



Meeting Enrollees' Needs: How Do Medicare and Employer Coverage Stack Up?

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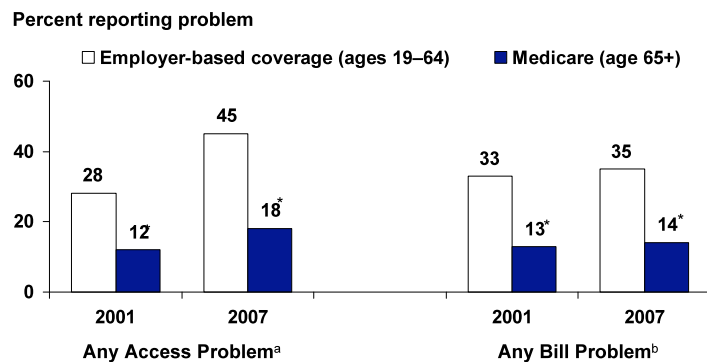
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Synopsis

In a national Commonwealth Fund survey, elderly Medicare beneficiaries reported greater overall satisfaction with their health coverage, better access to care, and fewer problems paying medical bills than people covered by employer-sponsored plans. The findings bolster the argument that offering a public insurance plan similar to Medicare to the under-65 population has the potential to improve access and reduce costs.

Access and Bill Problems Among Elderly Medicare Beneficiaries and Nonelderly Adults Covered by Employer-Based Insurance, 2001 and 2007



* Differences from employer-based insurance statistically significant, $p < 0.001$, after adjusting for health status, poverty, and prescription drug coverage.
^a Any access problem includes: did not fill prescription, get needed specialist care, skipped recommended test or follow-up, had medical problems but did not visit doctor.
^b Any medical bill problem includes: not able to pay bills, contacted by a collection agency for any medical bill, or had to change way of life significantly because of medical bills. To make 2001 and 2007 data comparable, any bill problem in 2007 includes being contacted by a collection agency about a medical bill regardless if it was for a billing error or unpaid bill.
Source: K. Davis, S. Guterman, M. M. Doty, and K. Stremikis, "Meeting Enrollees' Needs: How Do Medicare and Employer Coverage Stack Up?" *Health Affairs* Web Exclusive, May 12, 2009, w521–w532. Data: The Commonwealth Fund Biennial Health Insurance Surveys (2001 and 2007).

The Issue

Much of the current health reform debate revolves around whether a public plan similar to Medicare should be made available to employers and individuals under age 65. The primary advantage of a Medicare-like plan is the cost reduction made possible by such a plan's vast purchasing power and efficient public administration. Private coverage, on the other hand, can offer a greater variety of benefits, more flexibility in managing care, and more selective provider networks. In this study, the researchers sought to compare individuals with employer-sponsored plans and elderly individuals with Medicare to find out if a public plan could potentially improve access to necessary services and reduce the burden of medical bills for individuals under age 65.

Key Findings

- Medicare beneficiaries are more satisfied with their insurance coverage. Only 8 percent of elderly Medicare beneficiaries rated their insurance "fair or poor," in contrast with 18 percent of individuals

with employer-based insurance. Thirty-two percent of Medicare beneficiaries had at least one negative insurance experience, compared with 44 percent of those covered by an employer plan.

- Medicare beneficiaries report easier access to physicians. Ten percent of Medicare beneficiaries' physicians did not accept their insurance, compared with 17 percent of respondents with employer-sponsored plans.
- Medicare beneficiaries are less likely to report not getting needed services. Twelve percent of elderly Medicare beneficiaries reported going without care, such as prescribed medications or recommended tests, because of cost restraints. Of individuals with employer-based plans, 26 percent reported experiencing these cost/access issues.
- Medicare beneficiaries are sicker and poorer but report fewer medical bill problems. Elderly Medicare beneficiaries were more likely to rate their health as fair or poor than the employer-coverage group (28% vs. 11%); more likely to have multiple chronic conditions (38% vs. 11%); and more likely to have incomes below 200 percent of the federal poverty level (51% vs. 27%). Yet, Medicare beneficiaries were less likely to report a medical bill problem than those covered by employer plans.

Addressing the Problem

A Medicare-sponsored public plan with benefits similar to those available in private employer and federal employee plans could build on Medicare's broad provider network to offer employers and individuals under age 65 both improved access to care and lower costs. It could also encourage more coordinated, more organized health care delivery.

"Providing a Medicare-sponsored option to the nonelderly could increase continuity of coverage and bolster confidence that people will be able to get and afford health care when they need it."

About the Study

The authors used data from the Commonwealth Fund 2007 Biennial Health Insurance Survey to compare how patients felt about access and cost under Medicare and employer-sponsored plans. Princeton Survey Research Associates International conducted the survey by telephone with adults in the United States over age 19. The survey response rate was 47 percent. The 25-minute phone interview included questions about health care access, out-of-pocket spending, benefit information, and demographic characteristics.

The Bottom Line

Offering the choice of a Medicare-sponsored public plan to those under age 65 would likely increase access to care, reduce administrative burden, and offer people security of coverage, and could possibly contribute to greater competition among both public and private insurers—thereby increasing responsiveness to consumers' needs.

Citation

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