

HEALTH CARE COST CONCERNS AMONG OLDER RESIDENTS OF MASSACHUSETTS

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EXECUTIVE SUMMARY

Fifty years after Medicare and Medicaid were first signed into law, a new poll by the Harvard T.H. Chan School of Public Health and the Blue Cross Blue Shield of Massachusetts Foundation finds that a large majority of Massachusetts adults age 65 and over¹ are satisfied with the health care they receive as patients, but one in four seniors is dissatisfied with health care costs. Many also report that paying for health care has gotten harder for them over the last five years.

Dissatisfaction is highest among older adults in the Commonwealth who report they are in fair or poor health or have a medical condition that substantially limits one or more basic physical activities like walking or reaching. One-third of these seniors in poorer health report dissatisfaction with their health care costs and say that paying for care has gotten harder in the past five years. Financial insecurity due to health care costs is also felt among older adults in households living on \$25,000 or less per year, more than one-third of whom report not being confident they will have enough money or insurance to afford the health care they may need in the future.

Despite concerns about the high cost of health care services and prescription drugs, older adults in Massachusetts—including those living in lower-income households and those in poorer health—are overwhelmingly satisfied with the care they receive from their doctors and while hospitalized.

The poll also finds low levels of interest in long-term-care insurance among Massachusetts adults age 65 and over. Among the three-quarters of seniors who have heard of such policies, only one in five decided to purchase a policy. Most say they did not purchase a policy because they think it is too expensive or they do not need it.

When asked their opinion of the health care system overall, most Massachusetts seniors report being somewhat or very satisfied, although seniors in poorer health are more likely to express dissatisfaction.

1 This report uses the terms “older adults” and “seniors” interchangeably when referring to adults age 65 and over.

According to the Social Security Administration, about half (52%) of the population age 65 and over in the United States reported coverage through any kind of health insurance plan in 1962.² Three years later, on July 30, 1965, President Lyndon B. Johnson signed Medicare and Medicaid into law, programs that provided health insurance for older Americans, including low-income and disabled seniors. This year, on the 50th anniversary of those programs, the Massachusetts Center for Health Information and Analysis reported that 99% of adults age 65 and over in the state have health insurance,³ and new poll results show that a large majority (72%) of those seniors are satisfied with their health care costs.

ALL OLDER ADULTS

Even though Medicare played a critical role in achieving near-universal health insurance coverage 50 years ago, **a sizable portion of Massachusetts residents still have problems with health care costs.** Just over one-quarter (26%) of older adults in the Commonwealth report being somewhat or very dissatisfied with the cost of their health care, taking into consideration both expenses not covered by insurance and the cost of insurance itself. More than one in five (23%) believe their health care costs have worsened over time, reporting that it has gotten harder to pay for health care services or prescription drugs in the past five years. A similar proportion (22%) say they are not too or not at all confident they will have enough money or health insurance to pay for the health care they may need when they are older.

When asked about their personal experiences during the past year, **some seniors say they experienced difficulty paying for health care and did not get necessary treatment in order to save on costs.** More than one in ten (11%) seniors in the Commonwealth report having had problems paying for health care in the past year, and one in eight (12%) reports not having filled a prescription due to the cost of pharmaceuticals. Just under one in ten (8%) also report not having received a medical test or treatment when they needed it in the past year because of cost. According to the poll, seniors age 75 and over are neither more nor less likely to experience these problems than adults ages 65-74.

OLDER ADULTS IN POORER HEALTH

Even though many older Massachusetts adults express dissatisfaction with their health care costs, **the poll finds significantly higher rates of dissatisfaction among seniors who report being in fair or poor health or having any condition that substantially limits basic physical activities like walking or lifting objects.** These “seniors in poorer health” are substantially more likely to report problems with the cost of care than Massachusetts seniors in better health. According to the poll, one-third (33%) of seniors in poorer health report being somewhat or very dissatisfied with their health care costs, and a similar proportion (32%) are not confident they will have enough money or health insurance to pay for the health care they may need in the future. In comparison, about one in five (21%) seniors in better health expresses dissatisfaction with health care costs, and one in six (16%) expresses concern about affording health care in the future. When asked to reflect on the past five years, more than one in three (34%) seniors in poorer health also report that paying for health care services or prescription drugs has gotten harder for them, as compared with about one in seven (15%) seniors in better health who feels the same.

² Rice, D.P. (July 1964). “Health Insurance Coverage of the Aged and Their Hospital Utilization in 1962: Findings of the 1963 Survey of the Aged.” *Social Security Bulletin*. Available at <http://www.ssa.gov/policy/docs/ssb/v27n7/v27n7p9.pdf>.

³ Skopec, L., Long, S.K., Sherr, S., Dutwin, D., & Langdale, K. (2015). “Findings from the 2014 Massachusetts Health Insurance Survey.” Center for Health Information and Analysis, 15-125-CHIA-01. Available at <http://www.chiamass.gov/assets/docs/r/pubs/15/MHIS-Report.pdf>.

