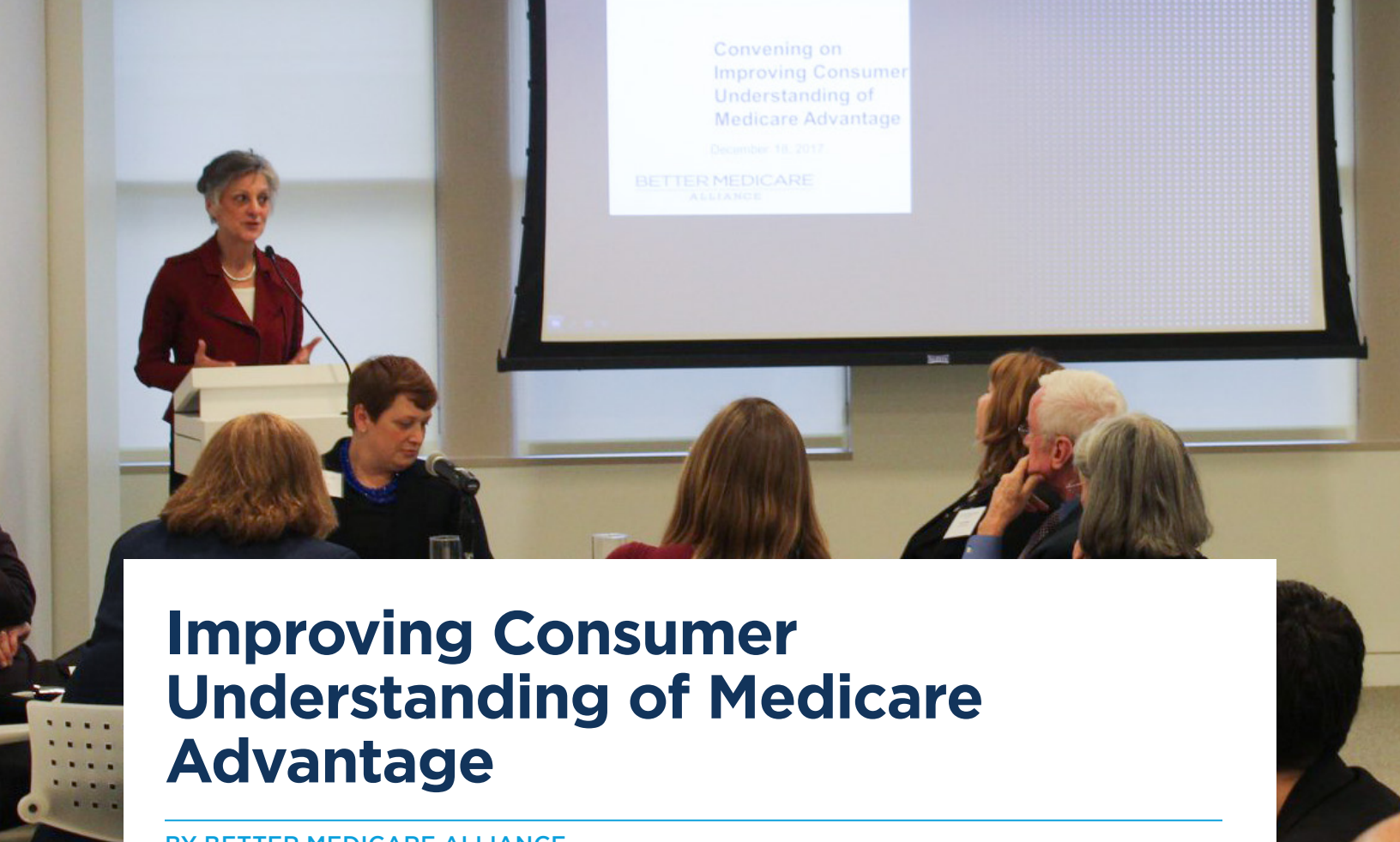




Improving Consumer Understanding of Medicare Advantage

BY BETTER MEDICARE ALLIANCE
MARCH 2018

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Overview

In December 2017, Better Medicare Alliance (BMA) brought together a group of approximately 50 thought leaders—including beneficiary advocates, researchers, health plans, practitioners, community partners, and policymakers—with an overarching objective of developing recommendations for improving consumers’ understanding of Medicare coverage options, particularly Medicare Advantage. To accomplish this objective, the dialogue focused on three topic areas: (1) assessing the Medicare population’s educational needs; (2) discussing the breadth of currently available educational resources on Medicare coverage options and the gaps therein; and (3) developing recommendations for enhancing education and decision-making tools for Medicare beneficiaries. Overall, stakeholders agreed that educational materials must be improved to engage and assist Medicare beneficiaries in making optimal coverage decisions.

This report summarizes key discussion points from the convening, including:

- Background on Medicare coverage options and the evolution of the program over time
- Current approaches to disseminating Medicare coverage information to beneficiaries
- Stakeholders’ discussion of existing materials and approaches to beneficiary outreach and education on Medicare coverage
- Recommendations for improving beneficiary education and decision-making tools
- Concluding comments regarding next steps

Background

MEDICARE BENEFICIARIES HAVE COVERAGE OPTIONS AND CHOICES TO MAKE

From the commencement of their Initial Enrollment Period (IEP), people eligible for Medicare face coverage choices that affect their health care benefits and costs. Most beneficiaries have an opportunity to choose between Traditional Fee-for-Service (FFS) Medicare or Medicare Advantage. Some beneficiaries choose Medicare Advantage—which (1) provides all FFS Medicare benefits, (2) protects from high out-of-pocket costs, and (3) offers supplemental benefits, and (4) usually includes the Part D drug benefit as part of the plan. Other beneficiaries choose FFS Medicare, many of whom add a Medigap plan as a supplement to help pay some or most out-of-pocket costs for services. Beneficiaries who choose FFS Medicare must enroll in a stand-alone prescription drug plan (PDP) for access to the Part D drug benefit. See Table 1 for more information on the various types of Medicare coverage. Those who do not make an active choice could default into FFS Medicare.

