



Getting Medicare right

Medicare in New York: Strong and Built to Last

Medicare guarantees access to health care for older adults and people with disabilities. Together with the Affordable Care Act (ACA) and Medicaid, Medicare builds health security and well-being for New Yorkers of all ages. Any changes to these programs, whether at the state or federal level, must aim for healthier people, better care, and smarter spending—not paying more for less.

Medicare is important and popular.

- More than 3.4 million New Yorkers rely on Medicare for health insurance coverage.ⁱ
- More than 95% of Americans consider Medicare an important program.ⁱⁱ
- Nearly 90% of Americans want federal Medicare spending to stay the same or increase.ⁱⁱⁱ

Medicare protects health and economic security.

- Prior to Medicare's enactment in 1965, around 50% of adults over age 65 lacked coverage for hospital or surgical care.^{iv} By 1968, only 5% were uninsured.^v
- 57% of all New York Medicare beneficiaries have annual incomes below \$25,000, including individuals with no income. More than a third have incomes below \$15,000.^{vi}
- Most people with Medicare have little to no savings. In 2016, 50% of all people with Medicare had \$74,450 or less in savings, one in four had less than \$14,550 in savings, and 8% had no savings or were living with debt.^{vii}
- Baby Boomers need Medicare to retire. In the year 2035, one-quarter of people with Medicare are expected to have annual incomes of \$17,300 or less and to have less than \$27,300 in savings.^{viii}

New Yorkers with Medicare: Mr. O

Mr. O, a resident of Queens, called the Medicare Rights Center because he was planning to retire at the end of the month. Mr. O was concerned because he needed significant care to manage his heart disease and was losing his employer coverage. He had enrolled in Medicare Part A previously, but he needed Part B and Part D to cover his prescription drugs.

A Medicare Rights volunteer counseled Mr. O on how to use the Part B Special Enrollment Period to enroll in Part B. The counselor also explained Mr. O's coverage options regarding Original Medicare (with or without a Medigap), Medicare Advantage, and Part D. Mr. O also received information about the Elderly Pharmaceutical Insurance Coverage (EPIC) program, which helps older New Yorkers with Medicare with their prescription drug costs.

Medicare is more efficient than private insurance.

- Medicare does a better job of controlling costs than private health plans. From 2010 to 2016, Medicare spending rose by an average of 1.3% per person per year—less than half the growth rate of private insurance.^{ix}
- Over the next 10 years, Medicare spending is projected to continue to grow more slowly than private insurance spending.^x
- Medicare has lower administrative expenses than private health plans.

Medicare is sustainable.

- Medicare will be able to fully pay on claims for inpatient care until 2026.^{xi} Improvements included in the ACA strengthened Medicare’s financial outlook.^{xii}
- Medicare will be able to fully pay for outpatient care and prescription drugs for the foreseeable future. A combination of premiums and taxpayer contributions pay for the cost of this care.^{xiii}

New Yorkers with Medicare: Ms. R

Ms. R lives on Long Island and called the Medicare Rights Center after she learned that she was losing her Medicaid coverage. Ms. R was ineligible for premium-free Part A because she did not have a total of 40 calendar quarters of work history. This meant she would have high monthly costs for her insurance.

A Medicare Rights counselor informed Ms. R that she should be enrolled in a Medicare Savings Program (MSP), specifically the Qualified Medicare Beneficiary (QMB) program, which would pay for her Medicare Part A and Part B premiums and lead to automatic enrollment in the federal Extra Help drug subsidy. The counselor helped Ms. R enroll in these programs, and now Ms. R saves more than \$5,200 a year in health care costs and has access to needed care.

ⁱ CMS Total Medicare Enrollment (2017), https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/CMSProgramStatistics/2016/Downloads/MDCR_ENROLL_AB/2016_CPS_MDCR_ENROLL_AB_2.pdf

ⁱⁱ Mira Norton, Bianca DiJulio & Mollyann Brodie, “Medicare and Medicaid At 50,” Kaiser Family Foundation (July 2015), <https://www.kff.org/medicaid/poll-finding/medicare-and-medicaid-at-50/>

ⁱⁱⁱ *Id.*

^{iv} Robin Cohen, Diane Makuc, Amy Bernstein, Linda Bilheimer & Eve Powell-Griner, “Health Insurance Coverage Trends, 1959-2007: Estimates from the National Health Interview Survey,” National Health Statistics Reports (July 1, 2009), <https://www.cdc.gov/nchs/data/nhsr/nhsr017.pdf>

^v *Id.*

^{vi} U.S. Census Current Population Survey (2017), <https://www.census.gov/cps/data/cpstablecreator.html>

^{vii} Gretchen Jacobson, Shannon Griffin, Tricia Neuman & Karen Smith, “Income and Assets of Medicare Beneficiaries, 2016-2035,” (April 21, 2017), <https://www.kff.org/medicare/issue-brief/income-and-assets-of-medicare-beneficiaries-2016-2035/>

^{viii} *Id.*

^{ix} Juliette Cubanski & Tricia Neuman, “The Facts on Medicare Spending and Financing,” Kaiser Family Foundation (July 18, 2017), <https://www.kff.org/medicare/issue-brief/the-facts-on-medicare-spending-and-financing/>

^x *Id.*

^{xi} Medicare Trustees Report (June 5, 2018), <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/Downloads/TR2018.pdf>

^{xii} Juliette Cubanski & Tricia Neuman, “The Facts on Medicare Spending and Financing,” Kaiser Family Foundation (July 18, 2017), <https://www.kff.org/medicare/issue-brief/the-facts-on-medicare-spending-and-financing/>

^{xiii} Juliette Cubanski, Christina Swoope, Cristina Boccuti, Gretchen Jacobson, Giselle Casillas, Shannon Griffin & Tricia Neuman, “A Primer on Medicare: Key Facts About the Medicare Program and the People it Covers,” Kaiser Family Foundation (March 20, 2015), <https://www.kff.org/report-section/a-primer-on-medicare-how-is-medicare-financed-and-what-are-medicare-future-financing-challenges/>