



THE COST OF COMPLACENCY: ARE SENIORS AT RISK  
WHEN IT COMES TO HEALTHCARE COVERAGE?



**THE COST OF COMPLACENCY**

November 2017

# Seniors may be at financial risk by not reviewing their Medicare plan and coverage annually.

Healthcare is a significant source of stress for Americans, with rising prices causing frustration and concern. Seniors especially feel the weight of their Medicare expenses as a retiree and want to ensure their dollar goes as far as it can. However, a new survey commissioned by WellCare Health Plans, Inc., conducted by Kelton Global, reveals seniors do not always comparison shop or review their Medicare plan annually. This could lead to inadequate coverage and financial risk.

The goal of this survey was to determine the perception of the burden of common household expenses, including healthcare expenses, for people who are Medicare-eligible, and to compare those perceptions to the behaviors to review their expenses regularly and seek out the best deal. The general findings reveal a striking juxtaposition: that in spite of seniors claiming healthcare costs are most burdensome, they are more likely to take steps to find the best deal with other, less burdensome expenses.

# Methodology

Online survey to 1,026 nationally representative Medicare-eligible Americans age 65 and over, with a margin of error of +/- 3.1%.

The Cost of Complacency survey was commissioned by WellCare Health Plans, Inc., and conducted between October 19 and October 25, 2017 using an e-mail invitation and an online survey. Quotas are set to ensure a reliable representation of the U.S. population age 65 and over.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.1%, from the result that would be obtained if interviews had been conducted with all personas in the universe represented by the sample. The margin of error for any subgroups will be slightly higher.

# Topline Findings

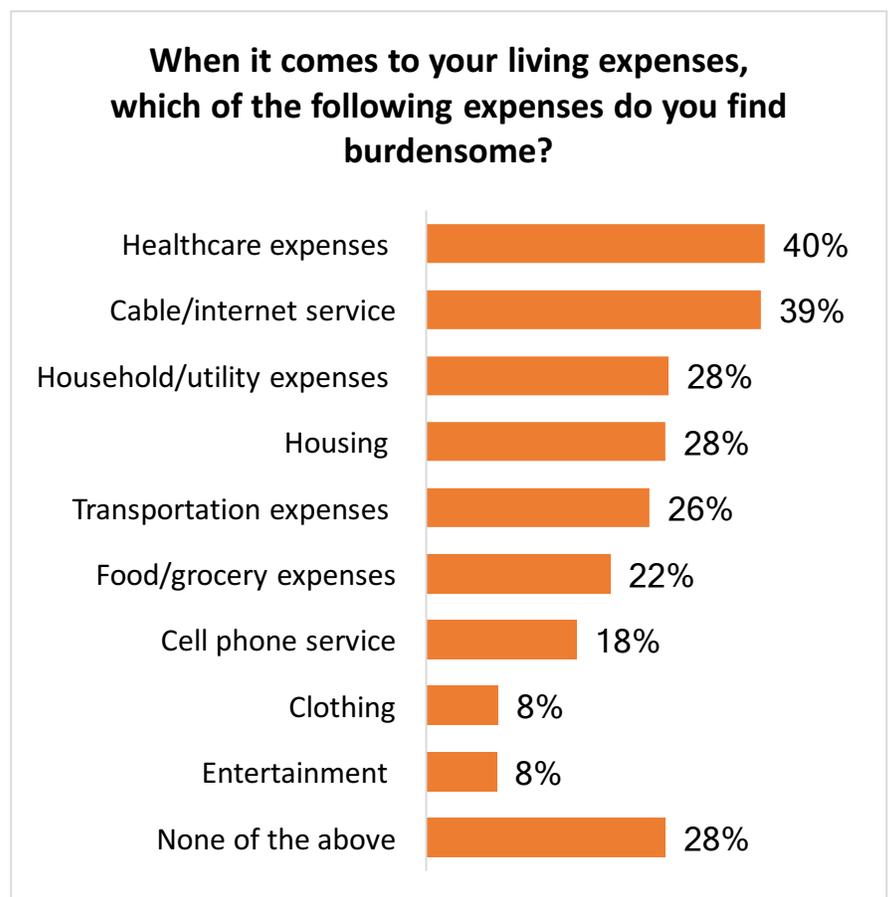
- ⇒ Seniors find their healthcare expenses (40%) to be more burdensome than their household or utility (28%), transportation (26%) or food and grocery (22%) payments.
- ⇒ More seniors comparison shop to save money for groceries (54%), homeowners/automotive insurance (45%) or gas (44%) than their Medicare plan (33%).
- ⇒ More seniors review their homeowners/automotive insurance (46%) or cable/internet plan (44%) annually than do their Medicare plan (38%) to find the best deal.
- ⇒ Approximately three in five (58%) seniors see reviewing their Medicare plan as a necessary task they don't look forward to doing and one in five (20%) would describe the experience as awful.
- ⇒ Nearly one in four (23%) describe reviewing their Medicare plan annually as among the top two most unpleasant things, including getting a colonoscopy.