RISING MEDICARE ENROLLMENT REQUIRES IMPROVED EDUCATIONAL MATERIALS FOR MEDICARE BENEFICIARIES

The government projects Medicare enrollment to grow from 56 million to 75 million beneficiaries over the coming decade, a 30% increase.¹ The Medicare Advantage program is also expected to grow in number and percentage for Medicare beneficiaries. By 2027, 41% of all Medicare beneficiaries will be enrolled in Medicare Advantage (up from 34% today).² As the Medicare-eligible population booms, the imperative to ensure that informed enrollment decisions occur is paramount. Choosing suboptimal coverage may result in beneficiaries with limited access to preferred providers or needed medications, or, even, greatly increased out-of-pocket costs.



TABLE 1:

The Medicare Program Consists of Several Key Components

Traditional Fee-for-Service	FFS Medicare provides limited coverage for hospital and other inpatient care (Part A), such as a stay in a skilled nursing facility; and provider services (Part B), such as a primary care visit.
Medicare Advantage	Medicare Advantage (Part C) provides coverage for all Part A and Part B services and may offer supplemental benefits like dental services. Unlike FFS Medicare, all Medicare Advantage plans provide out-of-pocket cost protections for beneficiaries.
Medigap	Medigap (Plan Type F is the Medigap option with the highest enrollment), which is offered by private insurance plans, provides FFS Medicare beneficiaries with coverage of some or all deductibles and out-of-pocket costs.
Part D	All beneficiaries may choose prescription drug coverage for medications accessed at a pharmacy through a standalone Part D plan (PDP) or a Medicare Advantage plan with a prescription drug benefit (MA-PD). Most Medicare Advantage plans include Part D coverage.

Source: Better Medicare Alliance. Beneficiary Costs in Medicare Factsheet. October 2017. [Link](#).

Beneficiaries do not always understand the options available to them. According to a recent beneficiary survey, key differences between Medicare Advantage and other Medicare options are confusing to many beneficiaries, particularly the associated out-of-pocket costs (44%) and how to choose the right type of Medicare Advantage plan (42%).³ As more people enroll in Medicare, improved education can help enrollees understand that they have an important choice to make about their Medicare coverage, and better consumer assistance tools can aid them in navigating their options.

AN EVOLVING PROGRAM MERITS INCREASED BENEFICIARY OUTREACH

Since its inception, the Medicare Advantage program has undergone many changes, including those that directly affect beneficiaries, as depicted in Figure 1. For example, the Affordable Care Act of 2010 (ACA) introduced reforms in Medicare Advantage of which many beneficiaries are unaware.⁴ Before the ACA, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 and the Balanced Budget Act of 1997 also made notable changes to the program.^{5, 6} However, there is still much confusion and little awareness among beneficiaries about this option—only 33% of beneficiaries say that Medicare Advantage was made clear to them as a coverage option, and 58% of FFS Medicare beneficiaries indicate they are unfamiliar with Medicare Advantage altogether.⁷

As the Medicare Advantage program has evolved, there has not been similar advancement in outreach and education for beneficiaries. Without the appropriate level of information, beneficiaries cannot make informed choices in selecting the right coverage based on their needs, whether they are newly eligible or current beneficiaries. It is essential that such efforts better align with the program's continued growth in the future.



FIGURE 1

Key Laws in the Past Two Decades Have Significantly Shaped Beneficiary Coverage

Balanced Budget Act (1997)

- Established “Medicare+Choice” (now “Medicare Advantage”) and Medicare open enrollment
- Requires plans to post benefit information, including out-of-pocket cost and quality
- Launched medical savings account demo to help beneficiaries with medical expenses

Medicare Modernization Act (2003)

- Changed “Medicare+Choice” to “Medicare Advantage”
- Created the Part D drug benefit and designated funds for beneficiary education
- Increased PPO benefit options and lowered premiums
- Required user fees from Medicare Advantage plans to be used for development and dissemination of beneficiary education.⁸

Affordable Care Act (2010)

- Requires free coverage for some preventive benefits
- Helps with coverage in the Part D coverage gap
- Awards quality rebates for supplemental benefits
- Modified risk adjustment to better identify risk by enrollee.



Current Approach to Informing and Educating Beneficiaries Leaves Many in the Dark

EDUCATIONAL NEEDS OF MEDICARE BENEFICIARIES ARE UNIQUE

The nature of Medicare beneficiaries presents distinct challenges when it comes to educating on coverage options compared to other populations. For example, seniors learn and comprehend information on health insurance differently than younger people and may have cognitive needs that impact their ability to learn and make complicated decisions.^{9,10} Meanwhile, younger Medicare beneficiaries may be more comfortable using technology than those who are a bit older, which is increasingly important as beneficiary materials shift away from paper materials to online platforms and could become limiting for older beneficiaries. To effectively enhance existing education and decision-support tools, it is important to understand the factors that influence beneficiaries' ability to navigate, select, and use health insurance coverage.

Convening participants agreed that beneficiaries need simpler, streamlined information on their Medicare choices, as well as personalized support to navigate these options. Materials should be fitted to various factors that influence beneficiaries' ability to digest and use provided coverage information. Primary factors include health insurance literacy, the coverage type from which they are transitioning, learning style, and information accessibility (see Figure 2).

COMPLICATED COVERAGE CHOICES

Dr. Jack Hoadley of Georgetown University and Dr. Bruce Landon of Harvard University, in their presentations, emphasized the confusion many beneficiaries experience when transitioning into Medicare. Entering in a new coverage system where they have no experience complicates the decision-making process.

