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Elderly Medicare Beneficiaries Give Their Coverage Higher Ratings Than Do Those With Employer-Sponsored Insurance

*Medicare's Strong Performance In Consumer Satisfaction, Access To Care, And Other Areas
Suggests That Many Adults Under Age 65 Would Choose A Public Health Insurance Option
If It Were Offered As Part Of Health Reform*

Bethesda, MD -- Elderly Medicare beneficiaries are more satisfied with their health care, and experience fewer problems accessing and paying for care, than Americans with employer-sponsored insurance (ESI), according to a study by Commonwealth Fund researchers published today on the *Health Affairs* Web site.

The study is based on data from the Commonwealth Fund 2007 Biennial Health Insurance Survey, a nationally representative survey of 3,501 adults age 19 and older conducted between June 4 and October 24, 2007. The gap between consumers' ratings of Medicare and ESI has widened since a similar survey in 2001.

“Right now, policymakers are debating whether to offer a public health insurance plan to those under 65 as part of comprehensive health reform. Our results show that, in important ways, Medicare serves the elderly more effectively than employer-sponsored coverage serves its enrollees. If given the opportunity, many adults under age 65 would likely select a public health insurance option,” said lead author Karen Davis, president of the Commonwealth Fund.

The favorable ratings given Medicare by beneficiaries suggest that they are fundamentally more satisfied with their coverage relative to those with ESI, say Davis and coauthors Stuart Guterman, Michelle Doty, and Kristof Stremikis. Thirty-seven percent of elderly Medicare beneficiaries rated their coverage as excellent, versus 20 percent of the employer group. Meanwhile, only 8 percent of elderly Medicare beneficiaries rated their insurance as “fair” or “poor,” compared with 18 percent of those with ESI.

Survey results demonstrate that Medicare beneficiaries are less likely than those with private coverage to report negative experiences with their insurance plans -- including having expensive medical bills for noncovered services, being charged a lot more than insurance would pay, and physicians not taking their insurance. For example, only 10 percent of elderly Medicare beneficiaries said their physician didn't take their insurance, versus 17 percent of those with ESI and 24 percent of those with individual coverage. This finding suggests that "Medicare's greater purchasing power facilitates choice of physicians and access to care, despite lower provider payment rates," Stuart Guterman, assistant vice president and director of the Commonwealth Fund's Medicare program, pointed out.

Other study highlights include:

- **Access to care.** In spite of having poorer health and lower incomes than those with ESI, elderly Medicare beneficiaries were less likely (20 percent versus 37 percent) to report access problems due to cost, such as not filling a prescription or not visiting a doctor for a medical problem.
- **Financial pressure.** Despite their lower incomes, elderly Medicare beneficiaries reported fewer problems with medical bills, such as inability to pay or being contacted by collection agencies. Fifteen percent of them reported at least one of these problems, compared to 26 percent of those in the employer-coverage group. Furthermore, elderly Medicare beneficiaries were no more likely than those with ESI to be devoting 5-10 percent of their income or more to health care.
- **Quality of care.** Sixty-one percent of elderly Medicare beneficiaries said that they had received excellent or very good care, compared to just half of those with ESI. Moreover, 57 percent of elderly Medicare beneficiaries were confident that they could get high-quality, safe care in the future, versus 46 percent of those in the employer group.

Gap Between Medicare And ESI Ratings Has Widened Since 2001

Between 2001 and 2007, reports of access and medical-bill problems increased for all adults, whether covered by ESI or Medicare. However, the gaps on these measures between elderly Medicare beneficiaries and adults with ESI widened during this period, after adjusting for poverty, health status, and prescription drug coverage.

"These findings may reflect some important trends between 2001 and 2007, which was a period of rapid increases in health care costs and health insurance premiums. The proportion of firms offering health benefits declined, and employees' deductibles and cost sharing under employer-based coverage increased," the Commonwealth researchers observe. They also note that Medicare changed significantly over this period: A prescription drug benefit was added in 2003, and the proportion of beneficiaries enrolled in private Medicare Advantage plans -- which were able to use higher payment rates to offer improved benefits -- increased from 14 percent in 2001 to 18 percent in 2007.

After the embargo lifts, you can read the paper by Davis and coauthors at <http://content.healthaffairs.org/cgi/content/abstract/hlthaff.28.4.w521>

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The Commonwealth Fund is a private foundation supporting independent research on health policy reform and a high performance health system.

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