## Theme: Seniors are not actively comparison shopping for the best Medicare deals.

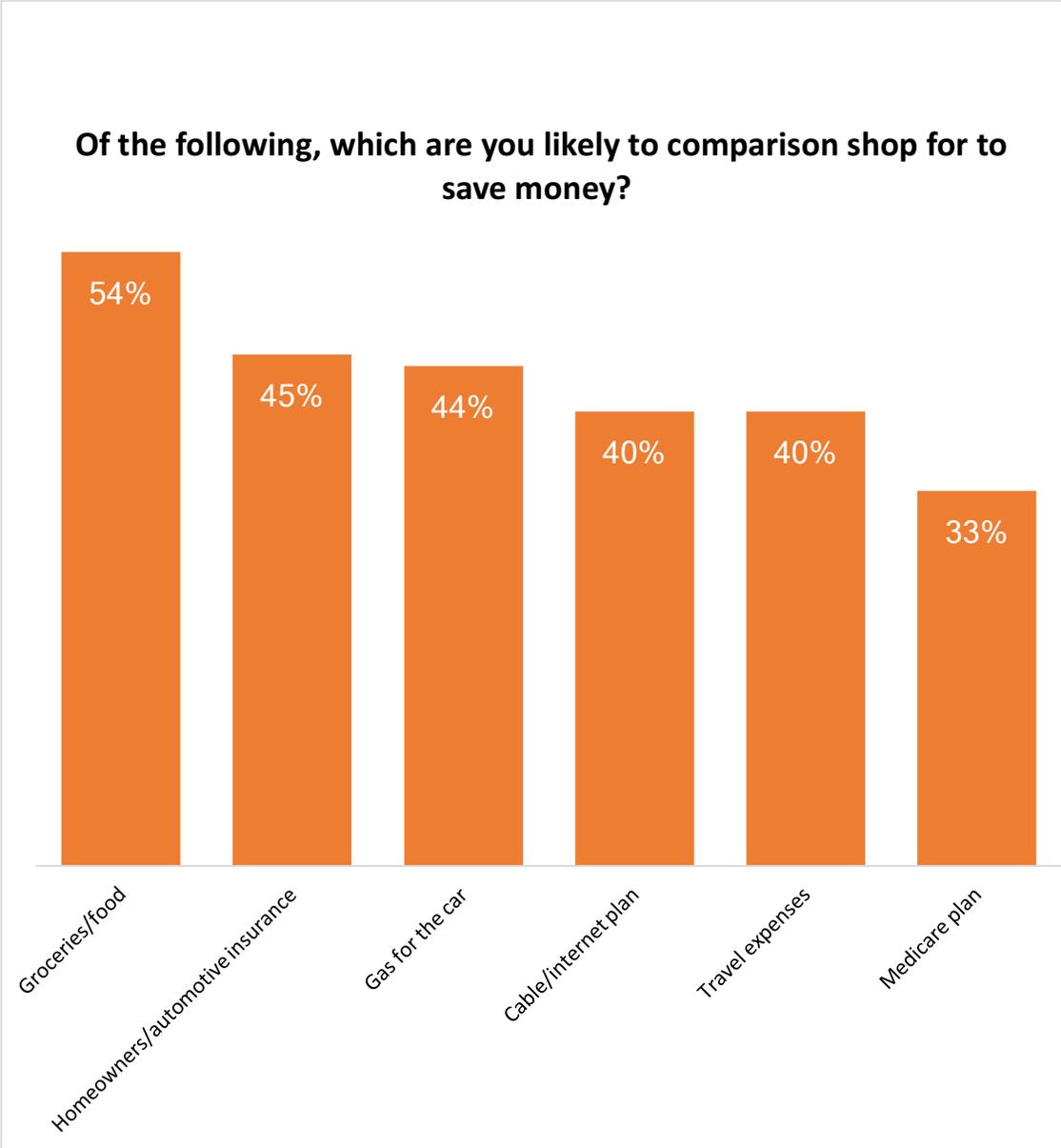
Healthcare is a significant living expense for seniors, yet many do not spend time searching for the best deals. In fact, more seniors admit they comparison shop for other living expenses over their Medicare plan. Given they prioritize Medicare over other healthcare expenses, more seniors may want to review their plan to ensure their needs are aligned with their coverage.