Beneficiaries must consider multiple inputs to make fully informed decisions, including coverage options, out-of-pocket costs, enrollment requirements, potential penalties, as well as subsequent decision points, such as reassessing coverage during each annual enrollment period. Additionally, beneficiaries must attempt to decipher quality ratings. According to Dr. Virginia Brown of the University of Maryland, to successfully enroll in coverage that suits a beneficiary's personal circumstances requires a considerable level of health literacy to comprehend and apply these many factors.

FIGURE 2

Beneficiary Materials Should Account for Unique Needs of the Medicare Population

Health Insurance Literacy

Health insurance literacy is required for beneficiaries to make informed coverage decisions and use the benefits once enrolled

Coverage Transition Support

Newly eligible beneficiaries need early outreach about Medicare coverage and enrollment processes and timelines, especially those transitioning from coverage with fewer options

Learning Style

Educational materials should be available in various forms to accommodate learning preferences, including visual paper documents, email, webinars, videos and social media

Accessibility

Materials must also be accessible for beneficiaries, accounting for various languages, cultures, disabilities, education levels, geographic location, and socioeconomic status

Health insurance literacy helps beneficiaries make informed coverage decisions. However, according to numerous studies in recent years, 42% of working age Americans could not describe a deductible, and a similar portion of individuals do not understand coinsurance.¹¹ Additionally, evidence from the Part D program indicates that most beneficiaries fail to choose plans that are aligned with their financial circumstances—less than a quarter of beneficiaries chose the lowest cost option and enrollees placed much more emphasis on premiums than expected out-of-pocket costs.¹² Poor health literacy and lack of understanding of basic health insurance concepts can have adverse consequences for beneficiaries as it relates to financial and personal health. Impairments in cognitive function can have a similar effect when making such complex decisions.¹³

Confusion around health insurance options can be reduced by applying adult learning and health communication techniques for the Medicare population. Meeting the four domains for health insurance literacy, as defined by the American Institutes for Research and supported by Dr. Virginia Brown's research findings from the Smart Choice Smart Use program at the University of Maryland, can help to increase beneficiary efficacy in selecting appropriate health care coverage, including:¹⁴

- **Knowledge:** Understanding of insurance terms (e.g., premium, copay), concepts, types of health care services (e.g., screening vs. diagnostic), beneficiary rights
- **Information Sharing:** Ability to locate coverage information (e.g., eligibility, coverage requirements), evaluate credibility of sources, navigate information (e.g., telephone, websites, decision support tools), and articulate questions
- **Document Literacy:** Capability to complete required forms, read and follow directions, interpret summary of benefits, and use schedules (e.g., provider networks and drug tiers)
- **Cognitive Skills:** Capacity to assess preventive care needs and personal risk, apply benefit structure to personal circumstances, project services utilization, calculate out-of-pocket costs, assess value, and develop questions

PERSONALIZED SUPPORT OFFERS THE PROMISE OF BETTER NAVIGATION OF COVERAGE OPTIONS

Convening participants agreed that beneficiaries need more personalized decision support tools to better comprehend Medicare coverage options. Current government-sponsored beneficiary educational resources, including Medicare & You Handbook and Medicare.gov, are generalized and apply to “most” beneficiary situations. Medicare Plan Finder, a key beneficiary web tool to browse and enroll in some coverage options, requires beneficiaries to be technologically savvy or expects them to have assistance in navigating the tool. Depending on where a person lives or other personal circumstances, in-person assistance is not always accessible nor comprehensive when it is available. Personalization of these resources would enable beneficiaries to ask questions about coverage options, whether it is in-person, through web tools like a teleconference, live chat function, pre-recorded video, or by phone.

CMS AND SSA DELIVER MOST INFORMATION ABOUT MEDICARE COVERAGE AND CHOICES

Beneficiaries receive information on Medicare from a variety of sources, including the Centers for Medicare & Medicaid Services (CMS); the Social Security Administration (SSA); MA plans; counselors, agents, and brokers; and informally from providers, caregivers, family, and friends. However, evidence shows that these sources are not sufficient as many beneficiaries are unaware that they have a choice regarding their coverage, or do not know which resource to use to learn more. This makes understanding the components of the Medicare program and the individual plan options available to them even more challenging.

CMS and SSA are responsible for outreach to prospective Medicare beneficiaries regarding the Medicare program, informing them about the decision they must make between Medicare Advantage and FFS Medicare, enrolling Medicare-eligible beneficiaries in a timely way, processing their applications, and collecting premiums.¹⁵ Either three months before turning age 65 or in the 25th month of receiving disability benefits, soon-to-be-eligible beneficiaries begin their Initial Enrollment Period. As a first step for

21% of beneficiaries do not know what resource they would use to research their Medicare enrollment options.

Beneficiaries who are more familiar with these resources use either Medicare.gov or the Medicare & You Handbook to research enrollment options.

Morning Consult/BMA. National Poll of over 2,002 Seniors with Medicare. September 2017.

those new to Medicare, SSA sends individuals the Welcome to Medicare letter, Welcome to Medicare booklet (outlines decisions beneficiaries must make regarding Medicare coverage, including around Part B, Part C, and Part D), and their Medicare identification card. Then, CMS provides individuals the Medicare & You Handbook (summarizes benefits, rights and protections, plans, and frequently asked questions). SSA is the gateway to the Medicare program, providing the initial introduction to enrollment in Medicare once an individual becomes eligible. CMS serves as an important resource for beneficiaries after the Initial Enrollment Period, as does SSA which provides annual statements of eligibility. For these reasons, the educational materials and resources developed by CMS and SSA are prime targets for modernization and improvements to ensure both agencies offer ample information on all the Medicare coverage options and associated decision points.

