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*For Immediate Release*

## **NEW SURVEY: BENEFICIARIES, BOOMERS REMAIN CONFUSED BY MEDICARE**

- *One in two Americans over 60 still do not understand the health reform law; even fewer are aware of important changes to enrollment rules and prescription drug costs*
- *Medicare confusion could be costing beneficiaries – nearly half have never shopped for coverage that could better meet their needs, and 85 percent of eligible beneficiaries have never applied for financial assistance*
- *A vast majority of baby boomers on the cusp of Medicare enrollment are uncertain about the program's long-term future; about two-thirds are nervous, overwhelmed or indifferent about the prospect of enrolling*

**WASHINGTON and MINNETONKA, Minn. (Sept. 19, 2011)** – The results of a survey released today by the National Council on Aging (NCOA) and UnitedHealthcare reveal that a large percentage of baby boomers and seniors ages 65 and over do not understand Medicare and are unaware of important recent or impending changes to the program.

The study results reinforce the need for more education regarding the nation's largest health insurance program. The need for greater understanding of Medicare will only grow during the next two decades as tens of millions of people are added to the program. Over the next 20 years, an average of 10,000 boomers a day will turn 65 and become eligible.

UnitedHealthcare and NCOA surveyed 1,000 seniors ages 65 and over and 500 “leading-edge” baby boomers ages 60 to 64 to gauge their understanding of the Medicare program. The survey was conducted as part of an ongoing partnership between the two organizations to help Medicare beneficiaries, their caregivers and baby boomers learn more about their health-care options now and in the years ahead.

### **People Ages 60 and Over Stumped by Medicare's Structure**

More than half of survey respondents find Medicare confusing or do not understand it at all, and most do not understand the program's structure. Only a third correctly identified Part A as helping to cover the costs of hospital care. Less than 25 percent knew that Part B helps cover the costs of a doctor visit, and more than two-thirds did not know what Part C covers. Only 12 percent were aware that Part C helps cover the costs of hospital care, doctor visits and prescription drugs, and even fewer – 7 percent – knew that Part C is synonymous with Medicare Advantage.

The confusion about Medicare is not limited to the program's structure. Nineteen percent of respondents who reported being enrolled in Medicare said they do not know what type of coverage they

have.

“Without a solid grasp of the basics of Medicare, older adults are not well-positioned to understand their options and find the coverage that best meets their needs,” said Jim Firman, president and CEO, the National Council on Aging. “These findings show that Medicare beneficiaries either are not getting the information they need to understand the program or that the information that’s currently available isn’t resonating with them. Both scenarios are worrisome today but also of great concern given the significant growth on the horizon for Medicare as boomers age in. Through our partnership with UnitedHealthcare and our education efforts, we hope to help older adults become more knowledgeable, better-informed Medicare consumers.”

### **One Year After Reform, Confusion Persists**

The survey results suggest that more than a year after the signing of the Patient Protection and Affordable Care Act, most adults ages 60 and over remain perplexed by the law itself and how it will – or will not – affect their Medicare coverage. Half of survey respondents described their understanding of the law as poor. Only 12 percent said they have an excellent or good understanding of the law.

Awareness of two important changes to Medicare in 2011 as a result of health reform is also low. One of the most significant changes that affects all beneficiaries is the dates of the Annual Enrollment Period (AEP), when people enrolled in Medicare can change their benefit elections. In previous years, the AEP began Nov. 15 and ended Dec. 31. Beginning this year, it starts a month earlier, on Oct. 15, and ends Dec. 7. Only 9 percent of survey respondents were able to identify the new start date, with even fewer respondents (3 percent) correctly identifying the new enrollment deadline. The majority (63 percent) believe beneficiaries continue to have until Dec. 31 to make an enrollment decision.

Respondents are similarly unaware of new cost-savings opportunities in the Part D prescription drug coverage gap, or “donut hole.” The health reform law is gradually closing the coverage gap, beginning in 2011 with 50-percent discounts on brand-name drugs and 7-percent discounts on generic drugs for beneficiaries who fall into the coverage gap. Less than half of respondents (47 percent) were familiar with the coverage gap, and of those, more than two-thirds were unaware of the new discounts.

### **Medicare Confusion Could be Costing Seniors in the Form of Missed Opportunities to Save Money**

More than a third of respondents ages 65 and over who are enrolled in Medicare are spending \$1,000 or more out of pocket each year on their health-care costs. The survey found that a significant portion of respondents (29 percent) are worried about their ability to pay out-of-pocket health-care costs, yet most who are enrolled in Medicare are not taking steps to save money on their coverage.

Although the majority of respondents (58 percent) described their ability to evaluate and choose the best Medicare coverage to meet their health and financial needs as excellent or good, nearly half reported that they have never shopped around to find the best coverage for them. About another 25 percent of respondents have not shopped in two or more years.

Nearly 60 percent of respondents who have never shopped or have not shopped in a few years cited satisfaction with their current coverage as their primary reason; however, 41 percent of all respondents ages 65 and over said they do not think they would save any money by shopping around for different Medicare coverage.

