



Medicare for Individuals Under Age 65 Webinar Series

Choosing Traditional Medicare or Medicare Advantage: Pros and Cons for Individuals Under Age 65

October 20, 2016

Presented by

Kathy Holt, M.B.A., J.D., Associate Director/Attorney, and
David Lipschutz, Senior Policy Attorney/D. C. Managing Attorney

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.



The Under Age 65 Project

An innovative, model project funded by the Administration for Community Living for the Center for Medicare Advocacy to assist State Health Insurance Assistance Programs (SHIPs) and Senior Medicare Patrol Programs (SMPs) to reach and serve Medicare Beneficiaries under 65 years old.

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

2

Today's Program

- Looks at the health status, income and current Medicare supplements of individuals under age 65 in comparison to older beneficiaries.
- Considers the major differences in health coverage needs for individuals under age 65.
- Examines the questions to ask when assisting individuals under age 65 to choose between traditional Medicare and a Medicare Advantage Plan.

Who Are Medicare Beneficiaries Under Age 65?

- Comprise approximately 16% of total Medicare beneficiaries.
- Often have lower incomes, require more health care, and find it more difficult to pay for and obtain care compared to Medicare beneficiaries over 65 years of age.
- Also, more likely to have cognitive impairments, report themselves in poor health, and have limitations in one or more activities of daily living.

Medicare Beneficiaries Under Age 65 Types of Impairments

Qualified for disability due to:

- Mental disorders – 34%
- Musculoskeletal/Connective Tissue Disease Disorders – 28%
- Injuries – 4%
- Cancer – 3%
- Other Diseases and Conditions – 30%

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

5

Medicare Beneficiary Self-Reported Health Status

2012 KFF Data	Under Age 65	65 or Older
Cognitive or Mental Health Impairment	65%	29%
Health Status Fair or Poor	59%	20%
One or More Limitations in Activities of Daily Living	58%	34%
Five or More Chronic Conditions	31%	28%

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

6

Medicare Beneficiary Annual Income

2012 KFF Data	Under Age 65	65 or Older
Less than \$10,000	24%	13%
Less than \$20,000	67%	39%
Less than \$40,000	88%	69%
Over \$50,000	7%	21%

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

7

Medicare Beneficiary Types of Supplemental Coverage

2012 KKF Data	Under Age 65	65 or Older
Medicaid	35%	10%
Medicare Advantage	27%	31%
Employer Sponsored	14%	29%
Medigap	2%	17%
Other Supplemental Insurance	2%	2%
None	21%	12%

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

8

Medicare Beneficiary Spending by Type of Service

2014 KKF Data	Under Age 65	65 or Older
Total	\$13,098	\$9,972
Part D Drugs	\$3,817	\$1,159
Part B (Providers, Supplies, Drugs)	\$2,523	\$2,617
Inpatient	\$2,203	\$1,448
SNF and Home Health	\$3,781	\$3,092
Hospice	\$690	\$1,324

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

9

Medicare Beneficiary Prescription Drug Coverage

2012 KFF Data	Under Age 65	65 or Older
Part D: Stand Alone PDP	52%	35%
Part D: MA-PD Plan	24%	28%
Retiree Drug Subsidy	3%	13%
Other Creditable Coverage	10%	10%
No Creditable Coverage	12%	14%

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

10

Medicare Beneficiary Part D Low Income Subsidy

2012 KFF Data	Under Age 65	65 or Older
Total Part D Enrollment	75%	63%
Part D with LIS	55%	16%
Part D no LIS	20%	47%

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

11

Medicare Beneficiary Access to Prescription Drugs Because of Cost

2012 KFF Data	Under Age 65	65 or Older
Did not fill an RX	22%	7%
Spent less money to save for needed RX	22%	5%
Delayed getting RX	21%	5%
Took smaller doses	18%	5%
Skipped doses to make RX last longer	15%	4%

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

12

Medicare Beneficiaries Under Age 65 Greatest Barriers to Care

- **Access to care is often limited by cost (3 times less likely to see a doctor)**
- **Higher rates of health problems require multiple provider sources**
- **Relatively low incomes**
- **Lower use of office visits, higher use of ER visits**