### The cost of healthcare is taxing for older Americans.

More seniors find their healthcare expenses (40%) to be burdensome compared to their household or utility (28%), transportation (26%) or food and grocery (22%) payments, and it's more than twice as burdensome as their cell phone expenses (18%)! Those in the Northeast (47%) and Midwest (46%) are more likely than those in the South (37%) or West (33%) to find their healthcare costs to be burdensome.



**Healthcare prices may be troublesome because seniors don't search for the best deals.** More seniors comparison shop to save money on groceries (54%), homeowners/auto insurance (45%) or gas for their car (44%) than their Medicare plan (33%).

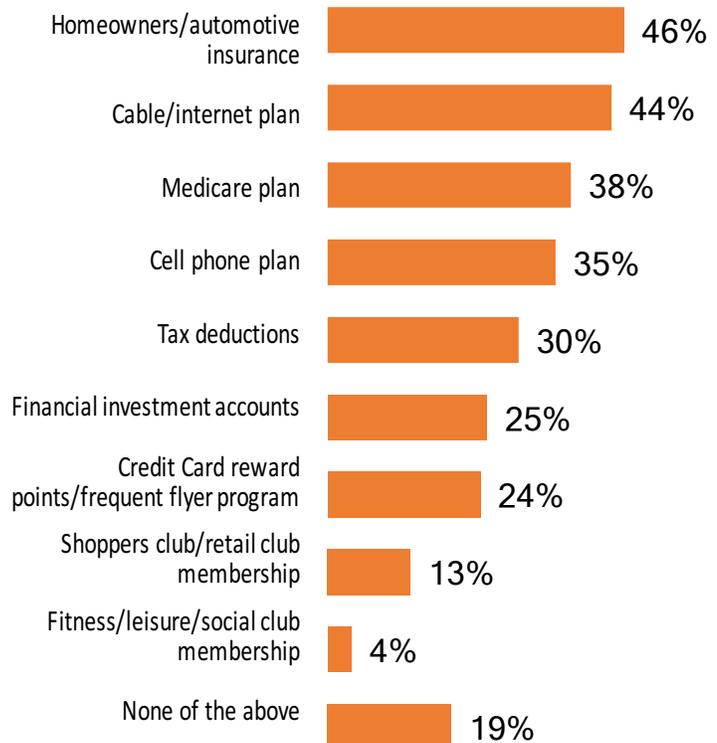


## Theme: Many seniors confess they ignore reviewing their Medicare plan each year.

Many seniors admit they either do not annually review their Medicare plan or are unaware they can do so. Some do not re-evaluate because they claim their current plan meets their needs; others feel frustrated with the process and don't look forward to reviewing it. But not reassessing their coverage annually may cause many to lose out on the best deals available to them.

