



Baby boomers ill-informed about Medicare: Survey

Many harbor misconceptions about government medical programs; others just clueless

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Most baby boomers, even those past retirement age, say they don't know much about Medicare, the federal health insurance plan for seniors. Their ignorance could end up costing them money.

In a survey conducted by the National Council on Aging and insurer UnitedHealthcare, only 46% of seniors said they understand Medicare and how it works. About a third said the program is either confusing or they don't understand it well. Fully 16% are at a complete loss about Medicare.

When asked about some standard Medicare issues, the majority of seniors can't get their facts straight. Only one-third could identify that Medicare Part A is the hospital insurance component of the program, and only 23% responded that Medicare Part B is the part that covers doctor visits. Forget about Part C. Most wouldn't even take a guess.

The passage of the Patient Protection and Affordable Care Act of 2010, otherwise known as Obamacare, ushers in some more twists on coverage, which boomers and seniors are also confused about, according to the survey.

One area where pre-retirees get into trouble is by not applying for Medicare on time. The government recommends applying about three months before a 65th birthday, even if the applicant doesn't intend to use it for some time. Waiting too long can trigger a 10% premium penalty on Medicare Part B in some situations.

For those on Medicare already, few know that the passage of Obamacare changed the annual open-enrollment period for those who want to change their coverage options. In previous years, open enrollment was between Nov. 15 and Dec. 31, but it will open a month earlier this year and end Dec. 7, which could be a shock for those who wait too long to elect to make a change. The majority of those surveyed (63%) believe the deadline is unchanged this year.

Many on Medicare lose money by not shopping around. Medicare Part C (typically called Medicare Advantage), Part D (prescription coverage) and so-called Medigap policies are all offered by private insurers that compete on price alone, said Howard Bedlin, vice president for public policy and advocacy at NCOA.

Because the terms of the policies are standardized, the only real difference between competing policies is the price, yet people still don't comparison-shop, which could save many of them money. "I am hopeful that baby boomers coming into Medicare by the rate of 10,000 a day will be more comfortable using the Internet" to shop around, he said.