

Helping Medicare Consumers Make Informed Decisions

Increased SHIP Funding to Help Medicare Consumers

Policy Objective: provide an additional \$55 million to the State Health Insurance and Assistance Programs (SHIPs) to assist the increasingly diverse Medicare population navigate the rapidly changing Medicare program landscape, and specifically to increase Medicare education and enrollment opportunities for vulnerable consumers.

Talking Points:

Anticipated changes to the reimbursement rates for Medicare Advantage (MA) plans will create barriers to care and cause confusion for many Medicare consumers. With the anticipated reductions in reimbursements to MA plans, a number of plans may choose to fully withdraw from the Medicare market. As a result, these so-called plan withdrawal and plan non-renewal scenarios require additional time and person-centered assistance to transition affected Medicare consumers to other health and prescription drug plans. This will mean a significant increase in the time SHIPs spend with Medicare consumers combating the confusion and misinformation around rights to coverage, and assisting them in choosing viable health plan alternatives.

Outreach and enrollment to low-income subsidy eligible individuals has dramatically expanded. Last year's Medicare Improvements for Patients and Providers Act (MIPPA) required improvements to the direct assistance provided to low-income beneficiaries through the Medicare Savings Program (MSPs). Changes to federal asset limits and new coordination requirements with the Social Security Administration (SSA) are scheduled to take effect in 2010, which means that many low-income individuals are newly eligible for MSPs. The responsibility to assist these beneficiaries will fall to the SHIPs.

Access to appropriate and affordable prescription drugs remains problematic for many Medicare consumers. Despite the introduction of the Medicare Part D program and the low-income subsidy (LIS) in 2006, gaps in access to prescription drugs continue to grow for Medicare consumers. The coverage for many beneficiaries has eroded on average, while their premiums and cost-sharing requirements have increased over time. In particular, prescription drug expenses associated with the "doughnut hole" are persistent, and often place an overwhelming burden on individuals living on fixed incomes. SHIPs spend an increasing amount of time educating Medicare consumers on their Part D plan choices, including how to navigate the "doughnut hole".

The proliferation of MA plans breeds confusion for many Medicare consumers. With the introduction of hundreds of private plans to Medicare as part of the Medicare Modernization Act (MMA, 2003), individuals are being aggressively marketed to, and often find themselves enrolled in plans that do not meet their health and financial needs. SHIPs are a primary information and assistance resource at the local level to help Medicare consumers make informed enrollment decisions.

State Health Insurance and Assistance Programs (SHIPs)

SHIPs serve as a local access point to the Medicare system for its 45 million consumers, and are a critical coordinating point for public benefits information and services in their communities.