**This review is critical to ensure they're getting the right plan at the right price.** More seniors annually review their homeowners/automotive insurance (46%) or cable/internet plan (44%) than their Medicare plan (38%) to find the best deal. Those in the South (41%) are more likely than those in the Northeast (32%) or West (33%) to review their Medicare plan to make sure they're getting the best deal.

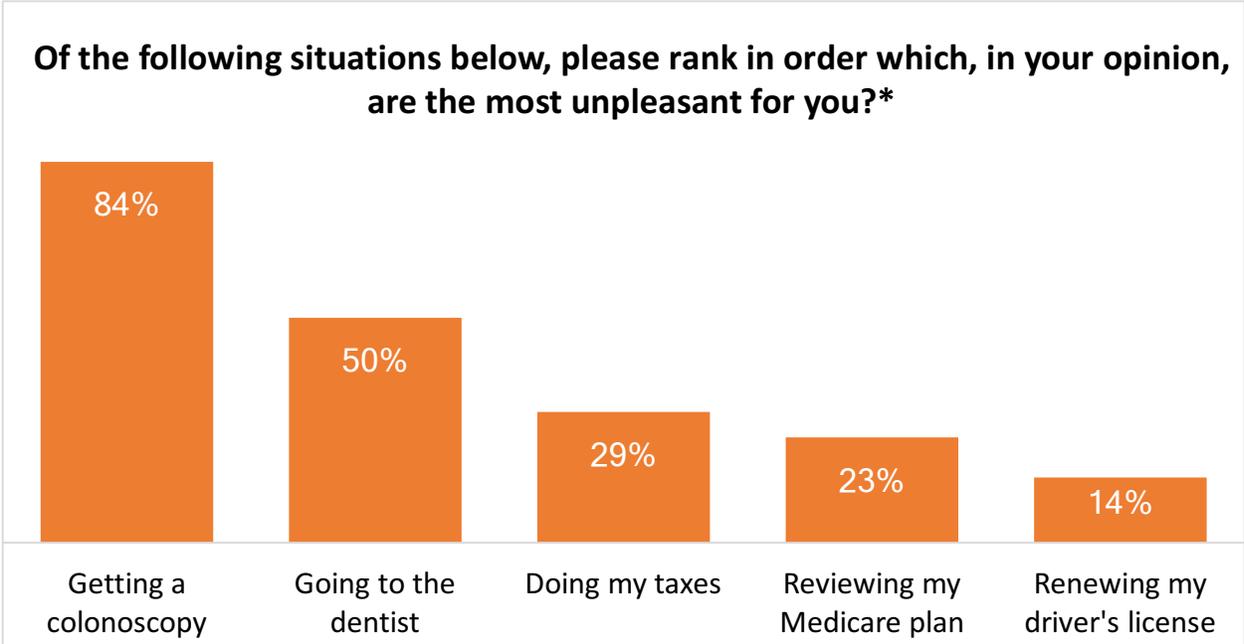
### Which of the following do you typically review at least annually to determine if you are getting the best deal?



**But why aren't all seniors annually reviewing?** For some, they claim their current plan fits the bill as they feel satisfied with their current one (63%) or their needs haven't changed (31%).

**Others may not reassess because the process evokes negative emotions.** Close to three in five (58%) seniors see reviewing their Medicare plan as a necessary task they don't look forward to doing, and one in five (20%) would describe the experience as awful.

Perhaps this dread is why nearly one in four seniors ranked reviewing their Medicare plan among the top two most unpleasant things they regularly have to do.



**\*top 2 box (Most unpleasant/second most unpleasant)**

**When they do review their plans**, it's most common to do so by themselves (57%) or with their spouse or partner (32%).

