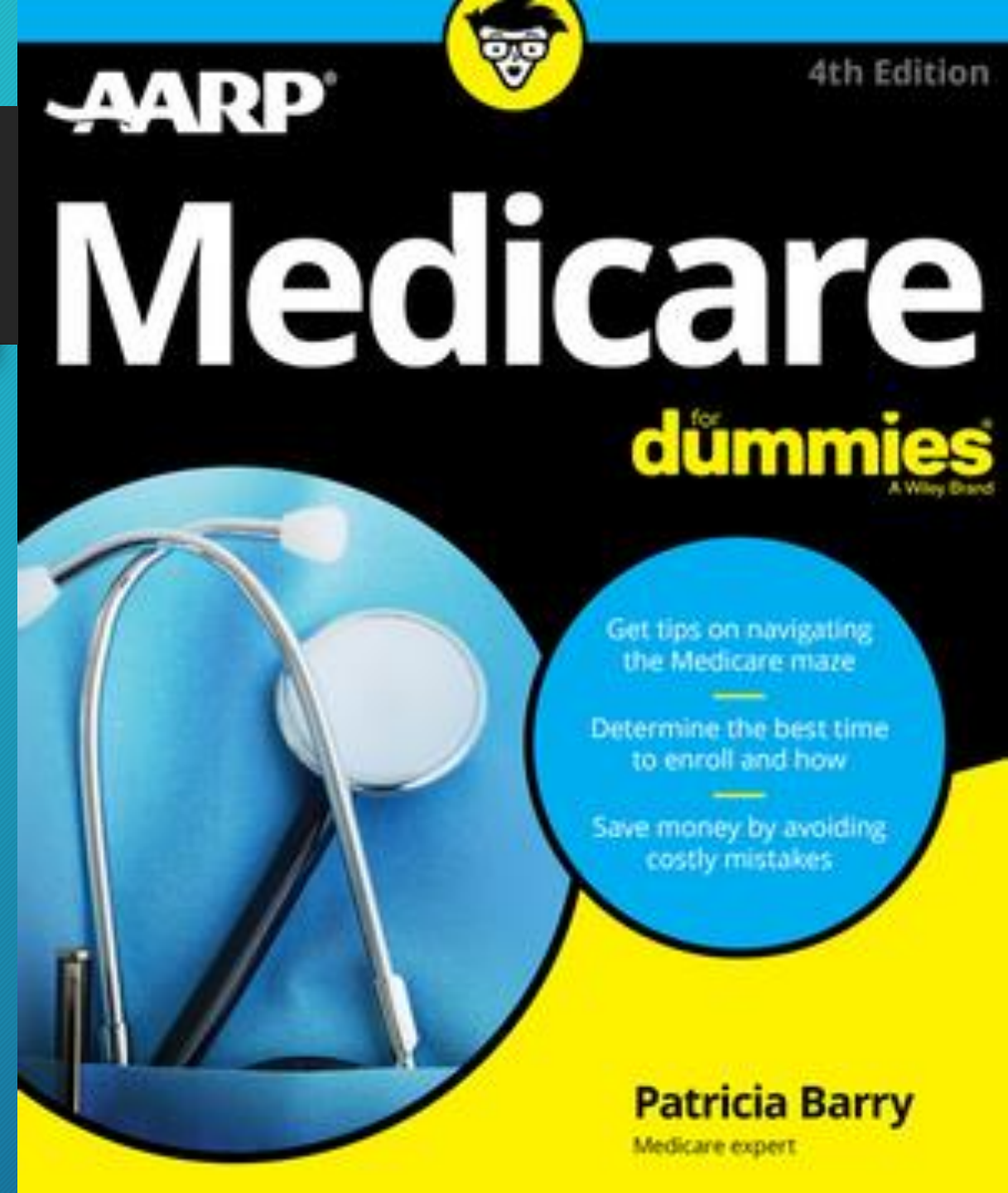
Medicare & You 2023

The official U.S. government
Medicare handbook



Medicare for Dummies

- Sponsored by AARP
- More in-depth than *Medicare & You* (i.e., over 400 pages long)
- Provides additional definitions, discussions of core terminology, and more guidance:
 - Getting Help in Making Medicare Choices
 - Top Ten Medicare Mistakes



<http://kff.org/statedata/>

KFF.org | State Health Facts

Search KFF.org

Search State Health Facts: Enter Keyword

Choose Category - or - Choose Location

Select a State

- > Demographics and the Economy
- > Health Costs & Budgets
- > Health Coverage & Uninsured
- > Health Insurance & Managed Care
- > Health Reform
- > Health Status
- > HIV/AIDS
- > Medicaid & CHIP
- > Medicare
- > Minority Health

A map of the United States with state boundaries outlined in white. A red arrow points from the 'Health Coverage & Uninsured' category in the list to the map.

