

Allsup Medicare Advisor[®] Senior Survey: Prospects for Future Medicare Recipients

Research on 64-Year-Olds Aging into Medicare

Overview

With 10,000 baby boomers aging into Medicare each day⁽¹⁾, the future of Medicare is both a policy concern and a practical concern for those who will rely on it in the coming years. Having spent years in the workforce where their employers often provided them with a few pre-screened health plan options, many don't fully understand the complexities of Medicare before they enroll. Unlike their choices as employees, they will have dozens of Medicare plans that they will need to screen on their own. In addition, many will need to coordinate these plans with other coverage.

The *Allsup Medicare Advisor Senior Survey: Future Beneficiaries* explores steps that people who are 64 take to enroll in Medicare, plus their opinions and perception of the Medicare program. Following is a summary of these findings.

Clear Need to Coordinate Medicare Benefits with Other Health Coverage

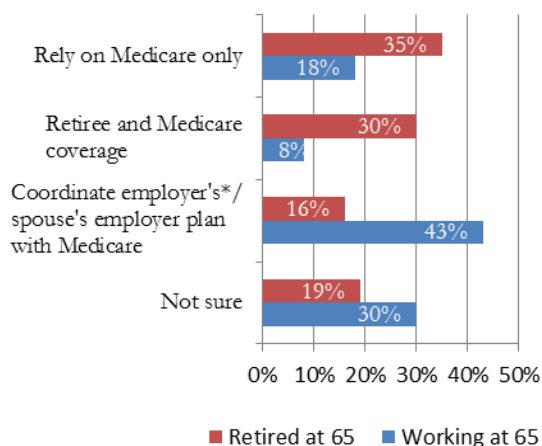
Nearly three out of four 64-year-olds (74 percent) will be retired when they turn 65, according to survey findings. Retired or not, most indicated they will not solely rely on Medicare. Instead, they will need to coordinate their Medicare coverage with retiree or employer coverage provided through their employer or their spouse's employer. Specifically, 46 percent of those **retired** indicate they will need to coordinate benefits, while 51 percent of those **still working** need to coordinate benefits.

One concern is that many 64-year-olds are not sure what type of healthcare coverage they will have when they turn 65. This indicates they have not yet planned their healthcare coverage. This could leave them more vulnerable to added costs and penalties – and potential lack of adequate coverage. [See Figure 1.]

Checklist for Medicare Enrollees

- ✓ Start early
- ✓ Research your options
- ✓ Ask your employer/former employer about coordination of benefits
- ✓ Seek professional plan selection help if uncertain or want second opinion

Figure 1: Healthcare Coverage Plans Anticipated by 65



*Employer relates only to those still working at age 65.

Many Have Not Begun Planning for Their Move to Medicare

Overall, 44 percent of 64-year-olds have not begun planning for Medicare enrollment. [See Figure 2.]

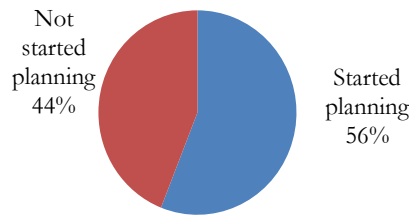
People turning 65 have a seven-month window in which to enroll for Medicare: three months before the month they turn 65, the month they turn 65 and three months after.

Ideally, they'll have made their plans in the three-month window prior to turning 65. Those not

planning in advance will not have the time required to assess their needs and the available plans.

Individuals who miss the initial enrollment deadline without a specific waiver will not be able to enroll until the next general enrollment period (annually from Jan. 1-March 31), with coverage starting July 1. They also will face penalties and higher costs for future coverage.

Figure 2: Planning for Medicare at Age 64



Family & Friends Most Common Source of Help

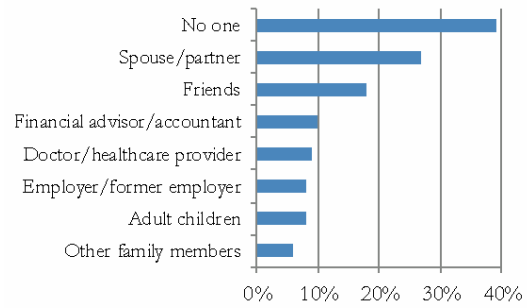
Nearly four in 10 people (39 percent) say they won't have any help in planning for Medicare enrollment.

