

The State of Coverage to Supplement Medicare in Massachusetts

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FOUNDATION
MASSACHUSETTS

Medicare covers nearly **1.2 million** residents of Massachusetts.



**~900,000 people
age 65 or older**



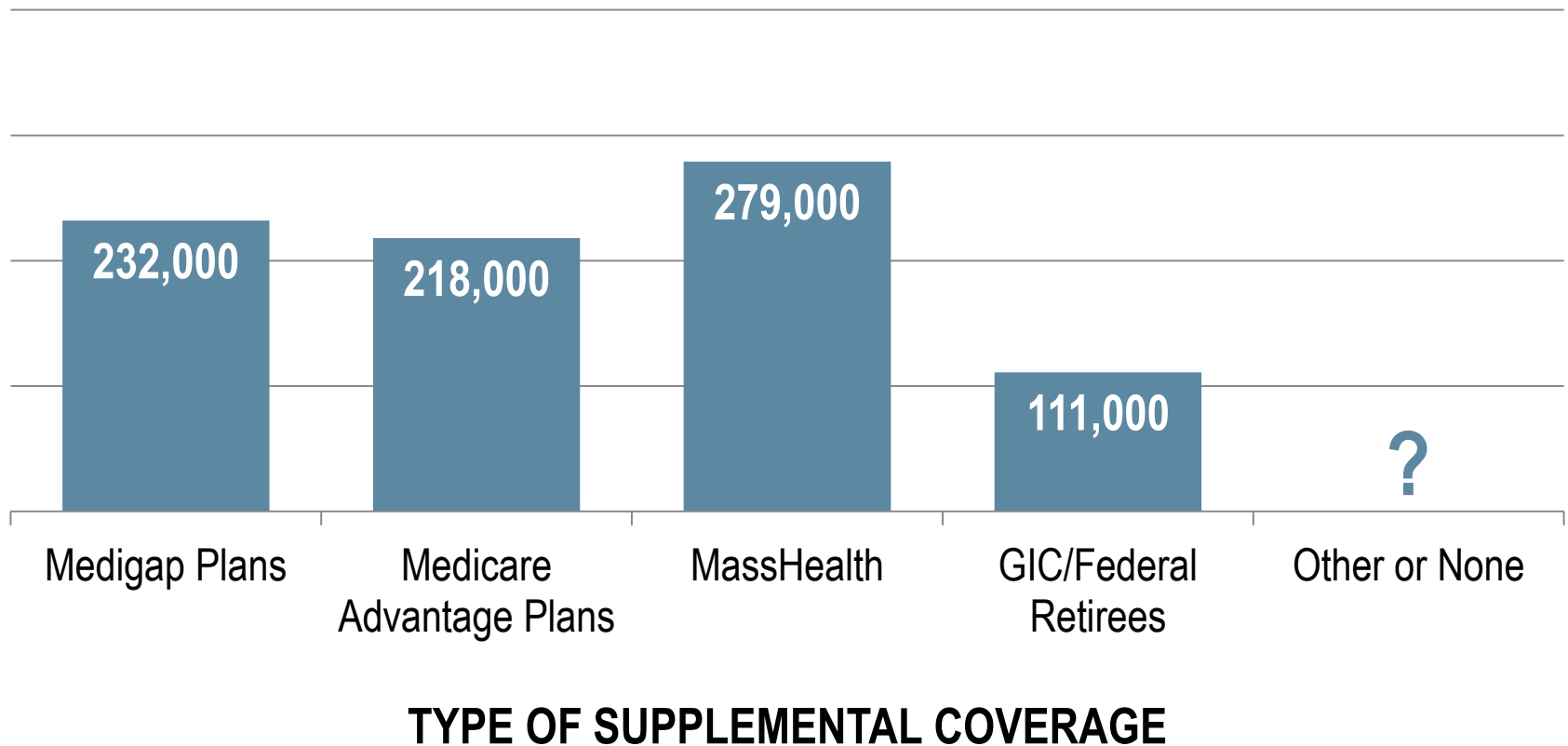
**~300,000 people
under age 65
with disabilities**

Medicare has many gaps.

