

## NEW CHOICES AND HARD DECISIONS:

# Helping Seniors Navigate Medicare

Today's seniors have many decisions to make when it comes to health coverage. Between Medicare, supplemental insurance, and other plans, such choices can be daunting. The Medicare Prescription Drug Improvement and Modernization Act (MMA), which was signed into law in December 2003, ushered in a host of benefit, premium, and other programmatic changes to the nation's health insurance program for the elderly and disabled. The most significant change is the addition of a Medicare Part D prescription drug benefit. The full Part D benefit will begin in January 2006. In the meantime, beneficiaries will have the option of using Medicare-endorsed prescription drug discount cards beginning in June 2004. The new legislation also creates the Medicare Advantage program, the new name for the managed care option. These new benefits and other changes will place demands on seniors, requiring them to make more complex and more consequential decisions about their health coverage.

Many seniors are confused about the outcome of the Medicare reform debate and changes to the program. Results from a February 2004 Kaiser Family Foundation survey reveal that while two-thirds of seniors reported following the Medicare debate, just 15 percent reported that they understand the new prescription drug law very well. In addition, the survey found that 55 percent of seniors reported an unfavorable impression of it, compared to 17 percent who said it was favorable. Another 28 percent said they did not have any impression of the new law.

Educating seniors on the changes to Medicare will be a challenge for both the public and private sectors. Reaching the nation's 41 million Medicare beneficiaries – 35 million of whom are over the age of 65 – will require a mix of customized, one-on-one assistance and broad education campaigns, such as television advertisements and literature, telephone hotlines, and community-based outreach programs (Altman 2004). Medicare beneficiaries, for example, will be faced with decisions about whether to participate in the new drug benefit plan, as well as having to select among plans with wide variations in premiums, benefit design, formularies, and preferred drug lists.

### NATIONAL OUTREACH BEGINS ON NEW PRESCRIPTION DRUG BENEFIT

The Centers for Medicare and Medicaid Services (CMS), the federal agency responsible for the administration of the Medicare program, provides information on-line, as well as through telephone hotlines, literature, and support for programs such as the state health insurance assistance programs (SHIP).

### KEY FEATURES OF THE MEDICARE RX LAW

- ▶ Medicare prescription drug discount cards will be available beginning in June 2004 until implementation of Part D.
  - Twenty-eight private companies have been approved to offer the cards.
  - An annual enrollment fee of up to \$30 applies.
  - Qualified low-income beneficiaries may be eligible to receive \$600 per year in assistance to help pay out-of-pocket drug costs.
- ▶ Starting in January 2006, an optional benefit (Part D) is available to cover outpatient prescription drugs.
  - Beneficiaries can choose to remain in the traditional Medicare program and enroll in a separate private prescription drug plan or enroll in a private Medicare Advantage health plan that covers drugs.
  - Part D provides financial assistance for qualified beneficiaries based on income and asset levels.

Source: The Henry J. Kaiser Family Foundation, *The Medicare Prescription Drug Law*, fact sheet (Washington, DC: 2004).

The agency, however, faces many challenges in educating the public about the new Medicare law, including the complexity of the benefit design and variations in offerings across geographic areas. In addition, the MMA required CMS to develop and implement this new delivery system by the fall of 2005, leaving little time to fully educate Medicare beneficiaries about their drug coverage options (Washington HealthBeat 2004).

To educate the public about the new Medicare prescription drug benefit, CMS is developing a drug comparison feature on its Web site. This new tool will compare the discounted prices of prescription drugs offered by the drug card program, as well as enrollment fees and other care features (HHS 2004). In addition, the CMS campaign will include television, radio, newspaper, and Internet advertising in English and Spanish.

National education organizations are working to inform beneficiaries of the changes to Medicare. AARP, for example, has developed a range of publications and Web-based tools to assist beneficiaries in selecting Medicare prescription drug cards, determine eligibility for low-income beneficiary assistance, and link beneficiaries to federal and state resources. AARP has also published *Medicare Changes that Could Affect*

*You*, a guide examining the new prescription drug benefit, Medicare Advantage, changes in deductibles and premiums, new preventive services, and chronic care management programs. Similarly, the Medicare Rights Center (MRC), a national nonprofit organization providing Medicare information to the public, is helping beneficiaries navigate the program through a variety of fact sheets and publications. For example, updates on the new Medicare law are available in an e-mail newsletter in both English and Spanish. MRC also provides consumers with links to state and local Medicare resources, advocates, and other community-based groups.