Over the past year, CMS has shown its willingness to collaborate with stakeholders to update these resources. For example, BMA was successful in efforts to improve the Medicare & You Handbook. BMA suggested more charts, tables, and illustrations to clarify information on coverage options; more information on the out-of-pocket spending limit in Medicare Advantage; updated language and placement to better explain Medicare Advantage; and additional details on specialized care and benefits available under Medicare Advantage. CMS included many of these recommendations in the 2018 Medicare & You Handbook. Additionally, BMA has offered recommendations for improvements around the communication with newly-eligible Medicare beneficiaries through the current SSA materials: Welcome to Medicare letter, Welcome to Medicare booklet, and www.SSA.gov. Overall, BMA found that accessing critical Medicare enrollment materials from SSA is not intuitive or user-friendly and requires several steps. Furthermore, there is little information on the option of Medicare Advantage and the fact that beneficiaries have options and choices to make after signing up for Medicare Parts A and B. While CMS and SSA routinely update their materials with feedback from stakeholders, convening participants agreed that the agencies can and should make additional enhancements.

Existing Materials and Approaches Limit the Opportunities for Informed Coverage Decisions

IMPROVED MATERIALS WOULD HELP MEDICARE BENEFICIARIES UNDERSTAND THEIR COVERAGE OPTIONS AND MAKE MORE INFORMED CHOICES

Convening participants identified six primary gaps in the materials and tools in use today, as shown in Figure 3, and described further below.

FIGURE 3

Identified Gaps to Target in Improving Medicare Beneficiary Education

1	2	3
Existing Medicare Resources Are Not Targeted	Current CMS Materials Make It Difficult to Navigate Medicare Advantage Choices	SHIP Counselors, Insurance Agents, and Providers' Capacity to Educate on Medicare Is Limited
4	5	6
Caregivers and Employers Are Not Formally Engaged In Medicare Education	New Medicare Eligible Individuals Lack Adequate Enrollment Process Support	Medicare Plan Finder is Antiquated and Lacks Finesse

1. Existing Medicare Resources and Outreach Are Designed for a General Audience

While there are other resources available, convening participants agreed that beneficiaries rely most on CMS as a source of Medicare information, particularly Medicare.gov, Medicare & You Handbook, and Medicare Plan Finder. However, these materials do not clearly convey that Medicare eligible individuals have a responsibility to actively choose coverage (versus the notion of being automatically enrolled into FFS Medicare). In addition, materials do not adequately describe how Medicare Advantage and FFS Medicare, Part D, and Medigap relate, nor do the current tools make this choice easy to navigate.

Additionally, CMS and SSA do not customize materials based on where beneficiaries are in the enrollment process. For example, entering into a new coverage system could be especially confusing for beneficiaries transitioning from employer coverage of many years. Such individuals may have not had as many coverage options under their employer, and so require specific education or reminders around basic insurance concepts. However, from the current materials provided, it is up to the beneficiaries to sort through and decide the subset of the information they might need to make important decisions about their coverage options.

2. Current CMS Materials Make It Difficult to Navigate Medicare Advantage Choices

Beneficiary decision-making involves many coverage options, which can be overwhelming. Because core resources, including Medicare.gov and Medicare Plan Finder, do not explicitly mention or clearly describe Medicare Advantage or its potential advantages, beneficiaries may be led to choose FFS Medicare as “the easy choice” even though Medicare Advantage could be the better choice based on their individual needs. Additionally, SSA’s Welcome to Medicare letter focuses on enrolling in Medicare Part B, Part B premium costs, and steps to enroll. However, it does not provide information on Part C, the necessity of being enrolled

in both Parts A and B to enroll in Medicare Advantage, or resources to find out more about Medicare Advantage. It is crucial that CMS and SSA clearly present all Medicare options and provide beneficiaries a straight-forward path to navigating plan-specific benefits and out-of-pocket costs.

3. SHIP Counselors, Insurance Agents, and Providers' Capacity to Educate on Medicare Is Limited

Some participants cited SHIP counselors as trusted sources for assisting beneficiaries with their Medicare coverage. SHIP is a federally funded grant program provided through the Administration for Community Living (ACL) and provides one-on-one counseling and public education activities through a community-based, grassroots network. However, SHIP programs have experienced inconsistency in funding amounts since the Medicare Modernization Act, making it difficult to invest in the program long-term. Inconsistent funding creates challenges to offering comprehensive training for SHIP counselors, 57% of whom are volunteers, and for them to reach all beneficiaries in need of assistance. SHIP counselor training is not widely standardized and so varies nationally. Counselors may lack necessary product knowledge to discuss all plan options with Medicare eligible individuals. SHIP counselors rely on Medicare Plan Finder to compare Medicare options and are trained using CMS modules.¹⁶

Many beneficiaries rely on insurance agents and brokers who are licensed, certified, or registered under state law. They must be trained and regulated by state insurance departments. Agents and brokers are more likely to understand insurance options like Medicare Advantage and Medigap. Some beneficiaries may turn to their providers for health coverage information, but providers may not be able to assist beneficiaries in making informed coverage decisions.¹⁷

4. Caregivers and Employers Are Not Formally Engaged in Medicare Education

CMS has legal authority to support caregivers who are broadly defined as family members, friends, or neighbors who provide unpaid assistance to a person with a chronic illness or disabling condition. Some caregivers (e.g., adult children, spouses, in-home assistants) play a prominent role in Medicare beneficiaries' lives when it comes to their health and wellness and could support their loved ones in making decisions about their health care coverage. CMS hosts a quarterly Caregiver Workgroup meeting that includes a cross-section of organizations.