	PART A	PART B	PART D
Premium	For some, up to \$407/month	\$105/month (and more for those with higher income)	Depends on plan selected
Deductible	\$1,260 per benefit period (can have >1 per year)	\$147 per year	\$320/year
Copayments/ Coinsurance	\$315-\$630 per day for hospital	20% for physician and other medical (including diagnostic)	25% up to \$2,960 in total drug costs 45% / 65% between \$2,960 and \$6,680
Benefit Limits	100 days/SNF 190 psychiatric hospital days /lifetime		
Other gaps	Dental, vision, long-term care services		

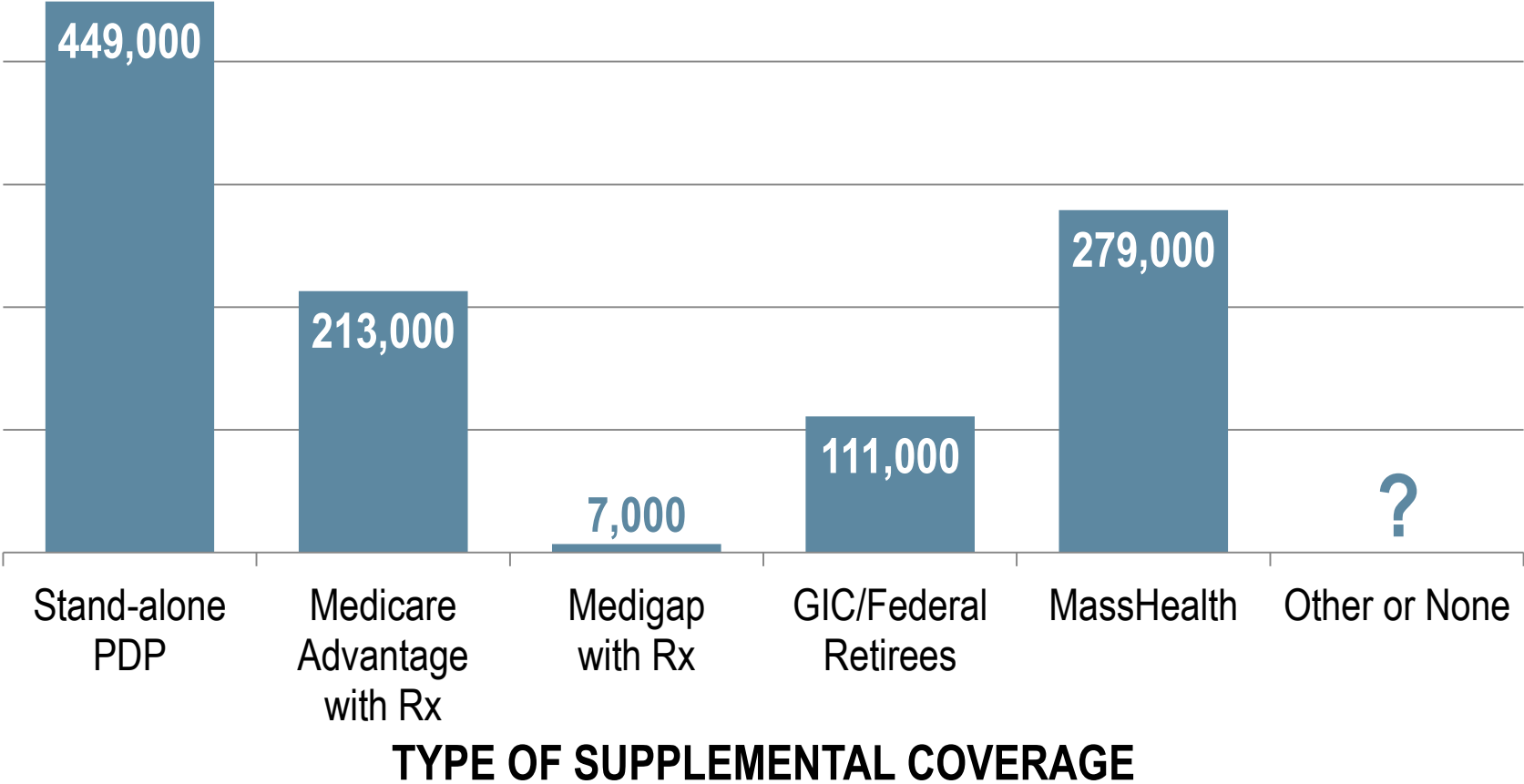
Coverage to supplement Medicare is an important source of financial protection.

