

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**USE OF NURSING HOME AND MEDIGAP  
GUIDES**



**JUNE GIBBS BROWN**  
Inspector General

MAY 1994  
OEI-04-92-00481

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OEI's Atlanta Regional Office prepared this report under the direction of Jesse J. Flowers, Regional Inspector General, and Christopher Koehler, Deputy Regional Inspector General. Principal OEI staff included:

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# EXECUTIVE SUMMARY

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## PURPOSE

To determine Medicare beneficiaries' awareness and use of the Health Care Financing Administration's *Guide to Choosing a Nursing Home* and *Guide to Health Insurance for People with Medicare*.

## BACKGROUND

The Office of the Assistant Secretary for Public Affairs, Department of Health and Human Services, asked us to examine departmental strategies for distributing various reports and publications to ensure they are received by intended users. As part of a 1993 Medicare beneficiary satisfaction survey, we asked 1257 randomly selected beneficiaries about their awareness and use of two Health Care Financing Administration (HCFA) booklets that provide guidance to Medicare beneficiaries and their families.

These two booklets guide Medicare beneficiaries on factors to consider when selecting (1) a nursing home, and (2) health insurance to supplement Medicare coverage (often referred to as Medigap insurance). According to HCFA, both booklets are available from local Social Security offices and senior citizen organizations.

## FINDINGS

### *Few beneficiaries were aware of or used the HCFA guides*

- Nine percent of the beneficiaries surveyed were aware of the *Guide to Choosing a Nursing Home*, and one percent had used it.
- Fourteen percent of the beneficiaries surveyed were aware of the *Guide to Health Insurance for People with Medicare*, and two percent had used it.

### *Beneficiaries who used the booklets found them useful*

### *Most beneficiaries stated they would use the booklets if they needed nursing home care or Medigap insurance*

- Eighty-four percent of the beneficiaries surveyed said they would use the *Guide to Choosing a Nursing Home* should they need to select a nursing home.
- Sixty-five percent of the beneficiaries surveyed said they would use the *Guide to Health Insurance for People with Medicare* should they need to obtain or change supplemental health insurance.

## **RECOMMENDATION**

We recommend that HCFA work with the Social Security Administration (SSA) and the Assistant Secretary for Public Affairs to develop a more effective strategy to make the guides available to beneficiaries.

## **AGENCY COMMENTS**

The Assistant Secretary for Public Affairs (ASPA), Commissioner of Social Security, and HCFA Administrator commented on our draft report. Appendix B shows the full text of their comments.

All agreed with our recommendation and have already begun exploring strategies to make HCFA guides more accessible to beneficiaries. For example, HCFA and SSA staff are working together to determine ways to improve access to Medicare information. HCFA staff have also been considering the feasibility of making the guides available through hospitals and physicians. ASPA suggests that the Department advertise the guides through senior citizen groups and public service announcements.

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# INTRODUCTION

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## PURPOSE

To determine Medicare beneficiaries' awareness and use of the Health Care Financing Administration's *Guide to Choosing a Nursing Home* and *Guide to Health Insurance for People with Medicare*.

## BACKGROUND

The Office of the Assistant Secretary for Public Affairs, Department of Health and Human Services, asked us to examine strategies used by agencies in the Department to ensure that reports and publications are received by intended users. As part of a 1993 Medicare beneficiary satisfaction survey, we asked 1257 randomly selected beneficiaries about their awareness and use of two Health Care Financing Administration (HCFA) booklets that provide guidance to Medicare beneficiaries and their families.

### *Medicare Guides*

HCFA publishes two booklets to guide Medicare beneficiaries in selecting (1) a nursing home, and (2) health insurance to supplement Medicare coverage (often referred to as Medigap insurance).

The *Guide to Choosing a Nursing Home* was first published in 1991. The booklet contains information on (1) factors to consider in selecting a nursing home, and (2) Medicare and Medicaid coverage of nursing home care.