### OPPORTUNITIES FOR GRANTMAKERS

Providing information and referral services for seniors and their families is an area ripe for foundation work, especially in light of the new Medicare law. Even with CMS' commitment to educating Medicare beneficiaries about the new drug benefit and other program changes, much remains to be done. This is not just a question of resources, but of roles. For example, as a government agency, CMS is required to be neutral and descriptive, even though what many beneficiaries need is targeted advice. Similarly, CMS is not well-positioned to respond to the information and counseling needs of many special populations, such as those with language or cultural barriers, those living with specific chronic conditions, and dual eligibles (individuals who receive both Medicare and Medicaid).

Foundations have an opportunity to strengthen efforts to inform Medicare beneficiaries as health consumers by supporting information intermediaries, as well as developing tailored tools to help beneficiaries make informed decisions. Educational efforts must also respond to the fact that those most in need may be socially isolated, be non-English speaking, and have low educational attainment and literacy levels.

Foundations can support the health education and advocacy organizations that seniors turn to for information. These efforts can inform and train social workers, benefit managers, and other information intermediaries to help seniors navigate the Medicare program and make appropriate choices. MRC, for example, has developed *Let's Learn Medicare: A Training and Reference Manual*. The guide's eight modules train professionals to give customized presentations on the Medicare program and its benefits, options, and appeals process, as well as Medicare rights. The manual was developed in conjunction with the Center for Medicare Education (CME) and The Robert Wood Johnson Foundation. CME, also funded by The Robert Wood Johnson Foundation, provides Medicare information to public and private agencies. It has developed *Ideas in Action*, highlighting best practices and creative ideas for educating beneficiaries. It also publishes reports addressing the challenges professionals face in educating beneficiaries and their families, and it offers training sessions, conferences, and other meetings.

The Health Assistance Partnership, affiliated with Families USA and supported by Atlantic Philanthropies and The Robert Wood Johnson Foundation, is a resource for consumer health assistance programs. To educate beneficiaries about the new Medicare drug discount card and, later, the Part D benefit, the

partnership is conducting a pilot program in six states to increase public awareness of SHIPs and the services they offer. The partnership is also supporting the development of educational materials to be used by SHIPs and promoting the availability of financial assistance for qualified low-income beneficiaries.

Other funders are developing tools to inform beneficiaries' decisionmaking processes. The Henry J. Kaiser Family Foundation, for example, has developed a Web-based *Medicare Drug Benefit Calculator*, which permits beneficiaries to enter their prescription drug costs and calculates an estimate of their out-of-pocket costs under the Medicare prescription drug law. In addition, the foundation's consumer guide *Talking With Your Parents About Medicare and Health Coverage* helps seniors and their adult children sort through the basic facts about Medicare and the choices seniors must make related to health coverage and paying for care. It answers questions on a range of issues, from Medicare eligibility, enrollment, and coverage (including supplemental insurance and Medicare managed care), to long-term care options available and ways of paying for prescription drugs. It also includes contact information and Internet addresses that can be used to obtain specific help. Working to raise awareness at the national level, The Retirement Research Foundation has provided a grant to Families USA for its Medicare Road Show, a public awareness campaign about the new Medicare prescription drug law. The road show consists of events in more than 20 cities in the spring of 2004 and offers resources such as videos, publications, and Web-based tools to help seniors understand their choices under the new law.

Funders can also directly support Medicare beneficiary education through broad-based health and wellness efforts. The Quantum Foundation, Inc., for example, has used the Palm Beach County library system to educate seniors. Two medical librarians were hired to provide reference services to seniors in the library and by telephone, e-mail, or fax. Supported by a collection of more than 4,700 medical and health-related books, journals, and electronic databases, the librarians are able to provide reference services to the elderly and their families concerned about Medicare, prescription drug coverage, and other aging issues.

### SOURCES

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