

Evidence Roadmap: Medicare Beneficiary Behavior and Decision Making



AcademyHealth

In 2013, AcademyHealth's Translation and Dissemination Institute launched its Listening Project, which aims to identify the most pressing health services research needs of leaders in health policy and health care delivery for the coming three to five years. **The 2014 Listening Project Report** identified several research and data gaps related to Medicare. In response to what we heard from the Medicare policy community, AcademyHealth has created this series of evidence roadmaps to identify existing resources related to the gaps. These roadmaps represent a selected minimal set of key resources rather than a comprehensive list of relevant research. The roadmaps are intended to help policy analysts and other research users better understand whether a perceived research gap represents an actual lack of evidence or failure of existing evidence to reach the policy arena, that is, a failure of adequate translation and dissemination. AcademyHealth undertook this roadmap with the support of the Robert Wood Johnson Foundation.

Listening Project interviews with the Medicare policy community pointed to a perceived research gap in understanding beneficiary behavior—in particular, how beneficiaries make decisions regarding their insurance coverage as well as how they respond to financial and other incentives with respect to their health care choices.

Beneficiary Decisions about Health Insurance Coverage

Listening Project interviewees were interested in learning more about how Medicare beneficiaries choose between the traditional fee-for-service program versus Medicare Advantage (MA) plans as well as about how they choose Part D plans and insurance policies to supplement Medicare.

Systematic Reviews

Quality and Consumer Decision Making in the Market for Health Insurance and Health Care Services

Kolstad JT, Chernew ME. *Med Care Res Rev.* 2009 Feb; 66(1): 28S-52S.

This literature review examined the relationship between quality and consumer choice among health plans or providers and the extent to which efforts to provide more information on quality influence consumer choice. The review is not Medicare-specific but may include relevant information.

Individual Studies

Choice Inconsistencies among the Elderly: Evidence from Plan Choice in the Medicare Part D Program

Abaluck J, Gruber J. *Am Econ Rev.* 2011 Jun; 101(4): 1180-1210.

The study found that seniors place more weight on plan premiums than on expected out-of-pocket costs, value plan financial characteristics more than any impacts on their own expenses or risk, and place almost no value on plans' variance-reducing features.

Insurance Knowledge and Decision Making Practices among Medicare Beneficiaries and their Caregivers

Bann CM, Berkman N, Kuo TM. *Med Care.* 2004 Nov; 42(11):1091-9.

The authors examined the Medicare knowledge of beneficiaries who receive help with their insurance decisions as compared to the knowledge of beneficiaries who make their own decisions. The study found that beneficiaries who make their own decisions are more knowledgeable about the Medicare program than those who receive decision-making assistance.

Consumer Competencies and the Use of Comparative Quality Information: It Isn't Just About Literacy

Hibbard J, Peters E, Dixon A, Tusler M. *Med Care Res Rev.* 2007 Aug; 64(4):379-94.

The study examined health literacy, numeracy, and patient activation roles in the comprehension of comparative health performance reports and patients' use of the reports in making an informed choice. The authors concluded that activation plays a significant role in consumer insurance decision making. The study did not involve Medicare beneficiaries, but the information is potentially relevant.

How Successful is Medicare Advantage?

Newhouse JP, McGuire TG. *Milbank Q.* 2014 Jun; 92(2): 351-394.

The authors summarized research from a grant titled The Role of Private Plans in Medicare, awarded the National Institute on Aging. The authors also discussed the role of behavioral economics in beneficiary choice between traditional Medicare and Medicare Advantage (MA) as well as among MA plans.

Grey Literature

How are Seniors Choosing and Changing Health Insurance Plans? Findings from Focus Groups with Medicare Beneficiaries

Jacobson G, Swoope C, Perry M, Slosar M. Washington, D.C.: Kaiser Family Foundation; 2014 May.

The report summarized first-hand accounts of seniors' decision-making strategies when choosing or changing Medicare private plans.

Research Insights: Choice and Decision-Making in a Health Insurance Exchange: What do research and experience tell us?

Summer L. Washington, D.C.: AcademyHealth; 2012 Jun.

The issue brief is based on a June 2012 meeting for federal policymakers. It analyzed how to achieve effective and efficient consumer choice in exchanges and how to ensure that consumers have the information needed to make a decision. The study is not Medicare-specific.

Beneficiary Health Care Decision Making

Listening Project interviewees indicated a need to understand how beneficiaries make decisions about their care, including the choice of provider, the health care services they receive, and the steps they take to promote health and prevent disease. The following resources focus on the impact of different factors on this type of beneficiary decision making.

Systematic Reviews

The Impact of Cost-Sharing on Appropriate Utilization and Health Status: A Review of the Literature on Seniors

Rice T, Matsuoka KY. *Medical Care Research and Review.* 2004;61(4):415--452.

The article reviewed existing research as of 2004 on the impact of cost-sharing on the use of services and health status.

Books

Effective Health Behavior in Older Adults.

Schaie KW, Leventhal H, Willis S. New York (NY): Springer Publishing Company; 2002.

Chapter 8 (Contributor: Bruce Stuart) discusses the influence of provider payment options on older adults' health care-seeking behavior. Chapter 9 (Contributors: William Rakowski and Melissa Clark) investigates the role of health care organizations in older adults' health care behavior.

Individual Studies

Cognition and take-up of subsidized drug benefits by Medicare beneficiaries

Kuye I, Frank R, McWilliams J. *JAMA internal medicine.* 2013;173(12):1100--1107.

This study used data from the Health and Retirement Survey to examine the relationship between cognitive abilities and Part D enrollment, awareness of the Low Income Subsidy (LIS) program, and application for LIS.