The *Guide to Health Insurance for People with Medicare* was first published in 1979 and most recently revised in 1992. The booklet provides information on (1) Medicare coverage, (2) types of Medigap policies, and (3) tips for purchasing Medigap coverage.

According to HCFA, both booklets are available from HCFA, local Social Security offices, and senior citizen organizations. The *Guide to Health Insurance for People with Medicare* is also available from State insurance departments, and through the Medicare Handbook. The Medicare Handbook instructs beneficiaries on how to order the health insurance guide. The Medicare Handbook is issued to all beneficiaries when they enroll in Medicare.

### *Medicare Program*

Medicare is a Federal health insurance program for individuals age 65 and older and for certain categories of disabled people. Authorized in 1965 by title XVIII of the

Social Security Act, Medicare paid benefits in 1992 totalling \$129 billion to approximately 35.5 million beneficiaries.<sup>1</sup>

Within the Department of Health and Human Services, HCFA has responsibility for administering the Medicare program.

## METHODS

As part of a 1993 survey to determine beneficiary satisfaction with Medicare,<sup>2</sup> we asked beneficiaries about their awareness and use of HCFA's *Guide to Choosing a Nursing Home* and *Guide to Health Insurance for People with Medicare*. Appendix A shows responses to these questions.

In February 1993, we mailed a questionnaire to 1257 randomly selected beneficiaries for whom Medicare Part B claims had been filed in Calendar Year 1991. Based upon previous experience with similar client and beneficiary surveys, the sample size was calculated to produce an estimate within 3.5 percent of the true value at the 95 percent confidence level. We used standard equations for estimating sample size with a binary response variable.

Beneficiaries' participation in the survey was voluntary. A total of 1053 beneficiaries returned completed questionnaires, for a response rate of 84 percent. Given the size of our sample and response rate, results of the survey are projectable to the universe of 35 million Medicare beneficiaries. Percentages in the report are based on the number of respondents answering each question.

We conducted this inspection in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

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<sup>1</sup>Health Care Financing Administration, *HCFA Statistics*, September 1992

<sup>2</sup>Office of Inspector General, United States Department of Health and Human Services. Medicare Beneficiary Satisfaction: 1993. OEI-04-92-00480.

# FINDINGS

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## FEW BENEFICIARIES WERE AWARE OF OR USED THE HCFA GUIDES

Table 1 shows that less than 15 percent of the beneficiaries surveyed knew about the booklets HCFA publishes to guide them in selecting nursing homes and Medigap insurance. Only two percent or fewer of the beneficiaries surveyed had ever used either of the guides.

TABLE 1  
KNOWLEDGE AND USE OF HCFA GUIDES

GUIDES	AWARE OF GUIDES	HAVE USED GUIDES
<i>Guide to Choosing a Nursing Home</i>	9%	1%
<i>Guide to Health Insurance for People with Medicare</i>	14%	2%

## BENEFICIARIES WHO USED THE GUIDES FOUND THEM USEFUL

All seven of the beneficiaries who had used the *Guide to Choosing a Nursing Home* said they found the booklet helpful. Twenty-two of 24 beneficiaries who had used the *Guide to Health Insurance for People with Medicare* said they found the booklet helpful. Two users of the health insurance guide did not answer the question about usefulness. No beneficiary said either booklet was not useful.

**BENEFICIARIES STATED THEY WOULD USE THE GUIDES IF THEY NEEDED NURSING HOME CARE AND MEDIGAP INSURANCE**

We asked all the beneficiaries surveyed if they would be likely to use the booklets if they had a need to (1) obtain nursing home care, or (2) obtain or change Medigap insurance. Table 2 shows that more beneficiaries would be likely to use the nursing home guide than the guide for selecting Medigap insurance.

**TABLE 2  
POTENTIAL USE OF HCFA GUIDES**

<b>GUIDES</b>	<b>LIKELY TO USE</b>
<i>Guide to Choosing a Nursing Home</i>	84%
<i>Guide to Health Insurance for People with Medicare</i>	65%

## RECOMMENDATIONS

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The guides are available from several sources, including Social Security offices, but at least 85 percent of Medicare beneficiaries do not know about them. Thus, they cannot benefit from the guidance on selecting nursing homes and Medigap insurance when needed. If a larger number of beneficiaries who needed assistance knew of the guides, use would likely increase.