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

13

Quality and Access MA Plans vs. Traditional Medicare

- “Among beneficiaries who are sick, the differential between traditional Medicare and Medicare Advantage is particularly large (relative to those who are healthy), favoring traditional Medicare.” (KFF, November 2014)
- “People dually eligible for Medicare and Medicaid, and Medicare beneficiaries under age 65 and disabled, disenrolled from Medicare Advantage at higher than average rates, “a trend worth exploring because these beneficiaries tend to have significant health care needs.” (*Health Affairs*, Jan. 2015)

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

14

Quality and Access

MA Plans vs. Traditional Medicare

- A CMS study concluded that dis-enrollment by individuals from MA plans back to Traditional Medicare "continues to occur disproportionately among high-cost beneficiaries, raising concerns about care experiences among sicker enrollees and increased costs to Medicare." (*Medicare & Medicaid Research Review*, 2012)
- Most violations cited in CMS enforcement actions (89%) against MA and Part D plans resulted in inappropriate delays or denials of access to health services and medications for enrollees. (*2013 Part C and Part D Annual Audit and Enforcement Report*)

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

15

Medicare Advantage (MA)

- MA plans combine Part A, Part B, and, sometimes Part D (prescription drug) coverage (one stop shopping).
- MA have essentially the same coverage rules as traditional Medicare.
 - Plans can generally impose different cost-sharing, as long as actuarially equivalent to traditional Medicare
- Various types of MA plans
 - HMOs, PPOs, PFFS
 - Special Needs Plan (SNPs) - Dual, Institutional, Chronic Condition
 - Dual Eligible demonstration plans

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

16

MA Plans vs. Traditional Medicare A Roadmap – Narrowing the Options

1. Do you qualify for payment assistance or have access to other coverage?

- Medicare Savings Program
- Part D Low Income Subsidy
- Employer/Military/Other Insurance
- Medigap availability

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

17

MA Plans vs. Traditional Medicare A Roadmap – Narrowing the Options

2. Which providers/facilities do you go to?

- How important is it to you to continue seeing them?
- Do they accept Medicare?
- Which Medicare Advantage Plan networks do they participate in?

3. Which medications do you take?

- What Plan's formularies are your medications on?
- Can you take generics?

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

18

MA Plans vs. Traditional Medicare A Roadmap – Narrowing the Options

4. Do you want your care choices directed?

- By going through a primary care physician?
- By obtaining referrals to see specialists?
- By having to get prior authorization for some services?

5. Do you travel outside your general home area?

- How often?
- How do you feel about having care access limited to emergency coverage and urgent care if you are outside your general home area?

www.medicareadvocacy.org

Copyright © Center for Medicare Advocacy, Inc.

19

MA Plans vs. Traditional Medicare A Roadmap – Narrowing the Options

6. How important are annual maximum out-of-pocket (MOOP) costs?

7. What value do other possible services (dental, hearing, vision care, health clubs) hold for you?

8. How do you weigh the convenience of one-stop shopping up-front versus continual annual checking to make sure providers and coverage requirements are not changing?

www.medicareadvocacy.org

Copyright © Center for Medicare Advocacy, Inc.

20

MA Plans vs. Traditional Medicare A Roadmap – Narrowing the Options

9. How do you feel about a Medical Director of a health plan potentially having the ability to challenge your doctor's determination that your care is reasonable and necessary?

10. Will you be more likely to seek out care for yourself if it is:

- Convenient (larger number of providers/suppliers)?
- Lower Cost?
- Access to care is easier?

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

21

MA Plans vs. Traditional Medicare Other Considerations – Traditional

- Flexibility
 - Provider and Supplier networks are vast.
 - Coverage is not limited within the U.S. and territories.
- Medigap Plan Questions to ask:
 - Are there guaranteed issue rights in your state?
 - What are the pre-existing condition requirements?
 - Are the premiums prohibitively high?
 - Do you have other options for cost-sharing?
 - Are you willing to go without a supplement?