Those who will, indicate family and friends are their most common resources of help. Just 8 percent indicated they'd seek help from their employer or former employer. [See Figure 3.]

However, Allsup regularly advises people as part of the *Allsup Medicare Advisor* to seek information from their employer. They can be an important resource when coordinating between Medicare and employer-provided benefits.

Additionally, people planning for Medicare should be wary of assuming that just because a plan works for a family member or friend that it will be best for them. Rather, they need to look at their own situation, medical history and finances to determine what may best match their needs.

Figure 3: Sources of Enrollment Help

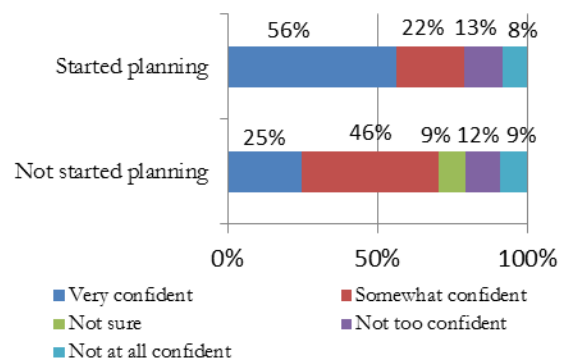


Confidence in Selecting Right Coverage Tied to Planning Progress

Whether or not enrollees are confident they can select the Medicare coverage or combination of coverage that best meet their needs is directly related to if they have **begun planning** for Medicare enrollment. Specifically, 56 percent of those who have begun planning are very confident they can select the best coverage, while just 25 percent of those who have not begun planning are very confident. [See Figure 4.]

This fact that only slightly more than one-half who have begun planning are very confident they could select the best plan indicates they recognize the complexity of choices. For example, most people have dozens of Medicare Advantage plans and Part D prescription drug plans from which to choose.

Figure 4: Confidence in Selecting Coverage

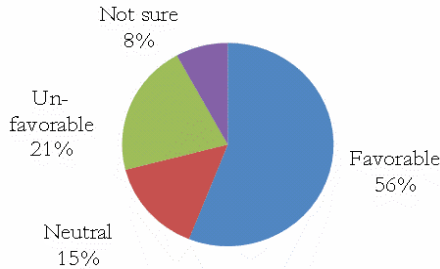


Mixed View of Enrollment Process; Concerns Over Access to Providers

A small majority of future Medicare beneficiaries – 56 percent – have a generally favorable

impression of the enrollment process. However, one in five (21 percent) already have a negative view of what to expect. [See Figure 5.]

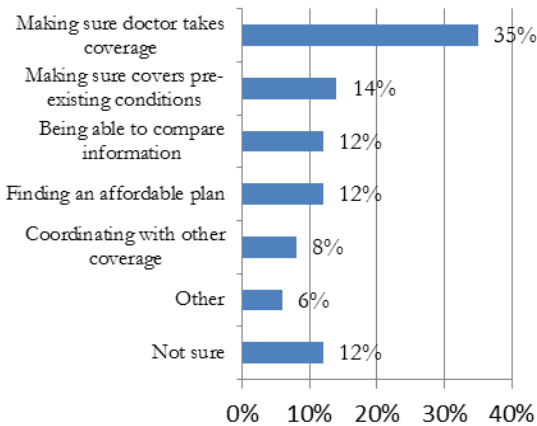
Figure 5: Impression of Enrollment Process



The most common concern among future Medicare beneficiaries is making sure the doctor or healthcare provider they want to see accepts their coverage. Also important is making sure the plan has adequate coverage for pre-existing conditions, being able to compare plans and finding an affordable plan. [See Figure 6.]

Each of these concerns points to the clear need for people enrolling in Medicare to have access to comprehensive, easy-to-understand information about their coverage options.

Figure 6: Biggest Challenge to Enrollment

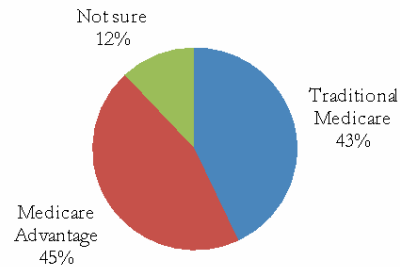


Enrollment Plans – Medicare A, B, C, D & Medigap

Nearly 2,000 Medicare Advantage plans are available in 2012. Most (81 percent) include Part D prescription drug benefits. On average, people have 20 local plans from which to choose (2).