**We recommend that HCFA work with the Social Security Administration (SSA) and the Assistant Secretary for Public Affairs to develop a more effective strategy to make the booklets available to all beneficiaries.**

The availability of these guides should be publicized to both beneficiaries and their families. Some potential ways that could increase awareness of the guides are mentioned below.

- Since most beneficiaries see physicians, and family members often take them, a list of HCFA guides could be distributed through physicians.
- Carriers could include a listing of HCFA guides with the Explanation of Medicare Benefits sent to beneficiaries after claims for Part B services have been processed.
- In locations where Peer Review Organizations conduct town meetings, they could distribute lists of HCFA guides to attendees.
- The Medicare Handbook could list all HCFA guides, not just a selected few.
- Post offices could display lists of HCFA guides.

## AGENCY COMMENTS

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The Assistant Secretary for Public Affairs (ASPA), Commissioner of Social Security, and HCFA Administrator commented on our draft report. Appendix B shows the full text of their comments.

All agreed with our recommendation and have already begun exploring strategies to make HCFA guides more accessible to beneficiaries. For example, HCFA and SSA staff are working together to determine ways to improve access to Medicare information. HCFA staff have also been considering the feasibility of making the guides available through hospitals and physicians. ASPA suggests that the Department advertise the guides through senior citizen groups and public service announcements.

# APPENDIX A

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## RESPONSES TO 1993 SURVEY OF MEDICARE BENEFICIARIES

Not every respondent answered every question. Percentages are based on actual responses. The number of respondents not answering an individual question is not included in the calculation of percentages.

Question	Responses	Percentage
<p>1. Medicare publishes a booklet entitled "<i>Guide to Choosing a Nursing Home.</i>" It discusses things to look for in selecting a nursing home, and is available from several offices, including your Social Security office.</p> <p><u>Before today, were you aware Medicare had information on choosing a nursing home?</u></p>		
YES	93	9
NO	917	91
NO ANSWER: 43		
<p>2. Have you ever used the booklet to help you select a nursing home?</p>		
YES	7	1
NO	83	8
I DID NOT KNOW MEDICARE HAD A BOOKLET ABOUT CHOOSING NURSING HOMES	917	91
NO ANSWER: 46		
<p>3. Was the booklet helpful?</p>		
YES	7	1
NO	0	0
I HAVE NOT USED THE BOOKLET	1002	99
NO ANSWER: 44		

Question	Responses	Percentage
4. Now that you know about the booklet, are you likely to use it if you should need to select a nursing home?		
YES	805	84
NO	149	16
NO ANSWER: 99		
5. Medicare also has a booklet entitled " <i>Guide to Health Insurance for People with Medicare.</i> " It discusses things you should look for in choosing Medigap insurance to supplement your Medicare coverage. It, too, is available at your Social Security office.		
<u>Before today</u> , were you aware Medicare had a booklet to help you choose other health insurance?		
YES	139	14
NO	875	86
NO ANSWER: 39		
6. Have you ever used the booklet to help you select health insurance to supplement your Medicare?		
YES	24	2
NO	114	11
I DID NOT KNOW MEDICARE HAD A BOOKLET ABOUT CHOOSING OTHER HEALTH INSURANCE	875	87
NO ANSWER: 40		
7. Was the booklet helpful?		
YES	22	2
NO	0	0
I HAVE NOT USED THE BOOKLET	1008	98
NO ANSWER: 23		

Question	Responses	Percentage
8. Now that you know Medicare has a booklet to help you choose health insurance, are you likely to use it should you wish to purchase health insurance to supplement your Medicare or to change your current supplemental policy?		
YES	618	65
NO	338	35
NO ANSWER: 97		

