

Silver Lining

Changes in Medicare Plans may be up in 2010

ONLY 5 PERCENT OF SENIORS HAVE CHANGED MEDICARE PLANS, 16 PERCENT MIGHT THIS YEAR

Cost savings, better service and improved coverage among biggest drivers to change plans as Medicare enrollment season nears.

While only five percent of seniors have changed their Medicare plan since becoming eligible, three times as many (16 percent) report they are likely to or are considering switching plans in 2010, according to an independent survey of seniors over 65. Allsup, a nationwide provider of Social Security disability representation and Medicare services to seniors, commissioned the survey. Medicare annual enrollment, when any Medicare-eligible person can switch plans, runs from Nov. 15 to Dec. 31.

The Allsup Medicare Advisor(R) Seniors Survey also found that only one in four seniors are very confident that their Medicare coverage would be adequate if their health condition were to change. "Many seniors are limiting themselves to the Medicare option they are familiar with-- the one they already have," said Paul Gada. Gada is Allsup's personal financial planning director and product manager for Allsup Medicare Advisor, a Medicare plan selection service that helps people choose the most affordable and appropriate plan for their specific healthcare needs. "They may not be confident their plan can handle their changing needs. At the same time, they have a number of different reasons as to why they're reluctant to make a change," Gada said. "For example, many people find the process of comparing Medicare plans too confusing and difficult, especially since there could be dozens available."

Barriers to Change

Four in five seniors say they've not changed plans because they are satisfied with their current plan. However, for those not satisfied, the most significant roadblocks are finding information, comparing plans and understanding the different Medicare options.

One-third of these seniors (35 percent) say they have not changed plans because it is too confusing given the many different Medicare options; 25 percent report it's too hard to find information or to compare different plans, according to the survey.

Concerns about keeping doctors and securing treatment also deterred seniors from changing Medicare plans. Ten percent report they did not change plans because they were concerned a pre-existing condition would not be covered under a new plan, and 5 percent were concerned the health provider they wanted to use would not be a part of the new plan, according to the Allsup survey. Another 15 percent report they have not changed because they have traditional Medicare with a group health plan through a former employer and 10 percent reported other reasons, such as being unaware they could switch plans or believing they were unable to afford other options. "It can appear safer to stick with your existing Medicare plan because of some of these unknown factors," Gada said. "But there is a greater risk that--as your health changes and healthcare costs continue to rise--your current plan won't provide what you need. You may miss out on valuable benefits from re-evaluating your Medicare

options during annual enrollment season."

Benefits for those Switching

Although only five percent of seniors surveyed have switched plans, the most common reasons for switching were to save money and receive better service. Specifically, reasons for switching included the new plan:

- Cost less (4 of 10 respondents)
- Offered better service and customer support (3 of 10);
- Offered better prescription drug coverage (1 of 10); and
- Offered coverage for healthcare/procedures not covered under the old plan (1 of 10).

The Allsup survey also found that 25 percent of seniors report their health had declined since enrolling in Medicare. One respondent noted, "I am not exactly sure what is covered under my current package. As my health declines, I would like to know what changes I am able to make."

For seniors, changing health is an ongoing concern that places even more emphasis on Medicare annual enrollment. "During annual enrollment, you have a very important window to evaluate and make changes to your Medicare coverage," Gada said. "It's particularly important to do so when your health condition changes to make sure you have the best plan to support your new needs."

Making Decisions with Limited Guidance

The Allsup Medicare Advisor Seniors Survey found most seniors have limited support in choosing Medicare coverage or enrolling in a Medicare plan.

Two-thirds of respondents (67 percent) reported they select their Medicare plan with no help. Twenty-five percent say they look for support from a spouse, adult child or other family member and 8 percent from others, including their doctor, a Medicare office, friends or a financial advisor.

More than three in four seniors (76 percent) receive no support when it came to enrolling in Medicare, while 13 percent receive support from a family member and 11 percent from others, including social services and financial advisors.

"Before retiring, most seniors looked to their employers' benefits administrators for help in selecting healthcare coverage. Now, their health may be changing and good healthcare coverage is even more critical," said Gada. "However, they no longer have the support of their employer. Too many rely on their own limited knowledge, rather than seeking experienced, objective support to make sure they receive the quality of coverage they need."

About Allsup

Allsup is a nationwide provider of Social Security disability, Medicare and workers' compensation services for individuals, employers and insurance carriers. Celebrating its 25th anniversary in 2009, Allsup employs more than 600 professionals who deliver specialized services supporting people with disabilities and seniors so they may lead lives that are as financially secure and as healthy as possible. For more information, visit www.Allsup.com.

The information provided is not intended as a substitute for legal or other professional services. Legal or other expert assistance should be sought before making any decision that may affect your situation.

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WITH A STROKE. TIME LOST IS BRAIN LOST.

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American Stroke Association
A Division of American Heart Association

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Don't let gravity be your downfall.

One in three. That's how many adults over 65 fall each year in the United States. Seniors often have trouble seeing easily, falling injuries for seniors can be traumatic. And let's often, like-threatening. Staying active and strong with daily exercise is key—along with making home environments as safe as possible. A public service message from the American Academy of Orthopaedic Surgeons and the National Athletic Trainers' Association.

For more information on senior fitness and home safety, visit orthoinfo.org and nata.org.

AAOS
American Academy of Orthopaedic Surgeons

NATA
National Athletic Trainers' Association

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