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 SEARCH

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Just Plain Clear

deductible

The amount you *could* owe during a coverage period (usually one year) for health care services your [health insurance](#) or [plan](#) covers before your health insurance or plan begins to pay

For example, if your deductible is \$1000, your plan won't pay anything until you've met your \$1000 deductible for covered health care services subject to the deductible. The deductible may not apply to all services.

[Uniform Glossary definition]

Translations

En Español

[deducible](#)

Em Português

[franquia](#)

<https://www.justplainclear.com/en>

From Coverage to Care (CMS)

| Your Roadmap to health | |
|---|--|
|  | Step 1: Put your health first 6 Why are prevention and health coverage important? |
|  | Step 2: Understand your health coverage..... 8 What words should I know? How much will it cost me to get care? |
|  | Step 3: Know where to go for care 16 Where do I go when I am sick? What is the difference between the emergency department and primary care? |
|  | Step 4: Find a provider 20 How do I find a provider that is right for me? What if I am assigned a provider? |
|  | Step 5: Make an appointment..... 24 What information do I need and what questions should I ask when making an appointment? |
|  | Step 6: Be prepared for the visit 26 What should I bring to the appointment? What questions should I ask during the visit? |
|  | Step 7: Decide if the provider is right for you..... 30 Is this a provider I can trust and work with? If not, what do I do? |
|  | Step 8: Next steps after your appointment 32 What do I do when I get home? How do I maintain my health? |

<https://www.cms.gov/About-CMS/Agency-Information/OMH/equity-initiatives/from-coverage-to-care.html>

From Coverage to Care Videos



The image shows a YouTube video player interface. The main video frame displays a woman with dark hair, wearing a light-colored jacket over a patterned top, standing in a well-lit room. On the left side of the video frame, there is a semi-transparent overlay with a list of topics:

- **Names of Providers**
 - online
 - calling
 - handbook
- **Word of Mouth**
 - reviews online

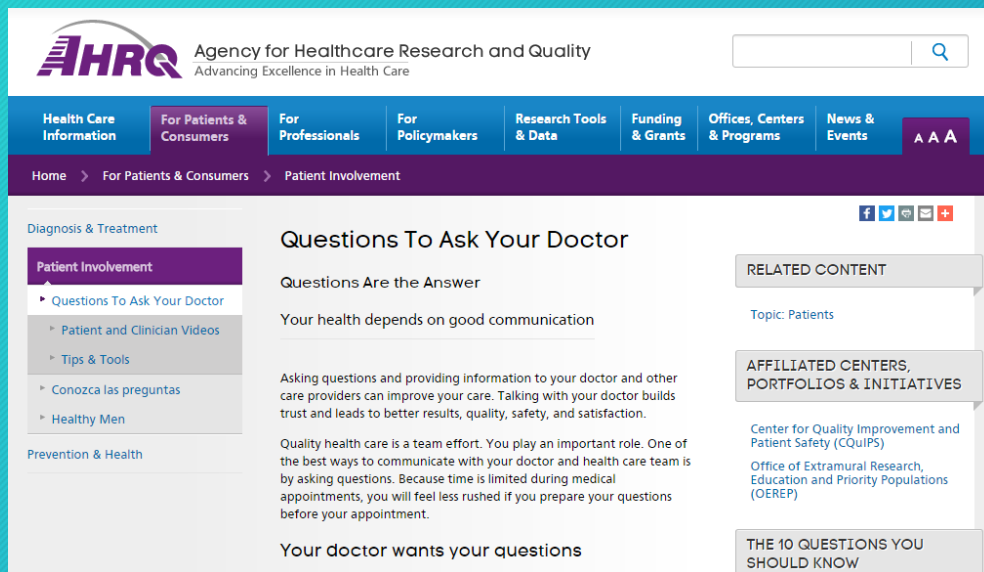
The video player controls at the bottom show a progress bar at 0:34 / 1:27, along with standard playback icons (play, pause, next, previous, volume, full screen, etc.).