Number of Medicare Beneficiaries in Massachusetts, 2013



Prescription drug coverage is vital, too.

Number of Medicare Beneficiaries in Massachusetts, 2013



Lots of Private Plan Choices

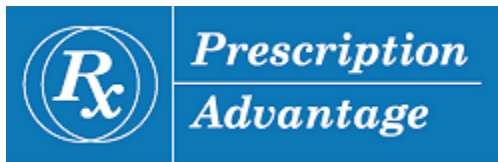
18 Medigap Products

35 Medicare Advantage Products

26 Stand-alone Prescription Drug Plans



A variety of other public programs provide additional coverage and financial protection.



MEDICARE SAVINGS PROGRAMS



EXTRA HELP



HEALTH SAFETY NET

Issue #1:

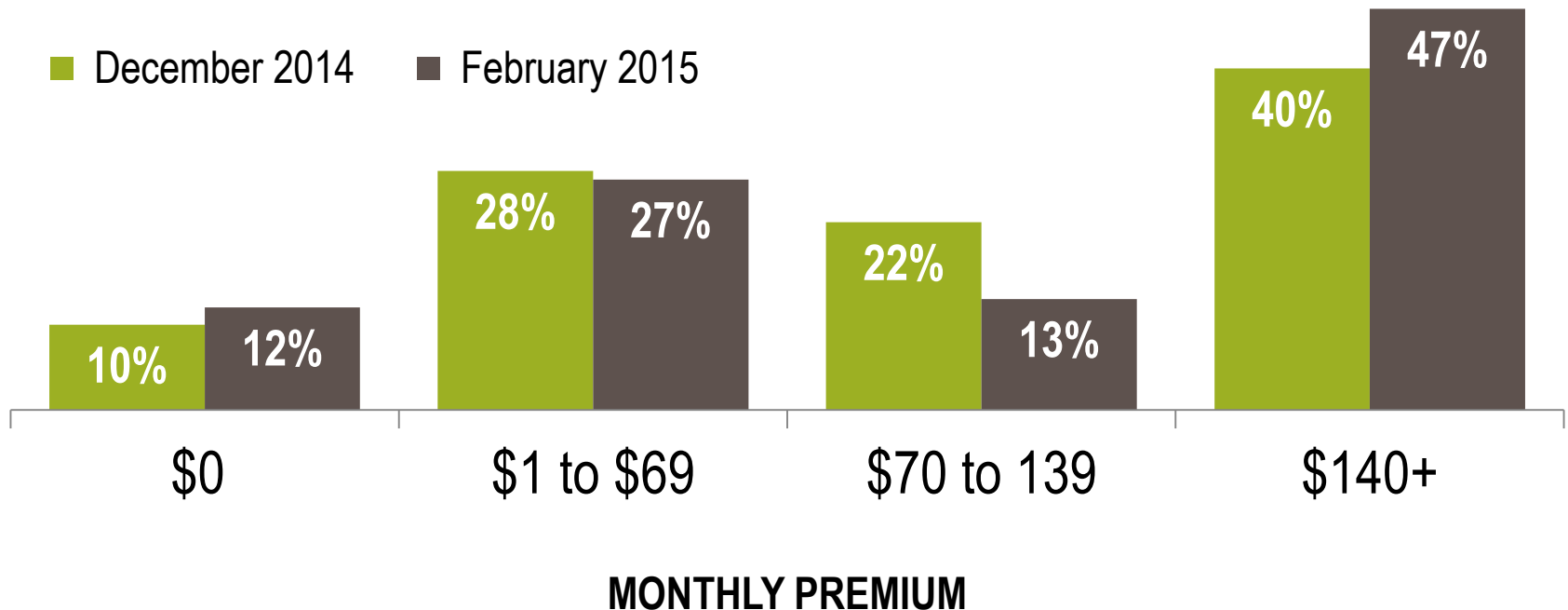
Lack of Health Insurance

- **~50,000+ elders each year have a period without coverage**
 - 45,000 have a spell without coverage
 - 6,000 had no coverage for the entire year
- **Some ineligible for premium-free Medicare Part A**
 - Medicare Part A premium can be \$400/month
- **Workers more likely to be ineligible for Medicare:**
 - Domestic workers, seasonal workers, and migrant workers, some federal, state, and local government retirees

Issue #2:

Supplemental coverage is expensive,
particularly relative to average income.

Distribution of Members by Monthly Premium:
Medicare Advantage Direct Pay Members with Prescription Drug Coverage
(n=175,000 people)

