

Medicare and Women

Economic Status and Spending for Health Care

Medicare, combined with Social Security, has improved the economic status of older Americans and younger people with disabilities. Prior to Medicare, one-half of older Americans were uninsured and one-third were living in poverty. Today, with access to health care coverage, the poverty rate for seniors is ten percent.

Although the economic security of seniors has improved, it remains fragile. About 40 percent of seniors depend on Social Security for 90 percent or more of their income. In 2014, over half of Medicare beneficiaries had annual incomes of less than \$24,150, less than 200 percent of the federal poverty level. More older women than older men are living at or near the federal poverty level. The average income for older women is less than for men because women have low average Social Security and retirement benefits. This is due to lower-paying or part-time jobs and time away from the workforce for family caregiving.

Women who are only eligible for Medicare, and not Medicaid, spend a high percentage of their income on health care costs. Beneficiaries are responsible for premiums, deductibles, coinsurance and co-payments on most services with no catastrophic cap, as well as for the cost of drugs when they reach the Part D prescription drug coverage gap. Medicare beneficiaries also pay premiums for supplemental Medigap insurance or retiree health coverage, and for health care services not covered by Medicare. These uncovered services include vision, dental and hearing services, as well as long-term custodial care. The Kaiser Family Foundation estimated that out-of-pocket spending in 2010 for Medicare beneficiaries 65 and older was \$5,036 for women compared to \$4,363 for men. As beneficiaries age, out-of-pocket spending consumes a larger share of their income. At age 85, total out-of-pocket spending for women was estimated to be \$8,574 compared to \$7,399 for men.

While Medicare has provided nearly five decades of health and economic security to all seniors and people with disabilities, the program has been especially vital to women because:

- ◆ More than half of Medicare's nearly 57 million beneficiaries are women; for beneficiaries 85 and over, nearly 70 percent are women.
- ◆ Women live longer than men and are more likely to suffer from three or more chronic conditions including arthritis, hypertension and osteoporosis.
- ◆ More women than men suffer from physical limitations and cognitive impairments that limit their ability to live independently.
- ◆ Women have lower incomes than men.

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The Affordable Care Act (ACA) Improves Care and Reduces Costs for Women on Medicare

According to the Department of Health and Human Services, millions of women enrolled in Medicare received preventive services without cost-sharing including an annual wellness visit, a personalized prevention plan, mammograms, and bone mass measurements for women at risk of osteoporosis. These prevention initiatives are aimed at reducing the incidence of chronic disease. For Medicare beneficiaries with chronic diseases, which are prevalent among older women, the ACA provides for federal investments in Accountable Care Organizations and other initiatives that are intended to coordinate and manage conditions on a chronic rather than an acute basis. In addition, the ACA



reduces costs. More than four million women enrolled in Medicare saved \$6.5 billion in 2012 due to improvements in the Part D prescription drug program.

Covering Women through Medicare and Medicaid

More women than men are dually-eligible for Medicare and Medicaid because of their lower incomes. In 2012, a majority (60 percent) of the dually-eligible were women. Currently, some states are testing demonstrations programs that would allow private managed care entities to provide health services to dually-eligible individuals. States are hoping that these demonstrations will enable them to save money and improve health outcomes. However, because of the vulnerability of the dual-eligible population, strong consumer protections and oversight will be necessary.

Long-Term Services and Supports

Since women live longer than men, on average, they are more likely to be widowed and to live alone. In addition, women represent over 70 percent of Medicare beneficiaries living in nursing homes and other facilities. Because Medicare's coverage of long-term care services is very limited, many women have high out-of-pocket costs if they cannot live independently or need care for long periods of time. The cost of long-term services and supports is high, and out of the financial reach of many older women. On average, a nursing home costs over \$87,000 a year, assisted living over \$43,000 a year, and home health aide services over \$46,000 per year.

Could Women Be Forced to Pay More for Their Medicare in the Future?

Congress and the Administration recently considered legislation to repeal and replace the Affordable Care Act. The House bill would have accelerated the exhaustion of Medicare's Part A Trust Fund by three years, from 2028 to 2025. This could have led to cuts in Medicare, including privatizing the program, which would have been detrimental to current and future beneficiaries.

Health legislation is built on complex foundation that considers the real human needs—and costs—of changes to the system. Congressional leadership has already discussed reviving the repeal of Obamacare, or proceeding with plans to privatize Medicare and raise the eligibility age. The National Committee will remain vigilant in the face of future threats to seniors' healthcare and earned benefits by fortifying the "firewall" in the Senate against dangerous bills from the House side, mobilizing and educating the public, and making our voices heard in the halls of Congress and across the nation.

Steps Toward Improving Medicare Coverage

- ◆ Build on provisions in the Affordable Care Act that will provide better care to Medicare beneficiaries by preventing disease and disability and expanding coordination of care for beneficiaries with multiple chronic conditions.
- ◆ Generate greater savings on the cost of prescription drugs by:
 - Allowing Medicare to negotiate drug prices with manufacturers.
 - Accelerating closure of the donut hole.
 - Allowing Medicare to receive the same rebates as Medicaid for brand name and generic drugs provided to



beneficiaries who are dually-eligible for Medicare and Medicaid or who receive the Part D Low-Income Subsidy.

Promoting lower drug costs by providing for faster development of generic versions of biologic drugs, and prohibiting "pay-for-delay" agreements between brand name and generic pharmaceutical companies that delay entry of generic drugs into the market.

- ◆ Develop a new national long-term care social insurance program.
- ◆ Promote strong consumer protections for low-income individuals who are dually-eligible for Medicare and Medicaid benefits.
- ◆ Monitor the state dual eligible demonstrations to ensure that participants are receiving high quality services from private managed care entities.
- ◆ Support initiatives to prevent, detect and recover improper Medicare payments, including fraud, waste and abuse that reduce Medicare spending rather than cutting benefits or increasing costs for beneficiaries.
- ◆ Oppose any efforts to repeal the Affordable Care Act because it would weaken Medicare's solvency— leaving it vulnerable to benefit cuts and privatization. Seniors and people with disabilities should not be put at risk of ending up uninsured or losing access to needed care.

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Resources

<http://kff.org/medicare/issue-brief/poverty-among-seniors-an-updated-analysis-of-national-and-state-level-poverty-rates-under-the-official-and-supplemental-poverty-measures/>

<http://kff.org/medicare/report/how-much-is-enough-out-of-pocket-spending-among-medicare-beneficiaries-a-chartbook/>

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<http://kff.org/medicare/issue-brief/income-and-assets-of-medicare-beneficiaries-2014-2030/>
https://aspe.hhs.gov/system/files/pdf/77191/ib_mch.pdf

<http://kff.org/medicaid/issue-brief/medicaids-role-for-medicare-beneficiaries/>

<https://www.genworth.com/about-us/industry-expertise/cost-of-care.html>