The survey also found that the majority of potentially eligible Medicare beneficiaries are not taking

advantage of important programs that could help them better afford their health care. Of the 36 percent of respondents ages 65 and over who would qualify for assistance with their Medicare costs based on their income, more than two thirds (68 percent) had never heard of the Medicare Savings Programs, which help people with limited income pay some or all of their premiums, deductibles and coinsurance. More than half (53 percent) had never heard of the Extra Help program for prescription drug costs. Even fewer – only 13 percent – had ever applied for either program, despite their eligibility. When asked why they had not applied, nearly 25 percent of respondents reported that they did not know these programs are available.

“In this economy, many seniors are justifiably worried about their financial future,” said Firman. “When it comes to Medicare costs, now is the time they can do something about it. Medicare beneficiaries should research their options and apply for available extra benefits. They may be surprised how much money they can actually save.”

### **Boomers Uncertain about Medicare’s Future, Indifferent about Enrolling**

In many cases, the people helping current Medicare beneficiaries review plans and find cost savings are their children – many of whom are baby boomers who will be entering the program themselves in a matter of years. But older baby boomers also lack a solid understanding of the program, the survey found. More than half of the boomers surveyed (55 percent) described their understanding of how to evaluate and choose the best Medicare coverage to meet a loved one’s health and financial needs as “poor.” About three in 10 Medicare beneficiaries surveyed indicated that they rely on help from relatives when making their Medicare decisions, with this help sometimes coming from a son or daughter (19 percent).

Even as many are on the verge of Medicare eligibility, boomers expressed uncertainty about the program’s future, with 24 percent saying they expect Medicare will continue as it is for some of their retirement, with major changes in the long term, and 57 percent reporting they do not know what the future holds for Medicare. Only 13 percent expect minor changes in the long term, and 5 percent believe Medicare will exist as it does today throughout their retirement years.

Boomers also expressed mixed emotions about enrolling in Medicare – just over a quarter of respondents reported feeling nervous (26 percent) or indifferent (27 percent), and 14 percent described themselves as overwhelmed. Of those who reported feeling nervous or overwhelmed, the most common cause was the prospect of learning about a whole new health-care system.

“In many ways, boomers have approached each stage of life a bit differently than their parents and grandparents did, and we expect them to do the same as they enroll in Medicare,” said Tom Paul, CEO of UnitedHealthcare Medicare & Retirement. “While boomers’ trepidation about joining the program is understandable, we believe some of the characteristics that define this generation will serve them well as they become Medicare beneficiaries. For example, they’re known for being more sophisticated and discerning shoppers. Boomers should put those shopping skills to use as they evaluate their Medicare options to find coverage that meets their needs.”

### **NCOA, UnitedHealthcare Join Forces to Help Beneficiaries Make Sense of Medicare**

UnitedHealthcare and NCOA are leveraging their partnership to help simplify the often complex nature of becoming a Medicare beneficiary. Both organizations believe that a well-informed Medicare beneficiary will live healthier, make sounder coverage choices and save money. UnitedHealthcare and NCOA are hosting a series of educational meetings at senior and community centers across the country and distributing public service announcements for TV and radio stations nationwide to raise awareness

of resources to help boomers and beneficiaries learn more about Medicare. UnitedHealthcare and NCOA are also participating in a panel discussion today in Washington, D.C., to discuss these survey findings and their implications for Medicare education.

Complete survey results and more information about the partnership between UnitedHealthcare and NCOA can be found at [www.NCOA.org/Medicare](http://www.NCOA.org/Medicare).

### **Survey Methodology**

GfK Roper interviewed 500 boomers (age 60-64) and 1,000 seniors (age 65+) by telephone July 13-29, 2011, using a random digit dialing (RDD) probability sample of landline telephones in the continental United States. The samples of boomers and seniors were weighted to reflect each group's proportion of the U.S. population above age 60. The margin of sampling error is plus or minus 2.5 percentage points at the 95-percent confidence level, for results based on the entire sample of boomers and seniors. The margin of sampling error is higher and varies for results based on subsamples.

### **About the National Council on Aging**

The National Council on Aging is a nonprofit service and advocacy organization headquartered in Washington, DC. NCOA is a national voice for millions of older adults – especially those who are vulnerable and disadvantaged – and the community organizations that serve them. NCOA brings together nonprofit organizations, businesses, and government to develop creative solutions that improve the lives of all older adults. NCOA works with thousands of organizations across the country to help seniors find jobs and benefits, improve their health, live independently, and remain active in their communities. For more information, please visit: [www.NCOA.org](http://www.NCOA.org) | [www.facebook.com/NCOAging](http://www.facebook.com/NCOAging) | [www.twitter.com/NCOAging](http://www.twitter.com/NCOAging).

### **About UnitedHealthcare**

UnitedHealthcare is dedicated to helping people nationwide live healthier lives by simplifying the health care experience, meeting consumer health and wellness needs, and sustaining trusted relationships with care providers. The company offers the full spectrum of health benefit programs for individuals, employers and Medicare and Medicaid beneficiaries, and contracts directly with more than 650,000 physicians and care professionals and 5,000 hospitals nationwide. UnitedHealthcare serves more than 38 million people and is one of the businesses of UnitedHealth Group (NYSE: UNH), a diversified Fortune 50 health and well-being company.

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