

Medicare changes in store

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Seniors have plenty to ponder with Medicare + Choice as the traditional pay for service Medicare system intermingles with progressive health care management.

Soon, many Medicare recipients will have new health plan options including HMOs, provider-sponsored organizations, medical savings accounts, preferred provider plans, private fee for service plans and traditional Medicare.

Within five years, the Congressional Budget Office expects to see a fourth of all Medicare recipients enrolled in some type of risk-based alternative. Meanwhile, a recent American Association of Retired Persons study shows most Medicare beneficiaries lack enough knowledge to know the difference between traditional fee for service Medicare and HMOs. Yet, the same Medicare beneficiaries tend to know more about the two than the average HMO member.

The AARP study, conducted by the University of Oregon for AARP, assessed the depth of understanding Medicare beneficiaries have about the details and basic differences between HMOs and the existing Medicare program. It shows that 89 percent of Medicare beneficiaries need a wealth of information to make informed choices regarding the upcoming health care options.

After completing a telephone survey in five cities dominated by managed care, study coordinators Judith Hibbard and Jacquelyn Jewett were troubled because only half knew what "physicians networks" and "primary care providers" are. Those are the most fundamental concepts behind HMOs, indicating a critical information gap among Medicare recipients.

Lacking even the most basic knowledge about managed care, many seniors will soon be faced with choices involving types and levels of care and associated costs available within each category of choice.

Health care industry observers point to an overall lack of informational resources geared to upcoming changes, which could raise levels of confusion and anxiety among Medicare recipients.

Several organizations are in the process of creating informational publications about managed care and Medicare Plus Choice.