**57%**  
of seniors  
**review their Medicare plan by themselves**

Those in the Northeast (41%) are more likely than those in the South (30%) or Midwest (27%) to review their Medicare plan with their spouse or partner.

Men are more likely than women (41% vs. 25%) to review their Medicare plan with their significant other.

## Frustration abounds, and women are more likely than men to feel frustrated when comparison shopping for Medicare deals.

Men and women have different experiences with comparison shopping for and reviewing their Medicare plan. While men see the experience as a walk in the park, women express frustrations and grievances when reviewing their plan. What's more, women are more likely to feel burdened by the prices.

**Gender disparities exist in relation to Medicare.** While men are more likely than women (28% vs. 19%) to feel shopping for a Medicare plan is a walk in the park, women are more likely (22% vs. 17%) to view it as an awful experience.

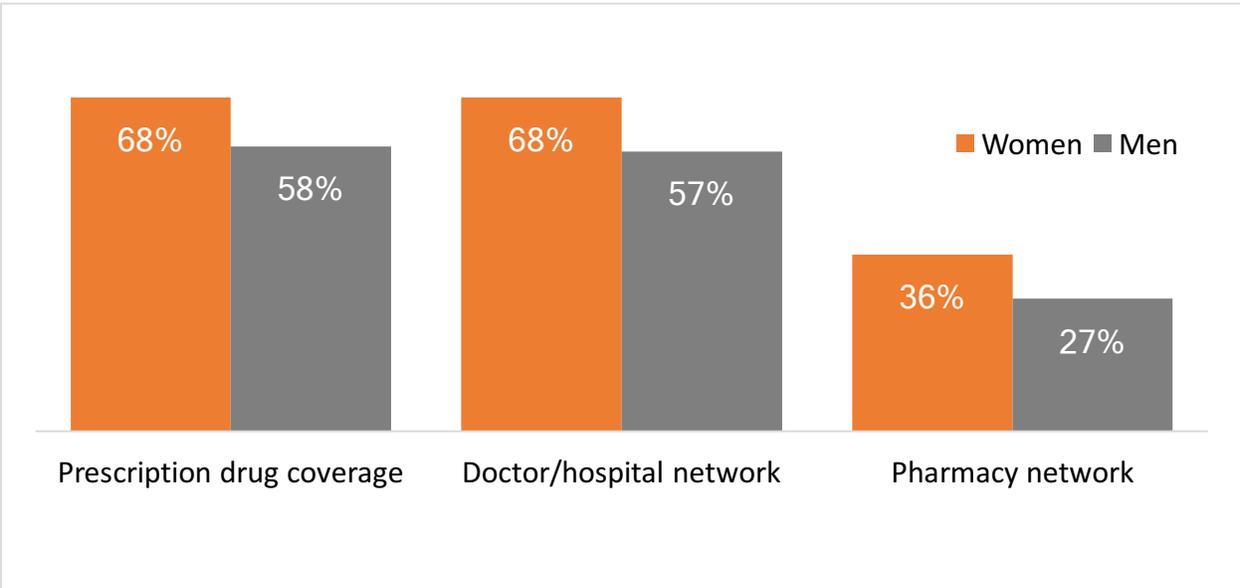
**Women are 29%**  
more likely than **men**  
**to view reviewing or shopping for a Medicare plan as an**  
**awful experience**

Perhaps this is why women who do not annually review their plan are more likely than men (14% vs. 8%) to say they don't do so because it's frustrating.

**Their negative feelings may also be tied to the cost.** Women are more likely than men (44% vs. 35%) to find healthcare expenses to be burdensome.

And price concerns may explain why women are more likely than men to feel prescription drug coverage (68% vs. 58%), the doctor or hospital networks (68% vs. 57%) and pharmacy network (36% vs. 27%) are important factors when comparison shopping for Medicare.

**What offerings are important to you when comparison shopping for a Medicare plan?**



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