People who plan to continue to work after age 65 do not typically receive early education or reminders about their transition into Medicare from the marketplace (e.g., from an employer plan, COBRA, or Veterans Affairs). Employers could also play a role in ensuring Medicare eligible employees have a basic understanding of their current benefits, health insurance fundamentals, and how to transition into Medicare. CMS does not currently offer direct training for caregivers or employers to assist Medicare eligible individuals in improving health literacy or in educating and assisting beneficiaries in navigating Medicare coverage options.

5. New Medicare Eligible Individuals Lack Information on the Process

Newly eligible Medicare beneficiaries often have limited understanding of sign-up requirements, such as late enrollment penalties, open enrollment, eligibility rules, and plan lock-in. New beneficiaries may also not understand the opportunity for subsequent decisions points after signing up for Medicare. Missing these milestones in the enrollment process can have significant consequences for a beneficiary, including financial consequences, health care benefits, and overall health in the long-run.

6. Medicare Plan Finder Is Antiquated and Lacks Finesse

Medicare Plan Finder serves two types of users: beneficiaries and counselors. With two distinct functions, the tool does not always meet the needs of either audience. First, the tool is not user-friendly. Second, the tool is also outdated and houses incomplete information about important aspects of benefits. Convening participants identified numerous gaps in the tool, many of which are aligned with findings from a study conducted by the Council for Affordable Health Coverage's Clear Choices Campaign, presented at the convening, including:

- Medicare Plan Finder lacks modern e-commerce usability that could generate better use of the tool and more effective decision-making; today, only 2% of Medicare enrollment comes from existing online tools.
- The tool does not ask enough about health status to determine individual needs and displays inaccurate information. In particular, the out-of-pocket cost calculator does not provide accurate estimates nor are drug formularies, provider directories, and supplemental plan choices up-to-date. Beneficiaries especially have difficulty figuring out whether certain providers are in-network.
- The tool is not user-friendly and lacks personalized assistance functionality for beneficiaries and/or counselors. The website is not easy to navigate and includes confusing language, particularly for beneficiaries navigating the tool alone. The tool should also be easier to locate on Medicare.gov's homepage. Also, certain plan options appear first, which can impact beneficiaries' decision-making, and search filters are one-dimensional, which makes narrowing plan choices difficult.
- The Plan Finder Tool uses the phrase "Medicare Health Plan" which is confusing terminology and can be interpreted as either Medicare Advantage or Medigap. The wording should be changed to "Medicare Advantage Plan" or "Medicare Advantage Health Plan" to be clearer and more understandable to beneficiaries.
- Quality ratings (Star Ratings) displayed for each plan in Medicare Plan Finder are not meaningful for beneficiaries as it is unclear how they relate to what beneficiaries' experience might be in the plan. It is also not intuitive for beneficiaries to find or decide on a plan based on the individual measure ratings without an understanding of the measures.

Despite investing in user-testing, CMS has not always acted on user feedback to fix these critical issues. Convening participants acknowledged that there may be limited funds that inhibit major changes to the Plan Finder.

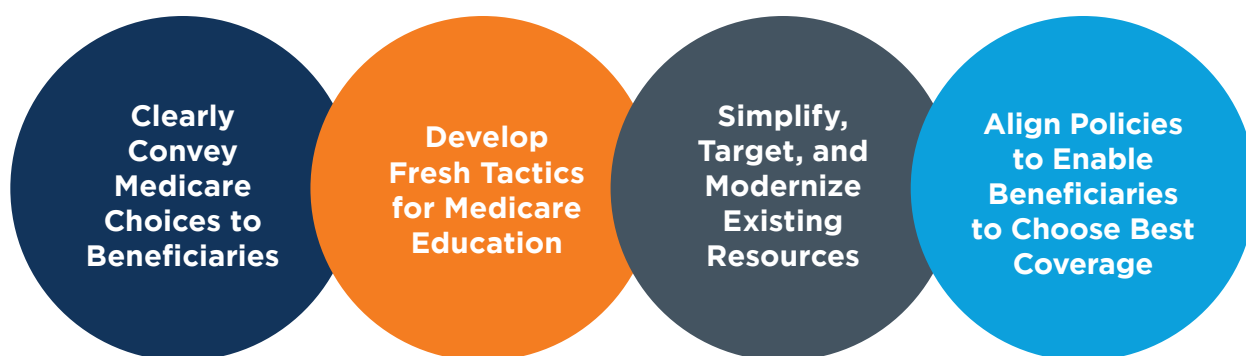
Recommendations for Improving Beneficiary Education and Decision-Making Tools

BETTER COMMUNICATIONS, MATERIALS, AND DECISION TOOLS WOULD HELP BENEFICIARIES OPTIMIZE THEIR COVERAGE DECISIONS

Convening participants made a number of many key recommendations for CMS to address major gaps in existing materials and tools across four main categories, as shown in Figure 4, and described in detail below.

FIGURE 4

Stakeholders Identified Four Areas for Optimizing Beneficiaries' Education and Decision-Making Tools



1. CMS and SSA Should Clearly Convey Medicare Choices to Beneficiaries

Beneficiaries have decisions to make. As trusted resources, CMS and SSA should ensure beneficiaries understand that they have multiple decisions to make regarding their Medicare coverage, starting with choosing the type of Medicare coverage they will enroll in. If beneficiaries do not actively choose Medicare coverage, they are automatically enrolled in traditional FFS Medicare, which may not be the best option based on their financial and/or health care needs. It is important that CMS align with SSA to convey this message several months before individuals turn age 65 (more than the current three months). To support this message, CMS and SSA should provide beneficiaries information on the differences between FFS Medicare and Medicare Advantage (e.g., additional benefits and annual out-of-pocket cost limits in Medicare Advantage). CMS and SSA materials should also provide more explicit instructions for enrolling into Medicare Advantage. The two agencies should partner with third-party organizations serving Medicare beneficiaries to update beneficiary materials and tools, and provide the training support Medicare beneficiary-serving entities (e.g., SHIP

counselors, health insurance brokers and agents) need to ensure that beneficiaries have clear, comprehensive, and personalized support in understanding their coverage choices.

