



**Medicare Part D beneficiaries'
self-reported barriers to
switching plans and making plan comparisons at all:
Insights from interviews and surveys**

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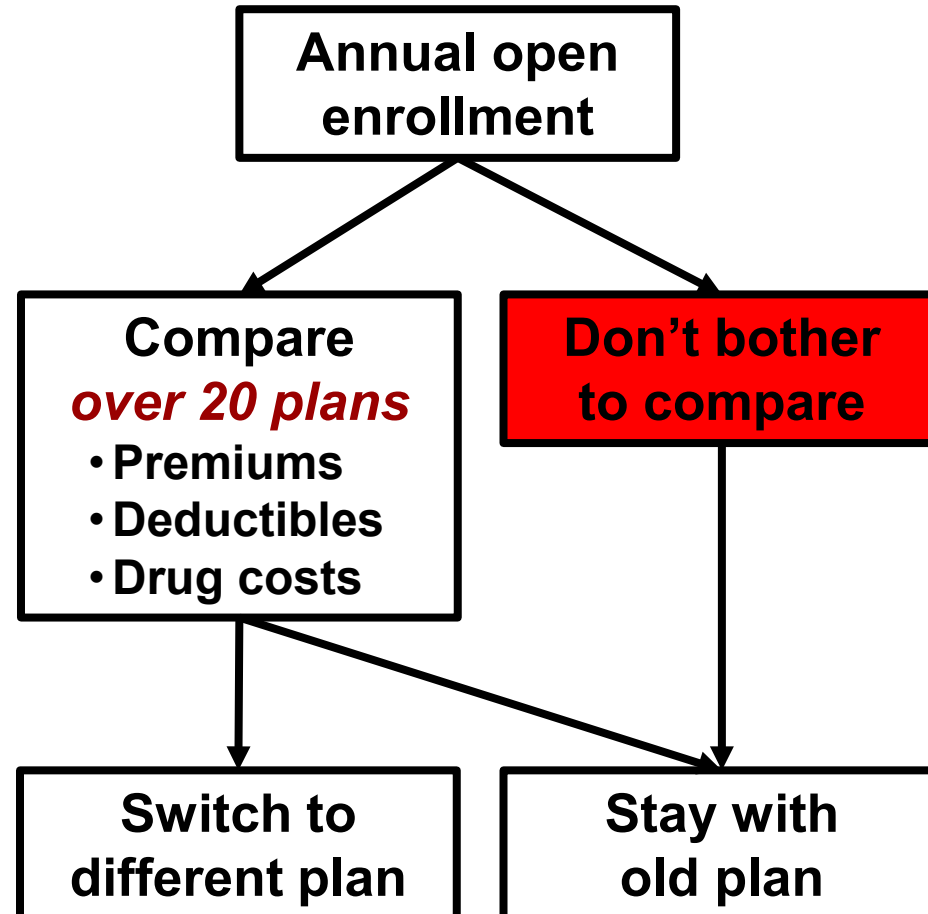
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Medicare Part D provides prescription drug insurance

