

# Gym benefits help Medicare plans recruit healthy seniors

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Because healthy enrollees cost them less, Medicare Advantage plans would profit from selecting seniors based on their health, but Medicare strictly forbids practices such as denying coverage based on existing conditions. Another way to build a more profitable membership is to design insurance benefits that attract the healthiest patients. In a study published in the Jan. 12, 2012, edition of the *New England Journal of Medicine*, Brown University researchers report that plans have managed to do just that by offering fitness club memberships as a covered benefit.

"Offering a fitness membership does not mean that you are denying people coverage, but you are changing your benefits to appeal selectively to people who are healthy," said co-author Amal Trivedi, a Brown public [health](#) professor and a physician at the Providence VA Medical Center. "Policymakers intended for Medicare Advantage plans to compete on the basis of improving quality and reducing costs, rather than on their ability to attract healthier patients. What we found in the study is that offering coverage for fitness membership is a very effective strategy to attract a much healthier [population](#)."

That conclusion comes from Trivedi's and lead author Alicia Cooper's rigorous statistical comparisons among thousands of patients in 22 Medicare Advantage plans — 11 "case" plans that added fitness club memberships in 2004 or 2005 and 11 similar "control" plans that didn't. They looked at when each plan member enrolled, when plans started offering the benefit, and what each plan member said about his or her health in the Medicare Health Outcomes Survey from 2006 to 2008.

One analysis compared the self-reported health of seniors who enrolled in case plans before the fitness club benefit was offered to the health of those who enrolled after the benefit was offered. While 29.1 percent of the seniors who enrolled before the benefit was available described themselves to be in excellent or very good health, 35.1 percent of the seniors who enrolled after it became available reported that level of health. In the before group, 56.1 percent reported some limitation to their physical activity but only 45.7 percent in the after group did. Also, a third of the before group reported difficulty walking compared to just a quarter in the after group.

Once the Medicare Advantage plans started covering health club memberships, they enrolled healthier enrollees with fewer physical limitations. In the control plans, which did not offer the benefit, self-reported health levels over the same timeframe changed only slightly. In comparison to the control plans, eight of the 11 case plans (the ones that added fitness club coverage) enrolled seniors with better overall health, 10 of the 11 case plans enrolled seniors with fewer restrictions in physical activity, and nine of the 11 case plans enrolled [seniors](#) that had less difficulty walking.

## **An increasing practice**

Trivedi and Cooper studied the benefit structures of 101 Medicare Advantage health plans between 2002 and 2008 to select plans for comparison. What they found is a rapid growth in the number of plans offering fitness club memberships, from 14 in 2002 to 58 in 2008.

"This trend suggests that offering fitness memberships may be an attractive business strategy for Medicare plans," Trivedi said.

Trivedi acknowledged that if every plan offered the fitness benefits, it would no longer be an effective way of selecting for the healthiest

members. However, given the continued incentive to enroll more profitable enrollees, he said, insurers may employ other related tactics to cherry-pick desirable enrollees.

"In general, policymakers have regulated the [Medicare Advantage](#) insurance market to prevent the ability of private plans to select the healthiest enrollees," Trivedi said. "If Medicare plans do engage in favorable selection, then unhealthy enrollees can be concentrated in a small number of [plans](#) or in the traditional Medicare program, driving up the costs for those enrollees and the tax-payers that fund the [Medicare](#) program."

Provided by Brown University

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