Beneficiary coverage decisions require certain levels of health literacy. Within existing materials, CMS should offer brief explanations of basic insurance elements like cost sharing. Additionally, CMS should collaborate with Medicare Advantage plans and other stakeholders to educate beneficiaries about Medicare managed care and health insurance generally, considering varying levels of health literacy. For example, the Smart Choice Smart Use program at the University of Maryland Extension aims to reduce confusion and increase capability and confidence to make good choices based on beneficiaries' individual circumstances. The program teaches beneficiaries how to apply health literacy knowledge and skills to decision-making around health insurance; a similar model could be created for the Medicare program.

CMS and SSA should engage caregivers and employers to help increase health literacy and education. CMS and SSA should offer earlier education and reminders on Medicare for people before they turn age 65 to ease their transition from other markets (e.g., employer plans, Veterans Affairs coverage, Medicaid). As beneficiaries approach age 65, employers could provide Medicare eligibility and enrollment information, paired with the information on Part D that they already provide today. CMS should consider requiring employers to notify beneficiaries of their upcoming Medicare eligibility and provide information on transitioning into Medicare, similar to the current employer notification requirements for Part D.¹⁸ CMS could use Medicare Advantage Employer Group Waiver Plans (EGWPs) as a model for providing both Medicare medical and prescription drug coverage information to new Medicare-eligible employees. Such activities could also include educating prospective Medicare beneficiaries' future caregivers, including adult children and spouses, on what their loved one must do to sign up for Medicare and how they could help them navigate the process. CMS should consider increasing outreach and education on Medicare options for caregivers and employers. Improved training and supervision for SHIP counselors would also be beneficial to better ensure accurate and complete knowledge of Medicare Advantage.

2. Stakeholders Argue CMS and SSA Need Fresh Tactics for Medicare Education

CMS and SSA should deploy more creative methods for engaging Medicare beneficiaries at different decision points. Specifically, CMS and SSA should deploy different outreach tactics for different types of beneficiaries like newly eligible, transitioning from previous coverage, or current beneficiaries reassessing options during annual enrollment. For example, CMS could survey individuals with pre-Medicare questionnaires to better understand their individual needs (e.g., health insurance literacy) and tailor future communication about Medicare coverage options. Equally as important, CMS must clearly inform beneficiaries on the enrollment process and timeline for their required decision points throughout their enrollment experience. To avoid confusion when transitioning into Medicare, CMS should provide a clear checklist of "next steps" for signing up and emphasize rules and requirements (e.g., potential late enrollment penalties).



CMS and SSA should formalize and leverage partnerships with third-party organizations to extend beneficiary outreach. Specifically, CMS and SSA should expand their partnerships with trusted community sources, such as provider offices, pharmacies, churches and faith-based organizations, barber shops and hair salons, grocery stores, and benefit enrollment centers. Social media may also be a useful way to communicate with a broad group of beneficiaries. Through these platforms, CMS and/or its partners could hold “live” information sessions on Medicare, tailored based on individual community needs (e.g., via teleconference if community is in a remote location). CMS could also engage members of Congress to educate constituents on Medicare through town halls and Facebook live videos. CMS and SSA might also consider partnering with a third-party to utilize social media platforms to advertise consumer education opportunities through “smart marketing” (placing targeted ads across a beneficiary’s web interface).

CMS and SSA should offer a continuum of Medicare education, providing the appropriate level of information in the most suitable format for the given audience. For example, assistance during the annual election period could be targeted to help beneficiaries evaluate whether their previous Medicare enrollment(s) will meet their financial and health needs in the upcoming year. Convening participants emphasized beneficiaries’ various learning styles must be considered when making changes to existing materials. For example, CMS and SSA materials should make use of modernized technology and be more interactive. Interactive sessions would allow beneficiaries to engage with the information presented to them versus solely reading it via paper materials, offering them more personalized support. Several convening participants suggested online chat functions for Medicare.gov, a virtual assistant in each section of the Medicare Plan Finder, and/or consumer help videos to enable beneficiaries to access more personalized support.

3. Existing Educational Resources Must Be Simplified and Modernized

CMS and SSA should leverage existing beneficiary materials to further break down the complexity of the Medicare program, the way various coverage types relate to one another, and how to best navigate these options based on their individual needs or circumstances. Convening participants emphasized the need for simpler, easy-to-read visuals and concise explanations wherever possible. For example, CMS could leverage visual descriptions of the various components of Medicare in the Medicare & You Handbook by including them on Medicare.gov website and/or within the Medicare Plan Finder.

CMS should make the various Medicare Advantage plan options easier to compare. Evidence from the individual market indicates that clear labeling can be helpful to beneficiaries in navigating multiple plan options. CMS may consider adding flags or tags to managed care plans, indicating that they are Medicare Advantage options. CMS should more clearly indicate how the Star Ratings relate to what the beneficiary’s experience might be once enrolled. To further streamline options, CMS may consider partnering with Medicare Advantage plans and Medicare-focused external organizations to standardize the way plan benefit details are displayed.

CMS should make technical innovations to the tool to help beneficiaries more easily make coverage decisions based on health literacy and medical and financial needs. Convening participants recommended specific technical improvements to Medicare Plan Finder, as outlined in Figure 5. Given resource limitations, CMS should partner with third-party organizations (e.g., advocacy groups, health plans) to help address these gaps, and create a more consumer-friendly Medicare Plan Finder.