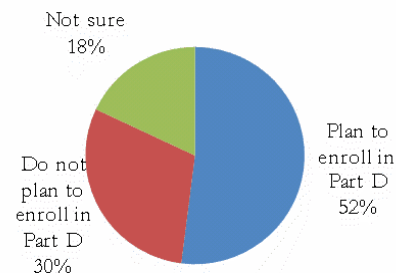
Approximately 25 percent of Medicare’s 49 million beneficiaries (11.9 million) are enrolled in Medicare Advantage plans(2), and these plans are likely to continue to grow in popularity. In fact, the *Allsup Medicare Advisor Senior Survey: Future Beneficiaries* found that 45 percent of future Medicare beneficiaries expect to choose a Medicare Advantage plan, slightly more than those choosing traditional Medicare. [See Figure 7.]

Figure 7: Medicare Advantage or Traditional Medicare



More than 29 million people are enrolled in Medicare Part D drug plans(3). Approximately one-half of future Medicare beneficiaries expect to enroll in a prescription drug plan. Prescription drug coverage is available in the form of stand-alone Part D plans or as part of many Medicare Advantage plans. [See Figure 8.]

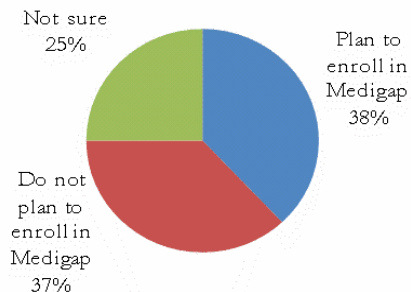
Figure 8: Prescription Drug Coverage & Enrollment Plans



Medigap provides supplemental coverage to help pay for costs not covered by Medicare. Medigap can’t be used in coordination with Medicare Advantage plans. However, it is important coverage for people who rely on traditional Medicare. Approximately 20 percent of Medicare beneficiaries have purchased Medigap coverage(4).

Most future beneficiaries do not indicate they plan to enroll in Medigap, or they are uncertain if they will enroll. Other than the initial open enrollment period for Medigap, these plans are not required to accept someone. Therefore, it's important for people planning to enroll in Medicare for the first time to carefully weigh their Medigap options. They may find it much more difficult to enroll down the road. [See Figure 9.]

Figure 9: Medigap Enrollment Plans



Survey Methodology

The *Allsup Medicare Advisor® Seniors Survey* was an independently conducted telephone survey of 900 randomly selected individuals 65 years of age and over who have Medicare coverage and 101 individuals who were 64 years old (“future recipients”). The findings in this report address responses from those age 64. The survey was conducted between June 15-28, 2011, by Richard Day Research, an independent market research firm based in Evanston, Ill. Survey results from “future recipients” is subject to a +/- 10 percent margin of error.

Respondent Demographics

Gender	
Male	47%
Female	53%
Income	
Less than \$50,000	28%
\$50,000+	47%
Not sure/Refused	25%
Currently Have Health Insurance	

Yes	93%
No	7%
Not sure	1%

About Allsup

The *Allsup Medicare Advisor®* service is an impartial Medicare plan selection service that helps people choose the most affordable and appropriate plan for their specific healthcare needs. The fee-based service examines all Medicare options to provide an in-depth, objective analysis. It combines live, one-on-one personal guidance with convenient access to online features. (Allsup is not a Medicare plan provider. It does not accept fees or commissions from insurance providers, i.e., Medicare Advantage, Medicare Part D or supplement insurance plans.)

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For an evaluation of your Medicare options, call an *Allsup Medicare Advisor* specialist at (866) 521-7655 or visit medicare.allsup.com.

References

- (1) Pew Research Center Data Bank, Dec. 20, 2010, <http://pewresearch.org/databank/dailynumber/?NumberID=1150>.
- (2) Medicare Advantage 2012 Spotlight: Plan Availability and Premiums, Kaiser Family Foundation, November 2011, <http://www.kff.org/medicare/upload/8258.pdf>.
- (3) Medicare Part D: A First Look at Part D Plan Offerings, Kaiser Family Foundation, October 2011, <http://www.kff.org/medicare/upload/8245.pdf>.
- (4) Medicare at a Glance, Kaiser Family Foundation, November 2011, <http://www.kff.org/medicare/upload/1066-14.pdf>.