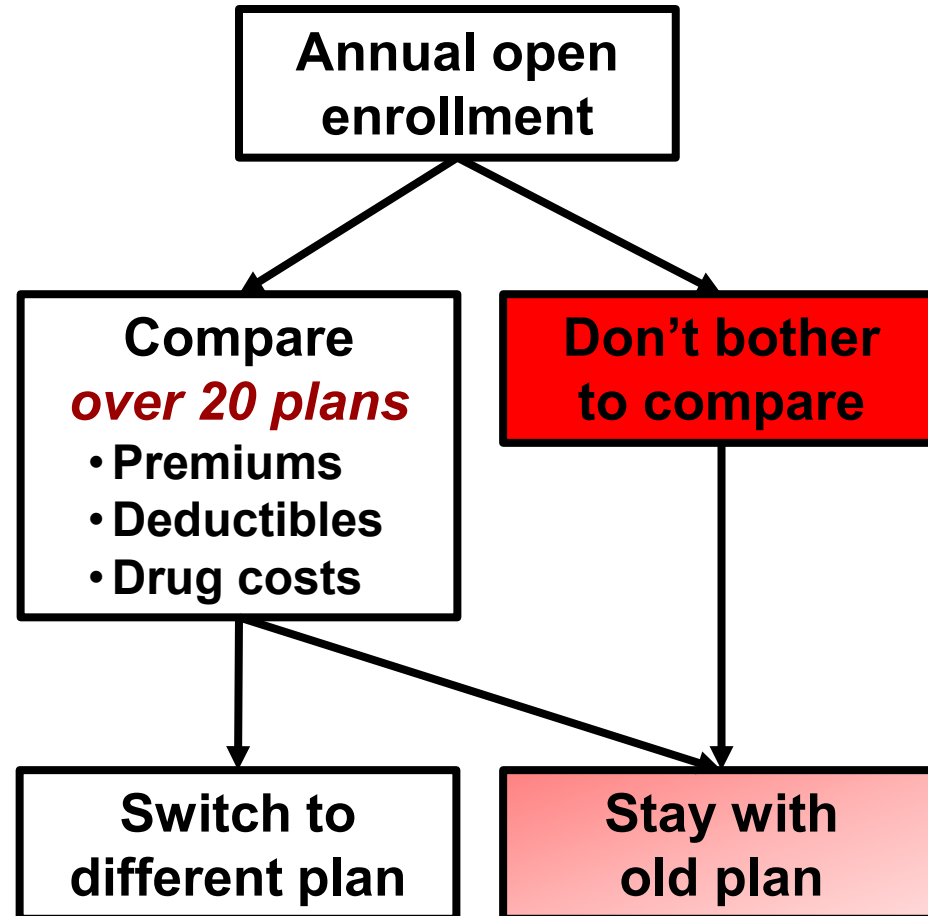
- Medicare is for disabled individuals and those age ≥ 65
- Their drugs are covered through a stand-alone Medicare Part D plan or a Medicare Advantage plan
- In 2023, 22 million people had stand-alone Medicare Part D plans



Beneficiaries can switch plans each year to ensure that they stay in the best plan for them



Beneficiaries can switch plans each year to ensure that they stay in the best plan for them



Economists have raised concerns that people who don't switch may not compare plans at all

Archival Medicare Part D data

American Economic Review 2021, 111(9): 2737–2781
<https://doi.org/10.1257/aer.20170471>

Inattention and Switching Costs as Sources of Inertia
in Medicare Part D[†]

By FLORIAN HEISS, DANIEL McFADDEN, JOACHIM WINTER,
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Anecdotal data

“Not surprisingly, my mother delegated her Medicare Part D decisions to me, her PhD economist son. I paid close attention the first year. Eventually, the decisions became so complicated that I stopped comparing plans.”

--Professor Dana Goldman
Director, USC Schaeffer Institute

Mixed-methods research on Understanding America Study

Step 1: **Qualitative interviews** identified potential barriers and drivers to comparing and switching

Step 2: **Follow-up surveys** assessed

- Prevalence of not comparing or switching
- Role of potential barriers and drivers

We conducted interviews in summer 2023

- 20 UAS participants with stand-alone Medicare Part D plan
- 20 is enough to find out what issues they may experience



We identified three types of participants

Switchers:

“I actually look at the [Medicare plan-finder website] every year to see if there’s a better plan for the needs that I have.

I actually do it every year and this year I did decide to switch.”

(Interview 13)

Non-switchers who did compare:

“We compare different plans [each year and] this one has been the best for the medications that I’m on” *(Interview 19)*

Non-switchers who did not compare (inactive):

“It just never occurred to me” *(Interview 11)*

We identified potential barriers and drivers

Not knowing how to switch:

“I don't even know [how to switch] or whether they have an open season for Part D” (*Interview 15*)

Not knowing how to compare:

“To me they all just look like they all say the same things, just different companies.” (*Interview 5*)

Plan changes:

“I got a letter saying that [...] the plan you have now is going to be called something different next year. The price was going to go up. The coverage was changing. It was going to be a totally different plan” (*Interview 14*)

Mixed-methods research on Understanding America Study

Step 1: **Qualitative interviews** characterized
barriers to comparing and switching