FIGURE 5

Recommended Technical Improvements to Medicare Plan Finder

	Describe coverage choices through a tutorial before displaying specific plans (for scenarios where beneficiaries are choosing initial or annual coverage)
	Create user-specific interface for beneficiaries and counselors, providing comprehensive explanations of Medicare coverage options and basic health insurance concepts for consumers
	Build in online chat and/or virtual assistant function to help beneficiaries navigate plan options in a more personalized manner
	Alert beneficiaries of changes to previous plan selections
	Ensure accurate, up-to-date prescription drug and provider information
	Make out-of-pocket costs more apparent and accurate; incorporate best practices from other markets for building complex functions like health care cost calculators

4. CMS Should Align Policies to Encourage Beneficiaries to Choose the Most Appropriate Enrollment Option

Current Medigap rules may deter people from making the right choice for themselves. If beneficiaries do not sign up for Medigap within their six-month Medigap open enrollment period, they may experience higher costs due to being subject to medical underwriting.¹⁹ CMS should reconsider these rules for Medigap, across all states, to ensure beneficiaries have continuous coverage. To help with out-of-pocket costs more broadly, some participants

suggested CMS allow Medicare beneficiaries with leftover Health Savings Account (HSA) dollars to use the funds to offset these costs once they are enrolled in Medicare.

Under current rules, beneficiaries can transition from Medicare Advantage to FFS Medicare through the disenrollment period. However, the disenrollment period is only six weeks long. Improving beneficiary enrollment protections through annual enrollment periods or special enrollment periods would allow beneficiaries more opportunities to transition into coverage that is better for their personal circumstances, help align decision-making for Medicare Advantage and FFS Medicare, and make the process less fraught with uncertainty.

Conclusion

The convening identified broad stakeholder consensus that improving outreach, education, and decision-making tools for Medicare beneficiaries must be a priority for the administration, policymakers, and advocates. CMS and SSA materials and tools on Medicare enrollment, but they need updates and revisions to better reflect beneficiary interests, needs, and preferences. Current materials are not straightforward, nor are existing beneficiary tools comprehensive enough to provide personalized support in decision-making about Medicare coverage. Readability of information consistent with health literacy challenges is particularly important. To ensure informed decision making, complete information on both Fee-For-Service and Medicare Advantage must be highly visible and accessible.

Improving beneficiary education and decision-making is more important than ever as more people age into Medicare. Improving existing materials to be more consumer-friendly is essential but ideally should be part of a broad-based consumer education effort. This should include efforts to engage caregivers and employers to spread awareness about Medicare options. While many of the recommended actions in the report may not require additional funding, there is not enough transparency around the funds available or those allocated towards Medicare outreach and education. It is unclear how much of currently mandated “user fees” for Medicare Advantage and Part D plans are allocated for outreach and education on Medicare Advantage. At a minimum, it is essential that CMS incorporates Medicare Advantage education into its strategic plan.

CONVENING PARTICIPANTS AGREE THAT CMS SHOULD CONDUCT ADDITIONAL OUTREACH TO BENEFICIARIES ON CHOOSING MEDICARE COVERAGE, INCLUDING THE CHOICE OF MEDICARE ADVANTAGE

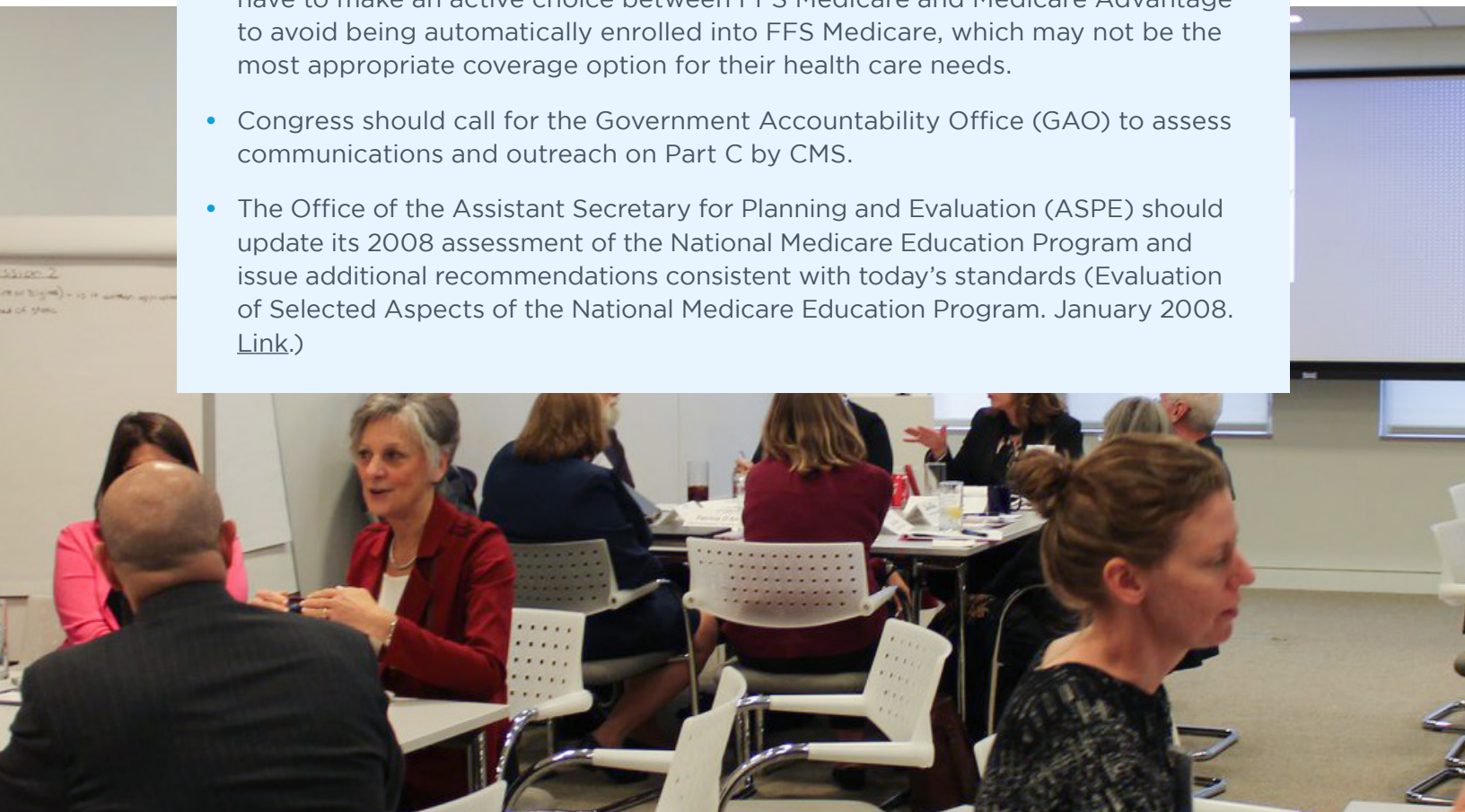
Many beneficiaries are not aware of their option to choose Medicare Advantage when they transition into Medicare. This could be attributed to beneficiaries’ lack a clear understanding of their role in choosing Medicare coverage, as well as education on their options, including managed care. As mentioned earlier, CMS has not held a national educational campaign on Medicare Advantage in the recent past.