To the right of the video frame is a playlist titled "From Coverage to Care" by CMSHHSgov, containing 5/11 videos. The visible items in the playlist are:

- Chapter 5 - "Finding a Provider" - from Coverage to Care
- Chapter 6 - "Making an Appointment" - from Coverage to Care
- Chapter 7 - "Almost Ready" - from Coverage to Care
- Chapter 8 - "My First Visit" - from Coverage to Care
- Chapter 9 - "Like or Dislike" - from Coverage to Care
- Chapter 10 - "The Day After" - from Coverage to Care

<https://www.youtube.com/playlist?list=PLaV7m2-zFKph5fIVZgUphIcBKbtS24tKW>

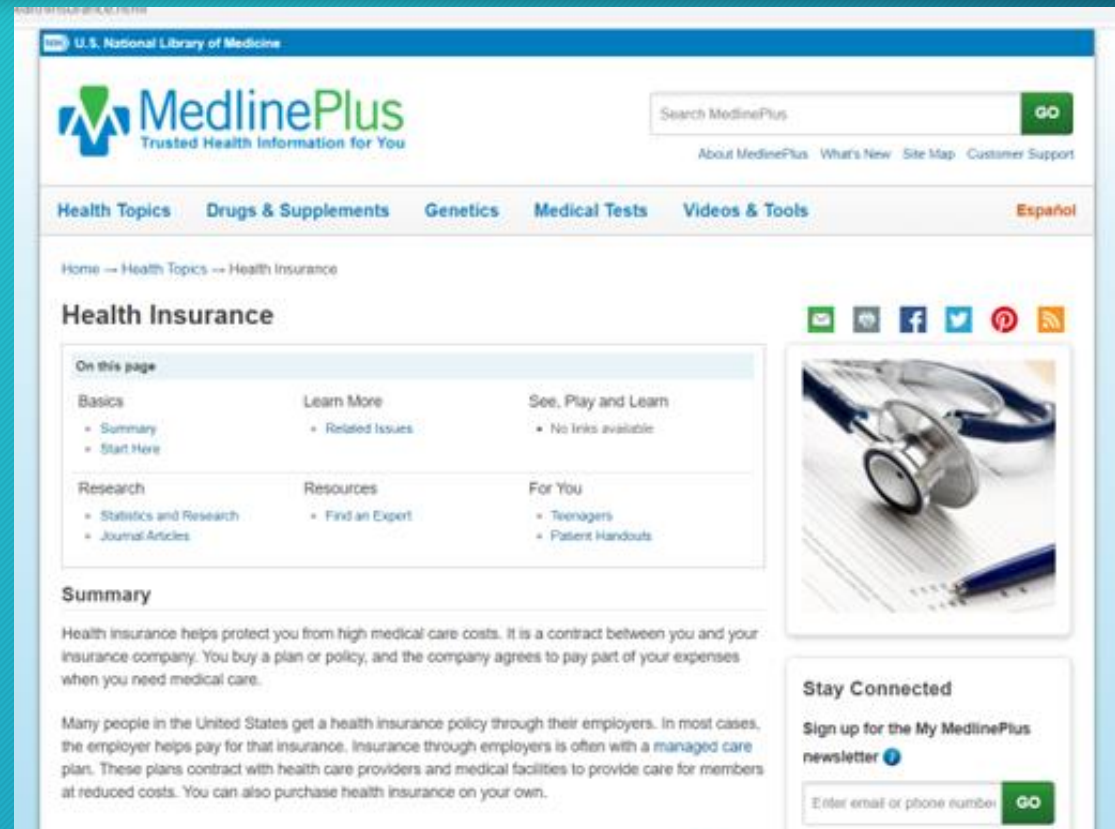
Questions to ask your doctor (AHRQ)



- [The 10 questions you should know](#)
- [Questions to ask before your appointment](#)
- [Questions to ask during your appointment](#)
- [Questions to ask after your appointment](#)
- [Build your own list of questions](#)

<http://www.ahrq.gov/patients-consumers/patient-involvement/ask-your-doctor/index.html>

<https://medlineplus.gov/healthinsurance.html>



<https://medlineplus.gov/>



What can we do?

Awareness is Key

Lack of knowledge about cost-assistance programs, particularly among African-Americans and those accessing public clinics

Could exacerbate unequal access to coverage and care

Promising opportunity for librarians and others!



Federman, Alex D. Dana Gelb Safran, Salomeh Keyhani, Helen Cole, Ethan A. Halm, and Albert L. Siu. "Awareness of Pharmaceutical Cost-Assistance Programs among Inner-city Seniors." *The American Journal of Geriatric Pharmacotherapy*, 7, no. 2(2009): 117–29.

