

High 'Health Insurance Literacy' Tied to Better Medicare Choices

People who have a strong understanding about health insurance and how it works are more likely to enroll in Medicare Advantage than people who don't, according to a new study.

They are also more likely to select lower-cost plans that also have high Medicare Advantage star ratings (a ranking of plans based on their quality of care and customer service), according to the study that was published in the *Journal of American Medicine Association's Network Open*.

The study also found that a poor understanding of health insurance leads to high costs for Medicare enrollees or poor-quality coverage choices.

The findings illustrate the importance of doing your research and reaching out to us to help you make a more informed decision about your Medicare options. The findings also drive home the fact that if you don't make informed decisions about your coverage, your pocketbook **вЂ** and your health **вЂ** may suffer.

The importance of 'health insurance literacy'

The study looked at "health insurance literacy," a term that describes the level an individual's ability to seek, obtain and understand insurance coverage.

According to the study, people with higher health insurance literacy **вЂ** particularly, those who engage in annual review and comparison of coverage choices **вЂ** are the most likely to enroll in low-cost Medicare Advantage plans with high star ratings.

The study found that low health insurance literacy more often resulted in people enrolling in traditional Medicare and/or making poor plan choices, which can hurt their overall health and also result in higher outlays for their medical care.

An earlier study found that Medicare beneficiaries in counties with higher health literacy:

- Received 31% more flu shots,
- Experienced 26% fewer unnecessary hospitalizations,
- Had 18% fewer emergency department visits overall, and
- Had 9% fewer hospital readmissions.

The new study found that:

- 38% of individuals who reviewed or compared coverage options annually enrolled in Medicare Advantage, compared with 27.8% for those who did not.

- Individuals who enrolled in Medicare Advantage and who had high health insurance literacy who reviewed or compared coverage options annually, were more likely to enroll in plans with 4 to 4.5 stars and in unrated plans.
- Individuals who enrolled in Medicare Advantage and who had high health insurance literacy were more likely to choose plans with monthly premiums of between \$1 and \$50.
- Health insurance literacy was limited among beneficiaries with low socioeconomic status. The likelihood of reviewing or comparing health care coverage options annually was lower among beneficiaries with less than a high school education, dually eligible for Medicare and Medicaid, and older than 80.

Your choice

The main reasons that people choose Medicare Advantage are that:

- They have multiple plans to choose from with varying premiums, benefits and extra features, and
- They can use the star rating system to gauge the strength and performance of plans with guidance.

Choosing the wrong plan can have a negative impact on both your health and your finances.

Even if you do not have high health insurance literacy, you can make a smart choice by calling us to see how a Medicare Advantage plan may benefit you.

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