When asked about their experiences with health care costs over the past year, **more than one in five (21%) seniors in poorer health report having had problems paying for health care services or prescription drugs**. Only 4% of seniors in better health report similar problems. Among those seniors in poorer health who had problems affording health care, the top two reported problems were paying for prescription drugs and the cost of premiums, deductibles, and copays.

Due to these problems paying for health care services and prescription drugs, **seniors in poorer health are more likely to report adverse financial events because of large medical bills**. About one in ten (11%) seniors in poorer health reports spending all or most of their personal savings or taking on credit card debt that may be difficult to pay off (10%). By comparison, only 1% of seniors in better health report having similar financial problems.

CONSEQUENCES OF LARGE MEDICAL BILLS, BY LEVEL OF HEALTH

% of Massachusetts residents age 65 and older who had to do the following because of large medical bills:

■ Seniors in better health (in excellent/good health, not disabled)
 ■ Seniors in poorer health (in fair/poor health or disabled)

Spend all or most of their personal savings



Take on credit card debt that may be hard to pay off



Older residents with medical conditions and physical limitations are also more likely to have cut back on needed care due to cost. When it comes to pharmaceuticals, nearly one in five (18%) seniors in poorer health reports having not filled a prescription in the past year due to cost, whereas less than one in ten (8%) of their peers in better health report having had to do this. Additionally, about one in seven (15%) seniors in poorer health reports cutting pills in half or skipping doses of medicine due to the cost of prescription drugs, as compared with only 2% of seniors in better health. Seniors in poorer health are also more likely to have trouble affording health care services, as nearly one in eight (12%) reports not having gotten a medical test or treatment they needed due to cost. In contrast, only 5% of their peers in better health report having skimped on health care services.

CONSEQUENCES OF PRESCRIPTION DRUG COSTS, BY LEVEL OF HEALTH

% of Massachusetts residents age 65 and older who had to do the following because of the cost of prescription drugs:

■ Seniors in better health (in excellent/good health, not disabled)
 ■ Seniors in poorer health (in fair/poor health or disabled)

Did not fill a prescription



Cut pills in half or skipped a dose



LOWER-INCOME OLDER ADULTS

Seniors in poorer health are not the only vulnerable population that has difficulty affording health care in Massachusetts. **Seniors in households living on \$25,000 or less per year are also more likely to report problems paying for health care services and prescription drugs than are their higher-income peers.**⁴ When asked about the health care they may need in the future, more than one in three (36%) lower-income seniors report being not too or not at all confident they will have enough money or insurance. In contrast, these worries affected one in ten (10%) higher-income seniors.

More than one in five (22%) lower-income older residents report having had problems paying for health care services or prescription drugs in the past year, as compared with only 3% of seniors in households living on \$50,000 or more per year. Among those lower-income seniors who had problems affording health care, the top problems were paying for prescription drugs and the cost of premiums, deductibles, and copays.

Lower-income seniors are also more likely than their higher-income peers to skimp on prescription drugs due to cost. Whereas one in six (17%) seniors living on \$25,000 or less per year reports not filling a prescription due to the cost of drugs, only one in twenty (5%) wealthier seniors reports the same problem. Similarly, more than one in ten (11%) lower-income older residents say they cut pills in half or skipped a dose of medicine due to cost, compared with only 2% of seniors in households living on \$50,000 or more per year.

CONSEQUENCES OF PRESCRIPTION DRUG COSTS, BY INCOME LEVEL

% of Massachusetts residents age 65 and older who had to do the following because of the cost of prescription drugs:

■ Higher-income seniors (\$50,000 or more per year)
■ Lower-income seniors (\$25,000 or less per year)

Did not fill a prescription



Cut pills in half or skipped a dose



⁴ For the purpose of this report, “higher-income seniors” are those Massachusetts residents age 65 and over in households living on \$50,000 or more per year, and “lower-income seniors” are those Massachusetts residents age 65 and over in households living on \$25,000 or less per year.

According to the poll, **the cost of health care services and prescription drugs takes a toll on lower-income older adults in Massachusetts**. Lower-income seniors are more likely than higher-income seniors to report having spent all or most of their personal savings on large medical bills (12% v. 2%). They are also more likely to report being unable to pay for basic necessities like food, heat, or housing (12% v. 2%), as well as being more likely to be contacted by a bill collector (11% v. 2%).

CONSEQUENCES OF LARGE MEDICAL BILLS, BY INCOME LEVEL

% of Massachusetts residents age 65 and older who have experienced the following because of large medical bills:

■ Higher-income seniors (\$50,000 or more per year)
■ Lower-income seniors (\$25,000 or less per year)

Spent all or most of their personal savings



Have been unable to pay for basic necessities



Have been contacted by a bill collector



Overall, about a quarter of seniors in Massachusetts are dissatisfied with health care costs, and seniors in poorer health and lower-income seniors are more likely to have experienced problems paying for care and adverse financial events due to large medical bills in the past year.