# APPENDIX B

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## AGENCY COMMENTS

- ▶ Assistant Secretary for Public Affairs
  
- ▶ Commissioner of Social Security
  
- ▶ Administrator, Health Care Financing Administration



November 12, 1993

To: Bryan Mitchell, Principal Deputy Inspector General

From: Avis LaVelle, Assistant Secretary for Public Affairs *AL*

Re: OIG Draft Report: "Use of Nursing Home and Medigap Guides" *081-04-10-11481*

After learning of the woeful underutilization of HCFA's Medigap and Nursing Home Guides, I offer these suggestions:

1. Secretary Shalala, HCFA Director Bruce Vladeck and Fernando Torres-Gil, Assistant Secretary for Aging should send out a joint communique to Senior Citizen Groups and publications urging the use of these guides.
2. Secretary Shalala, in conjunction with some commemorative occasion (such as National Senior Citizens month) should do public service announcements for radio and television for distribution to commercial and cable stations particularly in geographic regions heavily populated by seniors.
3. We should look for news events or stories that provide the opportunity for publicizing the use of both of these guides (for example, a report on a study that indicates the growing number of nursing home residents or a report of the soaring cost of health care for the elderly). Stories such as these would provide a news hook for Vladeck, Torres-Gil and/or Shalala to do interviews on resource material that is available to guide the decisions being made with respect to those topics.
4. The American Association of Retired Persons (AARP) has a newsletter that serves an estimated 30 million senior citizens around the country and a radio network that is carried in dozens of markets nationwide. Both would provide opportunities for widespread dissemination of information on these consumer guides.

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 DATE SENT

*[Handwritten marks and signatures over routing list]*

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Memorandum

Refer to

JAN 25 1994

Date:

From:

Shirley S. Chater  
Commissioner of Social Security

Subject:

Office of Inspector General Draft Report, "Use of Nursing Home and Medigap Guides," (OEI-04-92-00481)--INFORMATION

To:

June Gibbs Brown  
Inspector General

Attached is our response to the subject report. If we can be of further assistance, please let us know.

Attachment:  
SSA Response

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IS	_____
SAIG	_____
PDIG	_____
DEG-AS	_____
DEG-SI	_____
DEG-OI	_____
AIG-MP	_____
OCCTG	_____
EXEC	_____
DATE SENT	1-26

**SOCIAL SECURITY ADMINISTRATION COMMENTS ON THE OFFICE OF  
INSPECTOR GENERAL DRAFT REPORT, "USE OF NURSING HOME AND MEDIGAP  
GUIDES," (OIG-04-92-00481)**

**Office of Inspector General (OIG) Recommendation**

We recommend that the Health Care Finance Administration (HCFA) work with the Social Security Administration and the Assistant Secretary for Public Affairs to develop a strategy to more effectively make the guides available to beneficiaries.

**SSA Comment**

We appreciate the opportunity to comment on the draft report. We will be happy to work with HCFA in any strategy development it undertakes for publicizing the availability of the guides to beneficiaries and their family members.



Memorandum

Date APR 1 1994

From Bruce C. Vladeck  
Administrator *[Signature]*

Subject Office of Inspector General (OIG) Draft Report: "Use of Nursing Home and Medigap Guides" (OEI-04-92-00481)

To June Gibbs Brown  
Inspector General

We reviewed the above-referenced report in which OIG found that a significant number of beneficiaries are not aware of nursing home and Medigap guides that the Health Care Financing Administration (HCFA) publishes to help them make more informed decisions about their health care.

We concur with the recommendation that HCFA work with the Social Security Administration and the Assistant Secretary for Public Affairs to develop a more effective strategy to make the booklets available to all beneficiaries. We also concur with most of the suggestions for ways to increase awareness of Medicare publications.

Thank you for the opportunity to review and comment on this draft report. Our detailed comments on the report's findings and recommendations are attached for your consideration. Please advise us if you would like to discuss our comments at your earliest convenience.