Step 2: **Follow-up surveys** assessed

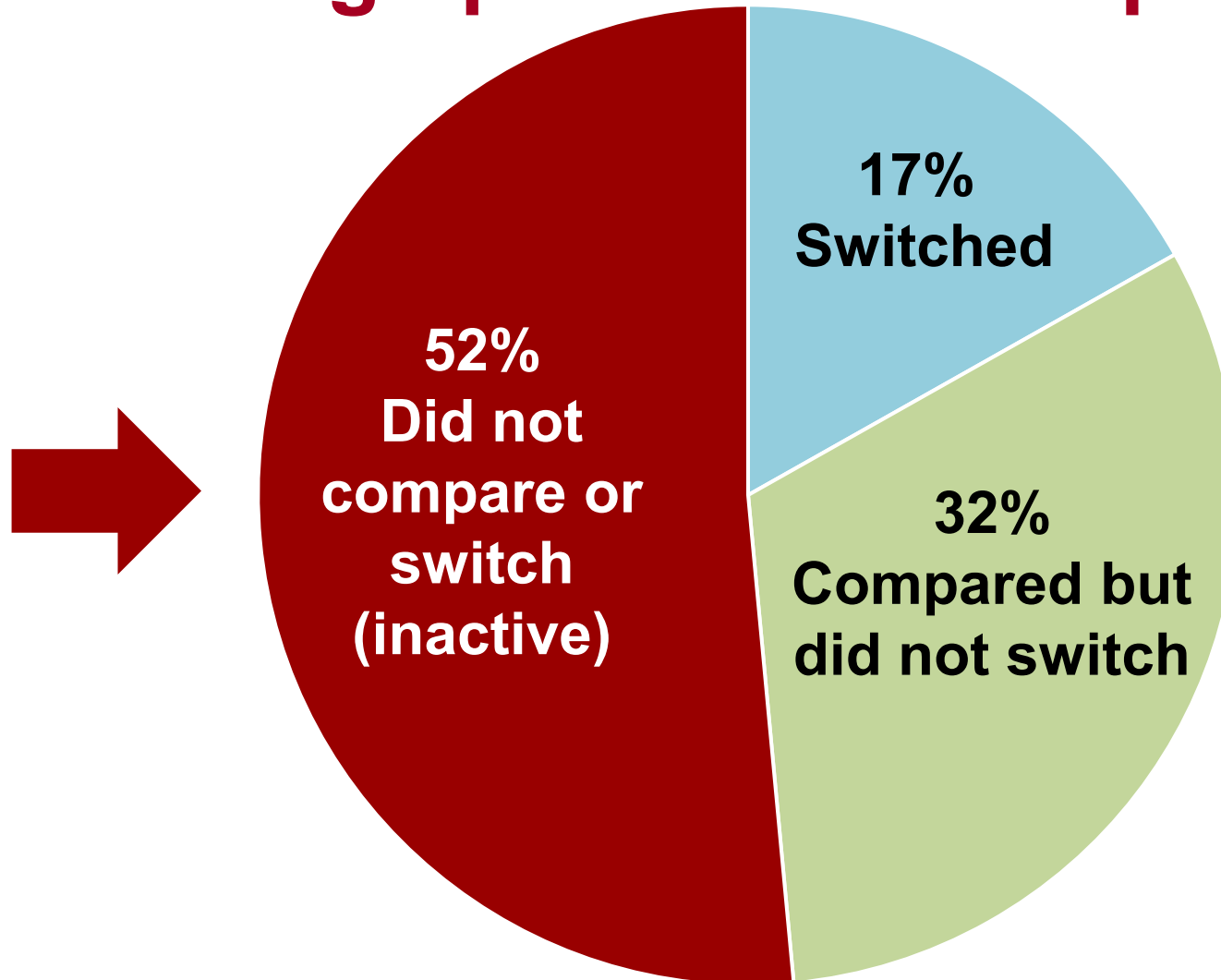
- Prevalence of not comparing or switching
- Role of potential barriers and drivers