Incentives in health: different prescriptions for physicians and patients

Loewenstein G, Volpp K, Asch D. *JAMA.* 2012;307(13):1375--1376.

This commentary considered the implications of existing evidence about how physicians and patients respond to financial incentives for benefit design and payment policy.

Health Literacy and Decision Making Styles for Complex Antithrombotic Therapy among Older Multimorbid Adults

Naik AD, Street RL, Castillo D, Abraham NS. Patient Educ Couns. 2011 Dec; 85(3): 499-504.

The study explored the impact of functional health literacy on decision-making preferences among older adults. It found that patients with low functional health literacy were more likely to prefer passive decision making; however, if their physician encouraged participation, patients were more likely to change their preference to more active decision-making practices. The study is not Medicare-specific but may be relevant.

Complexity, Public Reporting, and Choice of Doctor: A Look Inside the Blackest Box of Consumer Behavior

Schlesinger M, Kanouse D, Martino S, Shaller D, Rybowski L. Med Care Res Rev. 2013 Sep 18. Epub.

The study analyzed the impact of complexity on consumer choice. Researchers identified four ways in which complexity might hinder consumer decision making and explored the impact of each pathway on consumers' clinician choice. The study participants were not Medicare beneficiaries, but the information may be relevant.

Scope and outcomes of surrogate decision making among hospitalized older adults

Torke A, Sachs G, Helft P, Montz K, Hui S, Slaven J et al. JAMA internal medicine. 2014;174(3):370--377.

This prospective, observational study measured the extent and nature of decision making by family members and other surrogates on behalf of older hospitalized adults.

Grey Literature

Health Literacy and the Role of Culture - Fact Sheet #3 [Internet]

Center for Health Care Strategies. 2014 [cited 26 September 2014].

This fact sheet summarized evidence about the impact of social and cultural factors on individuals' perception of health information and how they act on that information.

Report: Choice Architecture: Design Decisions that Affect Consumers' Health Plan Choices [Internet]

Consumers Union. 2012 [cited 22 September 2014].

This study reviewed how existing web-based tools and businesses structure consumer choices and the implications for health insurance exchanges under the Affordable Care Act.

Supporting informed consumer health care decisions: data presentation approaches that facilitate the use of information in choice

Hibbard J, Peters E. S Annual Review of Public Health. 2003;24(1):413--433.5

This paper reviewed studies of human judgment and decision-making and considers the implications for assisting consumers make health care decisions.

How much do health literacy and patient activation contribute to older adults' ability to manage their health?

Hibbard JH, Greene J, Tusler M. AARP Public Policy Institute; 2005 Jun.

The issue brief examined the influence of health literacy and patient activation on "Medicare decision making, health care-related behaviors, healthy behaviors, and chronic disease self-management behaviors."

Decision Making and Aging Work Group Meeting Summary, August 2006

National Institute on Aging. 2014 [cited 26 September 2014].

This workshop summary on decision making and aging reviewed factors that affect older adults health related decision making.

Health Literacy: A Prescription to End Confusion

Nielsen-Bohlman L, Panzer A, Kindig D. 1st ed. Washington, D.C.: National Academies Press; 2004

This study from the Institute of Medicine (IOM) described health literacy becomes a greater problem as a person ages and notes that the more complex an individual's condition, the higher is the level of needed literacy.

Search Strategy

AcademyHealth staff first identified key words and associated MeSH (medical subject headings) terms using the National Library of Medicine MeSH browser. Staff used the key words to search various databases and journals for relevant articles, and then examined the bibliographies of these articles to identify additional studies. Staff searched health care, health policy, trade group, government, and academic websites for grey literature and chose studies most relevant to beneficiary behavior and decision making, in the context of the Listening Project Report. Because the purpose of these roadmaps was to inform current policy, searches focused on years 2010 through 2014. With resources included when appropriate. Two AcademyHealth members, chosen for their relevant expertise, reviewed the draft roadmaps and AcademyHealth staff then updated the document to incorporate the reviewers' comments and suggestions.

Enrollment Decisions

Databases: PubMed/MEDLINE; Medical Care Research and Review; SAGE Publications; EBSCO Host—Academic Search Elite, Business Source Elite; Google Scholar; National Bureau of Economic Research

Websites: Kaiser Family Foundation; Robert Wood Johnson Foundation; AARP Public Policy Institute; SCAN Foundation; Commonwealth Fund

Key words: decision making AND Medicare; decision making AND older adults; decision making AND elderly; decision making AND disabled; health insurance decision making; behavioral economics AND health care; behavioral economics AND Medicare; health literacy AND insurance; health literacy AND Medicare;

Inclusion criteria: Studies/resources related to insurance/enrollment decision making for Medicare beneficiaries

Care Decisions

Databases: PubMed/MEDLINE; Medical Care Research & Review; SAGE Publications; EBSCO Host—Academic Search Elite, Business Source Elite; HSRProj; Google Scholar; National Bureau of Economic Research

Websites: Kaiser Family Foundation; Robert Wood Johnson Foundation; AARP Public Policy Institute; SCAN Foundation; Commonwealth Fund

Key words: behavioral economics AND health care; health care decision making; elderly AND behavior AND health; disabled AND behavior AND health; elderly AND health care decision making; disabled AND health care decision making; patient behavior AND Medicare; decision making AND Medicare; health literacy AND elderly; health literacy AND older adults; health literacy AND disabled; health literacy AND Medicare

Key to Cited Resources

-  **Systematic reviews** provide insights from a body of research literature.
-  **Books** often provide a useful overview of key issues and relevant research.
-  **Individual studies** provide findings from key pieces of research.
-  **Grey literature** provides relevant evidence published by organizations whose primary activity is not publishing.