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

22

MA Plans vs. Traditional Medicare Other Considerations – MA Plans

- Medigaps do not coordinate with MA Plans
- Coordination with other types of coverage can be complicated
 - May have to pay some/all cost-sharing out of pocket.
- Seamless conversion enrollment – plan sponsors may be automatically signing up newly Medicare-eligible individuals in MA plans without their knowledge or consent.

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

23

MA Plans vs. Traditional Medicare Other Considerations – MA Plans

- Plan networks may not always have adequate specialists or other providers to serve patient needs.
 - Online provider/hospital/supplier/network directories are not always updated.
- Network providers may choose to join or leave a network at any time; plan can also terminate providers at any time, whereas most enrollees locked in for year
 - Limited SEP for network terminations.
- There is an ongoing SEP for those dually eligible, MSP, and LIS.

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

24

MA Plans vs. Traditional Medicare Other Considerations – MA Plans

- HMOs usually have no out-of-network coverage.
- PPOs usually have out-of-network coverage at a higher cost to the beneficiary.
- MA Plans have discretion to charge cost-sharing above traditional Medicare (except chemotherapy, renal dialysis, SNF services).
- MOOPs only apply to Part A and B services, not Part D and not “extra” services.

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

25

MA Plans vs. Traditional Medicare Other Considerations – MA Plans

- MA Plans must offer benefits that are at least equal to traditional Medicare and cover everything traditional Medicare covers.
- MA Plans can waive certain restrictions on coverage (e.g. 95% of MA Plans don't require 3-day prior hospital stay for SNF coverage, although SNF coverage is low for Under 65.)
- Plan benefits and cost sharing can change every year – annual reviews are necessary.

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

26

MA Plans vs. Traditional Medicare Other Considerations – MA Plans

- MA Plans typically don't serve people diagnosed with ESRD (3% of beneficiaries under age 65), unless, e.g., grandfathered into a Plan.
- MA Plans do not provide Hospice Services (used rarely by beneficiaries under age 65).
- MA Plans do not provide for services related to those excepted into clinical trials.

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

27

MA Plans vs. Traditional Medicare Summary

- Choosing to access Medicare, whether through traditional Medicare or an MA Plan is a personal choice and requires that one consider the following:
 - Overall life circumstances
 - Health
 - Desire for flexibility
 - Budget
 - Tolerance for financial risk

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

28



Thank you to the partners and advisors to the Center For Medicare Advocacy in this Under Age 65 Project. You strive with us to better understand, and better serve, the Medicare population under age 65:

- Administration for Community Living (HHS ACL)
- American Association of People with Disabilities
- Christopher and Dana Reeve Foundation
- Center for Medicare & Medicaid Services
- Justice in Aging
- State of Connecticut SHIP (CHOICES)
- Social Security Administration
- Team Gleason/The Gleason Initiative Foundation

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

29



With Gratitude

- To the U.S. Department of Health and Human Services, Administration for Community Living for the funding, counsel, and support to make this work possible.
- To all the SHIP and SMP counselors across the country, and to everyone else who helps Medicare beneficiaries better understand fair access to Medicare and health care.

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

30



Other Topics in our Webinar Series focusing on Individuals Under Age 65:

- Transitioning into (and out of) Medicare
- Medicare Part A, Part B, and Medigap coverage
- Medicare Advantage
- Medicare Part D Coverage and Issues
- Considerations for Individuals Covered by Medicaid
- Home Health Coverage and Improvement Standard Myth
- Durable Medical Equipment, Prosthetics/Orthotics/ Supplies
- Connecting By Social Media, Outreach and Education
- Resources, Collaborations and Help (Federal and State)

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

31



Future Webinar

- Best Practices and Tips for Education, Resources, and Community Collaboration to Assist People Under Age 65

January 19, 2017

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

32



Thank you for participating,
We are happy to take questions as time permits.

If you have questions or comments after the webinar concludes, please submit them, with applicable slide number, to:

Webinar@MedicareAdvocacy.org

We will respond, and post answers to frequently asked questions on the CMA Under 65 Webpage.

Advancing access to Medicare and health care

www.medicareadvocacy.org
Copyright © Center for Medicare Advocacy, Inc.

33