Ladd, Dana L., Patricia Sobczak, and Talicia Tarver. "Providing Health Information to Seniors: A Program Overview and Reliable Online Senior Health Resources." *Journal of Consumer Health on the Internet* 23, no. 2 (2019): 113–22.

Opportunities for Collaboration

Collaborate

Collaborate with community organizations (e.g., Area Agency on Aging (AAA))

Develop
and deliver

Develop and deliver engaging health programming for diverse audiences.

Infuse

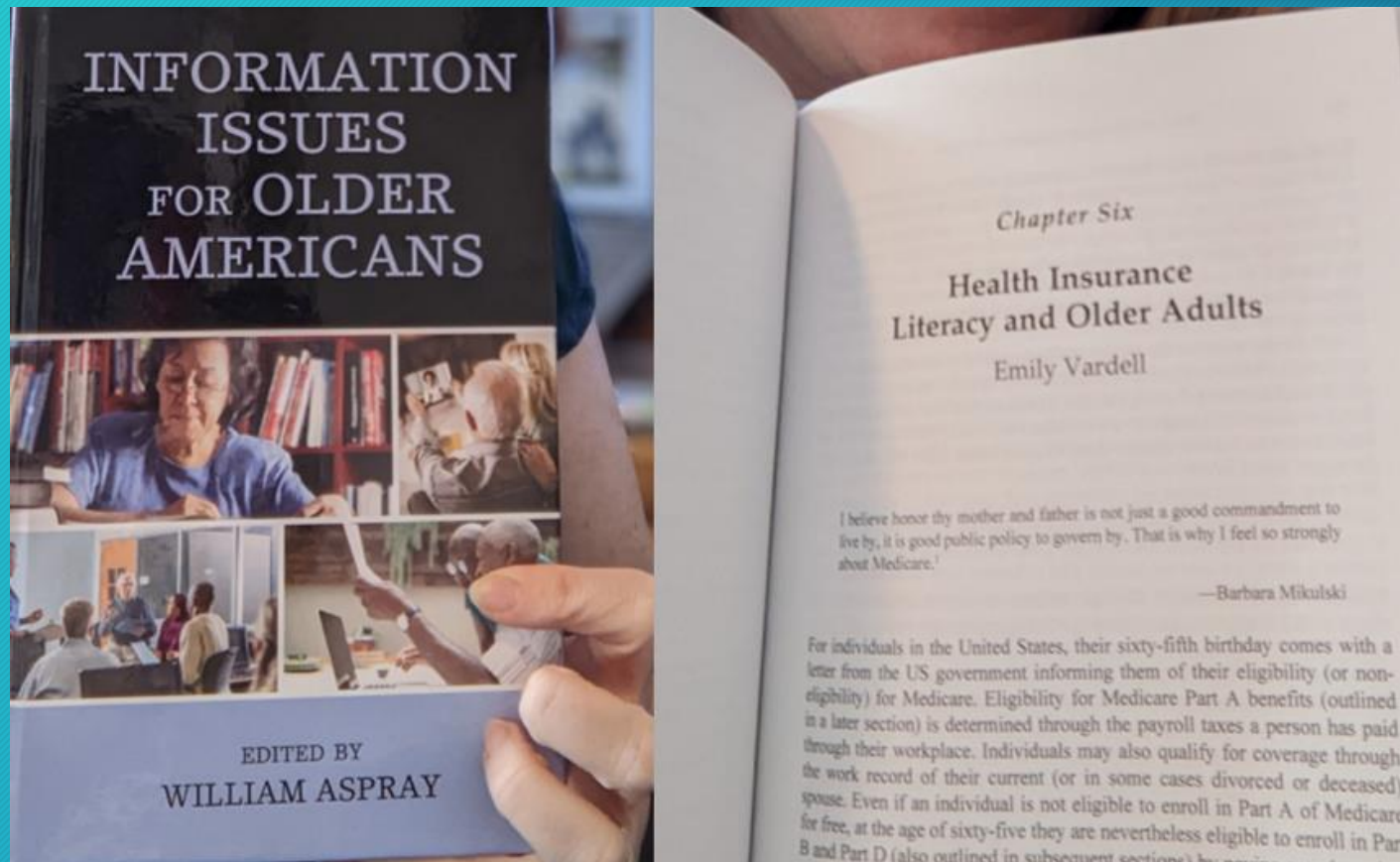
Infuse timely health insurance and Medicare content within their successful outreach efforts.

Natural Partners?

- Friends of the Library groups
- Volunteers
- Healthcare advocates
- ACA Navigators



Information Issues for Older Americans



Questions?

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