

# Survey: Seriously ill Medicare beneficiaries can face considerable financial hardship

November 4 2019

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Despite high beneficiary satisfaction with Medicare overall, a new national survey led by researchers from Harvard T.H. Chan School of Public Health, Harvard Business School, and colleagues finds that its

coverage gaps may cause considerable financial distress for the most seriously ill patients. About half reported a significant problem paying medical bills, with prescription drugs posing the most hardship.

This paper is part of a larger study conducted by Harvard T.H. Chan School of Public Health, the New York Times, and the Commonwealth Fund. It will be published online November 4, 2019 in *Health Affairs*.

"What stands out here are the extensive financial problems many seriously ill Medicare beneficiaries face paying for their prescription drugs today," said principal investigator and co-author Robert Blendon, Richard L. Menschel Professor of Public Health and Professor of Health Policy and Political Analysis at Harvard Chan School and director of the Harvard Opinion Research Project.

The researchers analyzed [survey data](#) collected by phone between July 6-August 18, 2018. The sample included 742 Medicare beneficiaries defined as seriously ill, meaning they had illnesses requiring recent hospitalizations or multiple physician visits.

Among the respondents, 53% reported having a serious problem paying a medical bill of any kind, with 30% reporting difficulty paying for [prescription drugs](#), followed by hospital bills (25%). Beneficiaries also reported experiencing financial hardships due to the costs of their illness, including using up all or most of their savings (36%) and being unable to pay for necessities such as food, heat, and housing (23%). Emotional or psychological distress was reported by 45% of respondents.

The authors write that while Medicare is perceived to offer good financial protection compared with commercial insurance, the extent of financial strain among seriously ill beneficiaries was notable and warrants further investigation. They note that while high-need, high-cost patients are associated with acute and end-of-life care, the majority of

beneficiaries in this survey sample were living at home, relying on informal help from family and friends—at considerable cost to themselves and their caretakers.

"In addition to financial strain, the survey indicates potential opportunities to improve care delivery for complex patients," said Michael Anne Kyle, first author of the study and a doctoral student at Harvard Business School. "Medicare beneficiaries with serious illnesses described challenges ranging from the demands of informal caregiving to issues as fundamental as understanding a medical bill."

**More information:** "Financial Hardships of Medicare Beneficiaries With Serious Illness," *Health Affairs* (2019). [DOI: 10.1377/hlthaff.2019.00362](https://doi.org/10.1377/hlthaff.2019.00362)

Provided by Harvard T.H. Chan School of Public Health

Citation: Survey: Seriously ill Medicare beneficiaries can face considerable financial hardship (2019, November 4) retrieved 17 May 2024 from <https://medicalxpress.com/news/2019-11-survey-ill-medicare-beneficiaries-considerable.html>

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