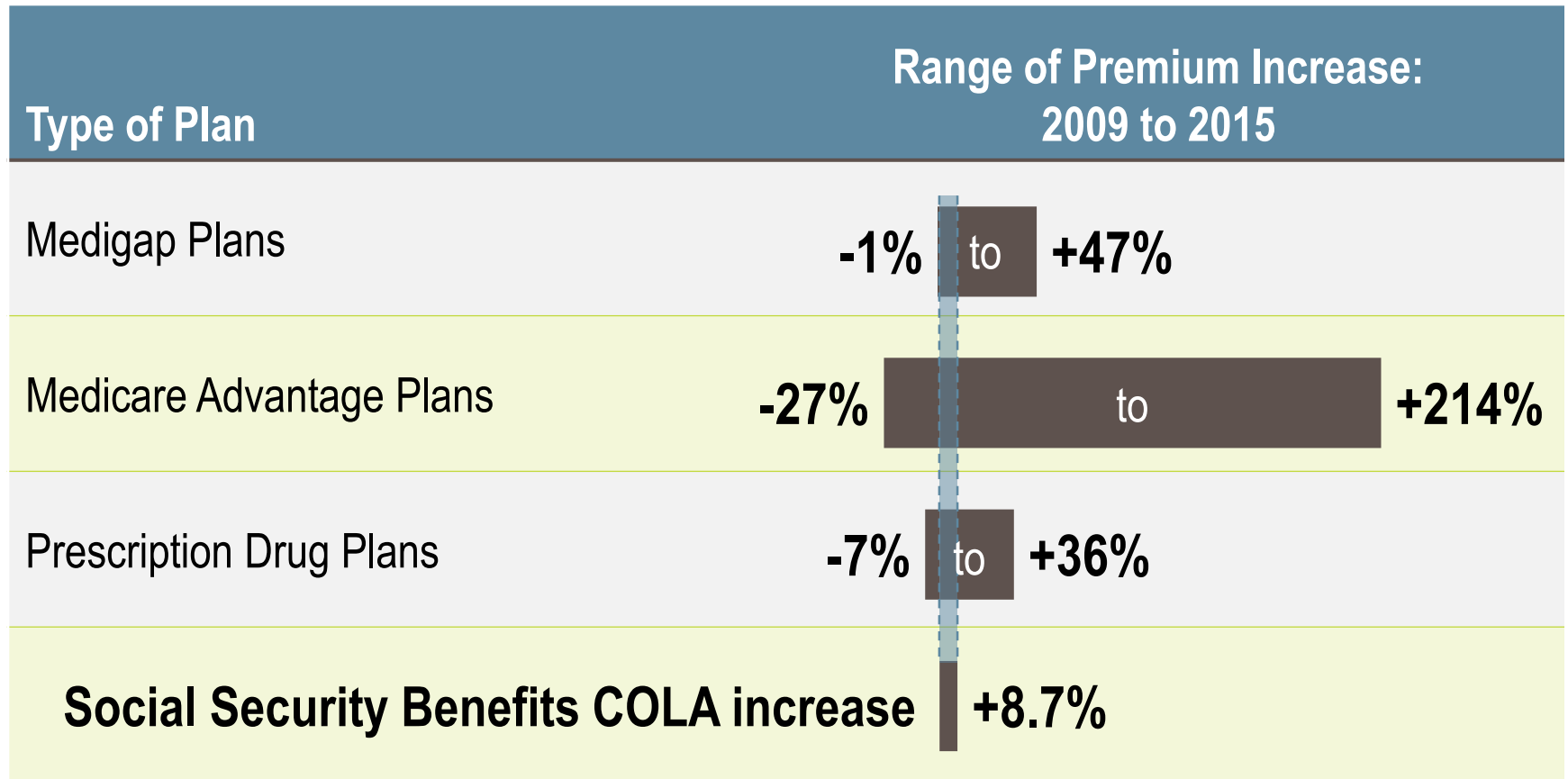


Issue #2:

Supplemental coverage is expensive,
particularly relative to average income.

Premiums and Out-of-Pocket Spending Limit	Annual Amount	As a percent of Average Social Security Benefit in Massachusetts (\$16,000)
Medicare Part B Premium	\$1,259	
Medicare Advantage Premium (most popular product)	\$2,546	
Total Premiums	\$3,808	24%
Plus: Total out-of-pocket spending limit (for covered services)	\$3,400	
Total Premiums and Out-of-pocket	\$7,208	45%

Issue #3: Premiums for the most popular private plans are increasing rapidly and much faster than Social Security benefits.



Issue #4: Private coverage and public programs are complicated and fragmented, making them hard to understand and navigate.

- **Lots of different private plans choices**
- **Different rules for different public programs**
 - Income and asset amounts vary
- **Application process can be complex**
 - Different agencies responsible for different programs
- **Many people eligible but not enrolled**
 - Less than one-third of eligibles in U.S. enrolled in the Medicare Savings Programs

Issue #5:

Elders may have less access to affordable health coverage than non-elders with the same income.

	PEOPLE AGE 65 OR OLDER	ADULTS UNDER AGE 65	
MassHealth <i>(for community-residing individuals)</i>	100% FPL plus asset test	People with disabilities (ages 0-64)	No income limit ; those with higher incomes pay premiums
		Former foster care children up to age 26	No income limit
		Individuals with breast or cervical cancer	250% FPL
		Pregnant women and persons with HIV	200% FPL
		Adults without one of the above conditions	133% FPL
Connector Care <i>(for those without access to affordable ESI)</i>	Not eligible	Up to 300% FPL ; sliding scale premiums based on income. (Up to 400% FPL for federal tax credits)	

Issue #6: Little ongoing publicly available analysis and synthesis about this important part of the health insurance market

Dozens (hundreds?) of reports on costs, coverage, access, satisfaction with health coverage for people under age 65 in last decade

QUICK LINKS TO CHIA RESEARCH

- Annual Report on the Massachusetts Health Care System
- Alternative Payment Methods in the Massachusetts
- Bundled Payments
- Emergency Department
- Employers Who Have 50 or More Employees Using Public Assistance
- Fair Share Contribution
- Health Data Inventory
- Hospital Information
- Insurance Surveys
- Mandated Benefit Reviews
- Relative Price / Price Variation
- Total Health Care Expenditures
- Total Medical Expenses

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IN CONTRAST,

Major public reports on coverage to supplement Medicare, affordability, access to services and care among Medicare beneficiaries in Massachusetts



Questions?