NEXT STEPS

BMA is committed to addressing outstanding improvements needed to strengthen beneficiary education and outreach in Medicare. It is important that beneficiaries have complete, clear information on coverage options and that they have adequate support in navigating these complex decisions. BMA looks forward to partnering with stakeholders on advancing the recommendations discussed at the convening and addressed in this report.

BETTER MEDICARE ALLIANCE FINAL RECOMMENDATIONS

- CMS and SSA should assess and update current materials to improve readability, offer visual illustrations of concepts to accommodate various health literacy levels, target outreach to provide more personalized support throughout the enrollment process and incorporate more innovative approaches to education and consumer assistance.
- CMS and stakeholders should examine current funding and resources to assess how to effectively improve consumer education and outreach.
- The current administration working with stakeholders should conduct a robust education and outreach campaign on Medicare choices with specific attention to Medicare Advantage.
- Outreach and education must be improved to clearly convey that beneficiaries have to make an active choice between FFS Medicare and Medicare Advantage to avoid being automatically enrolled into FFS Medicare, which may not be the most appropriate coverage option for their health care needs.
- Congress should call for the Government Accountability Office (GAO) to assess communications and outreach on Part C by CMS.
- The Office of the Assistant Secretary for Planning and Evaluation (ASPE) should update its 2008 assessment of the National Medicare Education Program and issue additional recommendations consistent with today's standards (Evaluation of Selected Aspects of the National Medicare Education Program. January 2008. [Link.](#))



Resources

- ¹ Medicare Trustees Report and the Congressional Budget Office Baseline Estimates. 2017. Available at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/Downloads/TR2017.pdf> and <https://www.cbo.gov/sites/default/files/recurringdata/51302-2017-01-medicare.pdf>
- ² Medicare Trustees Report and the Congressional Budget Office Baseline Estimates. 2017. Available at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/Downloads/TR2017.pdf> and <https://www.cbo.gov/sites/default/files/recurringdata/51302-2017-06-medicare.pdf>
- ³ Ibid.
- ⁴ Kaiser Family Foundation. Summary of Key Changes to Medicare in 2010 health Reform law. [Link](#)
- ⁵ Medicare Prescription Drug Improvement and Modernization Act of 2003 (Public Law 108-173). [Link](#).
- ⁶ Balanced Budget Act of 1997 (Public Law 105-33). [Link](#).
- ⁷ Ibid.
- ⁸ The Medicare Modernization Act requires “user fees” to be paid by Medicare Advantage and Part D plans to allocate towards the Beneficiary Education and Information Campaign, supporting the development and dissemination of print materials, the 1-800-Medicare assistance telephone line, community-based outreach for the State Health Insurance Assistance Programs (SHIPs), and more ([Public Law 108-173](#)).
- ⁹ McWilliams, Afendulis, McGuire, & Landon. 2011.
- ¹⁰ Stevens, 2003; Polinski et. al, 2010; Aruru & Salmon, 2013.
- ¹¹ Bacellos et al. Preparedness of Americans for the Affordable Care Act. Proceedings of the National Academy of Sciences of the U.S.A. March 24, 2014. [Link](#).; Lowenstein, 2013; Hibbard et al, 1998.
- ¹² Abaluck and Gruber. Choice Inconsistencies among the Elderly: Evidence from Plan Choice in the Medicare Part D Program. American Economic Review, Vol. 101, No. 4. June 2011. [Link](#).
- ¹³ Landon et al. Complex Medicare Advantage Choices May Overwhelm Seniors—Especially Those With Impaired Decision Making. Health Affairs, Vol. 30, No. 9. September 2011. [Link](#).
- ¹⁴ Ibid.
- ¹⁵ Section 405 of the Social Security Amendments of 1983; Section 1144 of the Social Security Act Amendments of 2003.
- ¹⁶ Administration for Community Living. SHIP. Accessed February 14, 2018. [Link](#).
- ¹⁷ CMS. Conditions for Coverage Interim Final Rule. December 2016. [Link](#).
- ¹⁸ CMS. Creditable Coverage Model Notice Letters. Accessed March 1, 2018. [Link](#).
- ¹⁹ CMS. Medicare.Gov: When Can I Buy Medigap? Accessed February 15, 2018. [Link](#).

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