We conducted UAS surveys after open enrollment period in 2023

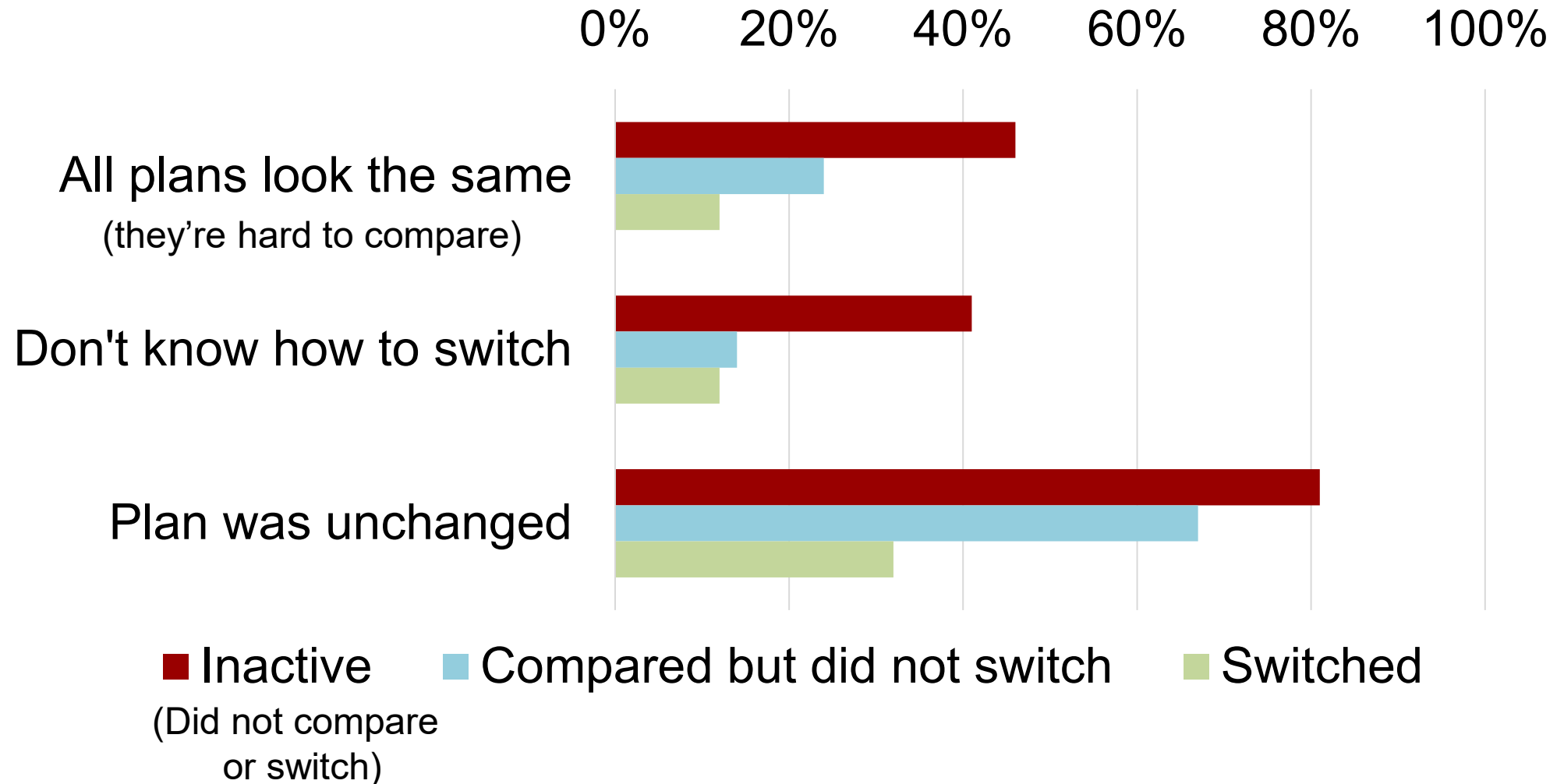
- 439 UAS participants with stand-alone Medicare Part D plan
- Full survey and data are available from UAS (survey 587)
- For full set of analyses, see our *Health Affairs Scholar* paper



About half (52%) remained inactive during open enrollment period



Inactive beneficiaries were more likely to report barriers



Conclusions and implications

- 52% of Medicare Part D beneficiaries did not compare plans, probably because it is too hard
- Comparisons were more common among those reporting plan changes – but maybe inactive participants did not notice?
- Findings are concerning because inactive participants may end up in more expensive plans over time

How to help Medicare Part D beneficiaries?

- There is a Medicare plan-finder website but only 29% used it
- Advisors are available but only 33% used them
- “Choice avoidance” may be addressed by
 - Reducing the number of options
 - Setting better defaults
 - Requiring choices less often

See also: Bundorf et al., *Health Affairs*, 2019; Cutler et al., *Med Care*, 2011; Greene et al., *Health Affairs*, 2016; Hodson et al., in preparation; Lemken, *Behav Public Policy*, 2021; Martino et al., *Health Serv Res*, 2017; McGarry et al. *Health Affairs*, 2018; Patel et al, *J Manag Care*, 2009; Skarupski et al., *Gerontologist*, 2009; Taylor et al., *RAND report*, 2016;

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