Attachments

IG	_____
SAIG	_____
FDIG	_____
DIG-AS	_____
DIG-SE	_____
DIG-OI	_____
AIG-MP	_____
OIG/IG	_____
EXEC	_____
DATE SENT	4/4

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**Health Care Financing Administration's (HCFA) Comments**  
**on Office of Inspector General (OIG) Final Report:**  
**"Use of Nursing Home and Medigap Guides"**  
**(OEI-04-92-00481)**

**Recommendation**

"We recommend that HCFA work with the Social Security Administration (SSA) and the Office of the Assistant Secretary for Public Affairs (OASPA) to develop a strategy to more effectively make the booklets available to all beneficiaries."

**HCFA Response**

We concur with the recommendation to work with SSA and OASPA to improve our dissemination of information to beneficiaries. We believe these recommendations complement a number of ongoing HCFA initiatives. Some examples are:

- o HCFA and SSA have established a work group of Senior Staff members who meet quarterly to discuss ongoing issues in an effort to improve coordination and dissemination of information and other operational initiatives.
- o HCFA staff recently visited an SSA District Office to get firsthand feedback from representatives on ways to improve expanded access to HCFA systems, and provide needed information to SSA staff on Medicare programs so they can assist our beneficiaries more effectively.
- o HCFA and SSA staffs are currently exploring the feasibility of an interagency agreement with the U.S. Postal Service, the Veterans Administration, and the Internal Revenue Service to develop a prototype kiosk which could potentially contain Medicare/Medicaid and Social Security information, including information currently contained in our guides and publications.
- o We are also working with OASPA to learn more about the expertise they can provide to HCFA to enhance and improve our media relations and capabilities to communicate with our beneficiaries. In addition, we submit all proposed publications developed by HCFA to OASPA for review and clearance.

We believe that continuous improvement and feedback are necessary requirements to effectively meet our customers' needs. Therefore, HCFA intends to seek direct input from beneficiary action groups, e.g., the American Association of Retired Persons (AARP), as we revise and improve our products and broaden the base of contacts who can disseminate our publications.

With respect to the suggestions for ways to increase public awareness of HCFA's guides, we offer the following comments.

OIG Suggestion

Since most beneficiaries see physicians, and family members often take them, a list of HCFA guides could be distributed through physicians.

HCFA Response

The report indicates that the physician's office is a convenient location for disseminating to beneficiaries a list of available HCFA publications and guides. We have recently completed a series of focus groups which dealt in part with beneficiaries' knowledge and understanding of HCFA programs through use of our various publications. Coincidentally, one of the recommendations of the focus groups is to distribute information through physicians' offices.

As a result of the findings from the focus groups and recommendations for improvement, we are developing a project to reevaluate our series of publications with respect to their usefulness, content, and design in an effort to maximize their potential in the most cost-effective manner. In addition, we are looking at a number of other ideas to improve the distribution and availability of our publications. We believe distribution of information through physicians' offices to be a valid consideration.

In addition to distribution to physicians, HCFA will also consider the feasibility of making guides available to beneficiaries through hospital personnel. Because Medicare pays for nursing home care only when it follows a hospital stay, we believe most persons become aware of their need for this information as they approach discharge from a hospital.

OIG Suggestion

Carriers could include a listing of HCFA guides with the explanation of Medicare benefits sent to beneficiaries after claims for Part B services have been processed.

HCFA Response

Prior experiences have shown that adding information to the Explanation of Medicare Benefits confuses beneficiaries. We believe that utilizing the Medicare Handbook as a vehicle to disseminate information regarding a list of HCFA publications is a preferable alternative. The Medicare Handbook is sent to newly entitled beneficiaries as well as those who request the publication. HCFA believes it can effectively reach its customers using an existing mechanism.

OIG Suggestion

In locations where Peer Review Organizations (PROs) conduct town meetings, they could distribute lists of HCFA guides to attendees.

HCFA Response

HCFA currently distributes publications to PROs for use at town meetings. We are in the process of disseminating up to 1,000 copies of the Medicare Handbook and Guide to Health Insurance to the PRO in North Carolina for an upcoming meeting. We will explore increasing the utilization of this avenue for dissemination and communication.

