

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**Medicare Beneficiaries With Additional
Medical Insurance in 1997**



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INTRODUCTION

PURPOSE

To determine how many beneficiaries have medical insurance that supplements Medicare, and if they are satisfied with the insurance.

BACKGROUND

Medicare is a Federal health insurance program for individuals age 65 and older, and for certain categories of disabled people. In Calendar Year 1997, Medicare served over 38 million people, known as beneficiaries, and paid benefits of approximately \$211 billion.¹

During our 1997 survey of Medicare beneficiary satisfaction, we asked 977 beneficiaries about their satisfaction with insurance that supplements their Medicare coverage. Several people in the Health Care Financing Administration expressed an interest in this subject when we conducted our 1995 beneficiary satisfaction survey, and suggested questions for us to include. We kept those questions in our 1997 survey .

In July 1997, we mailed a questionnaire to 1269 randomly-selected Medicare beneficiaries for whom Part B claims had been filed in Calendar Year 1996. We excluded from our sample beneficiaries who were enrolled in an HMO. A total of 977 beneficiaries returned completed questionnaires, for a response rate of 77 percent.

We compared responses to our 1995 and 1997 surveys, and determined statistically significant differences through use of a t-test.

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

¹Health Care Financing Administration, United States Department of Health and Human Services, *HCEA Statistics*, October 1997.

FINDINGS

EIGHTY-SIX PERCENT OF BENEFICIARIES REPORT THEY HAVE MEDICAL INSURANCE IN ADDITION TO MEDICARE

In 1997, 86 percent of the beneficiaries said they have medical insurance coverage in addition to Medicare. This is about the same as in 1995, when 84 percent said they had other insurance coverage.

Table 1 shows the types of insurance Medicare beneficiaries said they have. The percentages in 1997 are about the same as in 1995 except for Medigap insurance, i.e., insurance obtained by Medicare beneficiaries directly from private sources. The increase in the percent of beneficiaries who had private Medigap policies from 1995 to 1997 was statistically significant.

Table 1
Types of Medical Insurance Medicare Beneficiaries Have

	Percent of Beneficiaries	
	1995	1997
Beneficiaries with Additional Medical Coverage¹	84%	86%
Insurance Through Current or Former Employer	42% ²	41%
Current Employer	---	6%
Former Employer	---	35%
Private Medicare Supplemental (Medigap)	32%	38% ³
Medicaid	12%	9% ⁴
Other	1%	1%
Beneficiaries With No Additional Medical Coverage	16%	14%

¹Some beneficiaries said they have more than one type of insurance.

²In 1995, we combined the question about insurance through current and former employment.

³The increase in the number of beneficiaries with Medigap insurance is statistically significant.

⁴Although the number of beneficiaries with Medicaid decreased 3 percent, the decrease is not statistically significant.

EIGHTY-EIGHT PERCENT OF BENEFICIARIES ARE SATISFIED WITH THEIR ADDITIONAL INSURANCE

As shown in Figure 1, 88 percent of beneficiaries who have insurance policies that supplement Medicare said they are satisfied with them. Only 6 percent are dissatisfied.

Figure 1

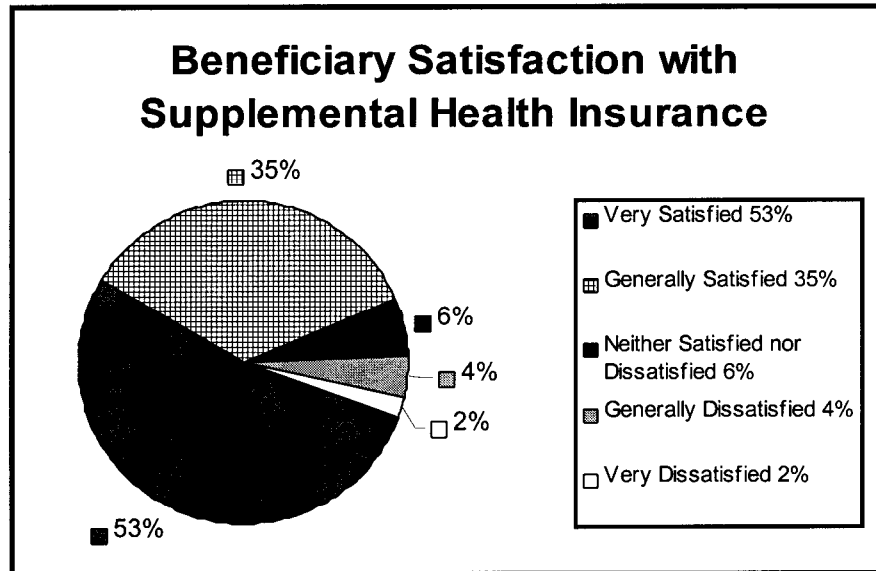


Figure 1 represents the responses of beneficiaries who have either Medigap or insurance through former or current employers.

Table 2 shows that satisfaction with insurance that supplements Medicare has not changed since 1995.

Table 2
Satisfaction with Insurance That Supplements Medicare

Level of Satisfaction	Percent of Beneficiaries	
	1995	1997
Very Satisfied	53%	53%
Generally Satisfied	35%	35%
Neither Satisfied Nor Dissatisfied	7%	6%
Generally Dissatisfied	3%	4%
Very Dissatisfied	2%	2%

APPENDIX A

RESPONSES TO 1997 SURVEY OF BENEFICIARIES

Question	Number of Responses
1. What types of medical insurance do you or your spouse have in addition to Medicare?	
(Check all that apply.)	
(N = 907 - Number Responding to Question)	
I do not have additional insurance coverage	127
Medicaid (or other State or county medical assistance program)	85
Health insurance through you or your spouse's <u>current</u> employer	58
Health insurance through you or your spouse's <u>former</u> employer	321
Private Medicare supplement (Medigap)	347
Other	7
Not Answering: 70	

Question

Number of Responses

2. How satisfied are you with your private Medicare supplemental insurance?

(Check one.)

(N = 504 - Number Who Had Medigap or Insurance Through Current or Previous Employment and Responded to Question)

Very Satisfied	268
Generally Satisfied	178
Neither Satisfied nor Dissatisfied	30
Generally Dissatisfied	20
Very Dissatisfied	8

Not Answering: 72

APPENDIX B

CONFIDENCE INTERVALS

FINDING #1 Eighty-six percent of beneficiaries report they have medical coverage in addition to Medicare.

Description	Estimate	Boundaries for the 95% Confidence Intervals
<u>1997</u>		
Beneficiaries with Additional Coverage:	86%	+/- 2.3%
Insurance through Current or Former Employer	41%	+/- 3.2%
Current Employer	6%	+/- 1.5%
Former Employer	35%	+/- 3.1%
Private Supplemental (Medigap)	38%	+/- 3.2%
Medicaid	9%	+/- 1.9%
Other	1%	+/- .6%
Beneficiaries with No Added Coverage	16%	+/- 2.3%
<u>1995</u>		
Beneficiaries with Additional Coverage:	84%	+/- 2.5%
Insurance through Current or Former Employer	42%	+/- 3.4%
Private Supplemental (Medigap)	32%	+/- 3.2%
Medicaid	12%	+/- 2.3%
Other	1%	+/- .7
Beneficiaries with No Added Coverage	16%	+/- 2.5%

FINDING #2 Eighty-eight percent of beneficiaries are satisfied with additional coverage.

Description	Estimate	Boundaries for 95% Confidence Interval
Beneficiaries satisfied with additional medical coverage.	88%	+/- 2.8%