OLDER MASSACHUSETTS RESIDENTS' EXPERIENCES WITH HEALTH CARE COSTS

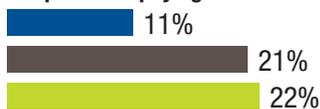
% of Massachusetts residents age 65 and older who:

■ All seniors
■ Seniors in poorer health (in fair/poor health or disabled)
■ Lower-income seniors (\$25,000 or less per year)

Are dissatisfied with health care costs



Had problems paying for health care in the past year



PATIENT EXPERIENCES WITH DOCTORS AND HOSPITALS

Even though many older adults report having problems with health care costs, **seniors in Massachusetts almost universally say they are satisfied with the health care they personally receive as patients.** Of the 95% of adults age 65 and over who saw a doctor in the past 12 months, more than nine in ten (93%) report being satisfied with the care they received. Overall, four in five (80%) report they are “very satisfied” with the health care they receive during their doctor visits. Among the nearly one in five (19%) older adults who have been hospitalized overnight in the past year, a similar proportion (91%) report being satisfied with the care they received as inpatients.

These high levels of satisfaction also hold for seniors in poorer health and those in lower-income households. Older adults with medical conditions or physical limitations overwhelmingly express satisfaction with the care they received during their last visit to the doctor (93%), as do seniors in households living on \$25,000 or less per year (93%).

NURSING HOMES AND ASSISTED LIVING FACILITIES

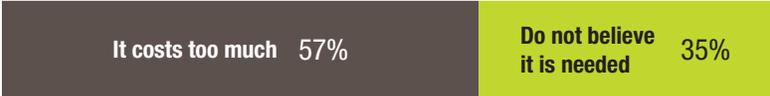
According to the poll, **a relatively small portion of seniors in Massachusetts report experiencing difficulty paying for nursing homes or assisted living facilities in the past year.** About one in ten (11%) older Massachusetts adults says they or someone in their household has been a resident of a nursing home or assisted living facility in the past year. Of those, more than one in eight (13%) had problems paying their nursing home or assisted living facility bills.

The poll also found that **more than one in four (26%) Massachusetts seniors have never heard of long-term-care insurance.** Of the 73% of seniors who have heard of it, only one in five (20%) decided to purchase a plan. Among those who have heard of long-term-care insurance but did not purchase a plan, more than half (57%) cite cost as the main barrier, and about a third (35%) report they do not believe they need such a plan. Only 1% of older adults say not knowing how to sign up for a policy was the main reason they do not currently have long-term-care insurance.

OLDER MASSACHUSETTS RESIDENTS' OPINIONS ON LONG-TERM-CARE INSURANCE



Among those 73% who have heard of it, main barriers to buying a long-term-care plan:



PERSPECTIVES ON THE STATE'S HEALTH CARE SYSTEM

Seniors in poorer health are the group most likely to express dissatisfaction with the health care system in Massachusetts. About one in four (23%) seniors with a medical condition or a disability reports dissatisfaction with the state's health care system. In comparison, only one in ten (10%) seniors in better health reports being dissatisfied. Overall, more than four in five (81%) seniors in the Commonwealth report being somewhat or very satisfied with the health care system.

OLDER MASSACHUSETTS RESIDENTS' OPINIONS ON THE STATE'S HEALTH CARE SYSTEM

% of Massachusetts residents age 65 and older who are somewhat or very dissatisfied with the state's health care system

■ Somewhat dissatisfied
■ Very dissatisfied

All seniors



Seniors in poorer health



METHODOLOGY

The poll was conducted by researchers at the Harvard T.H. Chan School of Public Health and the Blue Cross Blue Shield of Massachusetts Foundation.

The project team was led by Robert J. Blendon, Sc.D., Richard L. Menschel Professor of Health Policy and Political Analysis at Harvard T.H. Chan School of Public Health; and Katharine Nordahl, Senior Director, Massachusetts Medicaid Policy Institute at the Blue Cross Blue Shield of Massachusetts Foundation. The Harvard research team also included John M. Benson, Caitlin L. McMurtry, and Justin M. Sayde.

Interviews were conducted with 502 randomly selected Massachusetts residents age 65 and over via telephone (including cell phones and landlines) by SSRS, an independent research company. Interviews were conducted in English and Spanish. The interviewing period was June 30 – July 22, 2015.

When interpreting these findings, one should recognize that all surveys are subject to sampling error. Results may differ from what would be obtained if the whole Massachusetts population age 65 and over had been interviewed. The margin of error is ± 5.6 percentage points at the 95% confidence level.

Possible sources of non-sampling error include non-response bias as well as question wording and ordering effects. Non-response in telephone surveys produces some known biases in survey-derived estimates because participation tends to vary for different subgroups of the population. To compensate for these known biases and for variations in probability of selection within and across households, sample data were weighted by cell phone/landline use and demographics (sex, age, race/ethnicity, and education) to reflect the true population of adults age 65 and over in Massachusetts. Other techniques, including random-digit dialing, replicate subsamples, and systematic respondent selection within households, were used to ensure that the sample was representative.



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