OIG Suggestion

The Medicare Handbook could list all HCFA guides, not just a select few.

HCFA Response

HCFA will evaluate adding a complete listing of all HCFA guides in the Medicare Handbook.

OIG Suggestion

Post offices could display lists of HCFA guides.

HCFA Response

HCFA will be broadening the scope of organizations to consider post offices and other public places that can disseminate publications as we continue to improve our communications with beneficiaries.

TECHNICAL COMMENTS

The report does not recognize that every insurer selling health insurance or accident or sickness insurance that provides hospital or medical expense coverage to elderly Medicare beneficiaries is required to deliver to all prospective buyers a copy of the Medigap Buyers Guide (the Guide), which was jointly developed by HCFA and the National Association of Insurance Commissioners (NAIC). This requirement is contained in section 16 of the NAIC model regulation for Medigap policies. The NAIC model regulation is incorporated by reference into section 1882 of the Social Security Act (the Act). Therefore, it has the force of Federal law. Section 1182 of the Act requires all States to have in force Medigap standards that are at least as stringent as those contained in the NAIC model regulation.

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Given this requirement, and the fact that approximately 75 percent of beneficiaries have some type of insurance to supplement Medicare, it is puzzling to us that the Guide is so little known to beneficiaries. HCFA believes that beneficiaries may not recognize the Guide they receive from the insurer as a HCFA publication, because most insurers either obtain camera ready copies of the Guide and reproduce their own copies or reprint the text in another format, which is required to be consistent with the NAIC models. Because insurers attach their own logo to the Guide, many purchasers may be unaware that the Guide, in this form, is a HCFA publication. Additionally, the insurers may not be complying with the NAIC requirement which every State should enforce as part of its Medigap regulatory program. Although insurers are required to deliver the Guide to prospective buyers, HCFA has no way of knowing whether they actually comply with the law, since enforcement is a State responsibility.

During the exit conference, it was mentioned that the average age of the beneficiary surveyed was between 73 and 74. We have found that beneficiaries in the 65-68 age group are more likely to be faced with the decision about whether to purchase Medigap insurance (i.e., because they are ceasing work and making decisions about Medicare Part B coverage at this time).

Since the time that the beneficiaries were surveyed, there has been increased outreach by the AARP and the Health Insurance Information, Counseling and Assistance (ICA) programs. ICA was created by the Omnibus Budget Reconciliation Act of 1990 and funded for Fiscal Years 1992 and 1993. This grant program funds all the States to provide information to Medicare beneficiaries. The Guide to Health Insurance for People With Medicare is one of the required publications for this program. A Guide to Selecting a Nursing Home is an optional publication for use by the States. These State ICA programs provide one mechanism for dissemination of these and other pamphlets as well as one-on-one counseling for questions. Beneficiaries who were in the 65-68 age group at the time the survey was conducted have received additional counseling and information. Because these improvements took effect after the study's completion, HCFA believes that if another survey was conducted the results would be more favorable. These ICA programs are now part of HCFA's strategy for information dissemination.

If such a survey is reconducted, we would find it helpful if the survey asks the interviewees whether they had ever purchased or applied for any Medigap or health insurance policy to supplement their Medicare coverage and whether they had received a copy of the Guide from the insurer at the time of the purchase.

We believe a sample confined to recent purchasers of Medigap insurance would also give us more recent data on whether they used the Guide in their purchase decision. We believe the same is true with regard to the nursing home guide. This booklet is only relevant to the beneficiary when they need to make such a decision. In any future resurveying, we suggest OIG ask providers and discharge planners if they are disseminating the Guide for Nursing Homes at probable decision points.

#### EDITORIAL COMMENTS

In the recommendation sentence on page ii and page 5 of the report, we suggest that the phrase "to develop a strategy to more effectively make the guides available" be changed to, "to develop a more effective strategy to make the guides available."

The word "guide" should be inserted after HCFA on page 5, the third bullet item.

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