



# Inflation & Health Care Costs: A Survey of Medicare Beneficiaries

July 2022

### Introduction

With inflation higher today than it has been in four decades, most Americans are feeling the pinch in their personal finances. However, the news stories we read about inflation often overlook a particularly vulnerable population: Medicare beneficiaries and seniors. This report helps to shine a light on their struggles and concerns.

For this report, we surveyed more than 2,500 Medicare beneficiaries, 90% of whom tell us they live on a fixed income. We focused on their concerns about inflation's impact on health care costs, exploring questions like:

- Do they feel the government is paying enough attention to inflation's impact on health care costs, and what actions might government take to address their concerns?
- What are their biggest worries about rising health care costs? Has inflation already had an impact on their personal health care expenses?
- At what point do rising prescription drug costs and monthly premiums simply become unaffordable?

As a nationally licensed health insurance broker focused on serving the needs of American seniors, we hope these survey findings will help bring increased attention to the special challenges faced by American seniors in an era of high inflation.

## **Analysis & Highlights**

**Inflation is a big concern, and many are already feeling the pinch of inflation when it comes to their health care costs:** 95% say they are worried about the impact of inflation on health care costs; 45% say their personal health care costs have already increased as a result of inflation.

**Drug costs and Part B premiums top the list of concerns:** When it comes to health care cost inflation, the top two worries of Medicare beneficiaries are increased prescription drug costs and increased Medicare Part B premiums, each cited by 65% of respondents.

**Government action on drug costs would help resolve the inflation worries of many beneficiaries:** 86% say that Medicare should directly negotiate with drug companies to reduce costs; 88% say that reducing drug costs now would help lessen their worries about health care cost inflation.

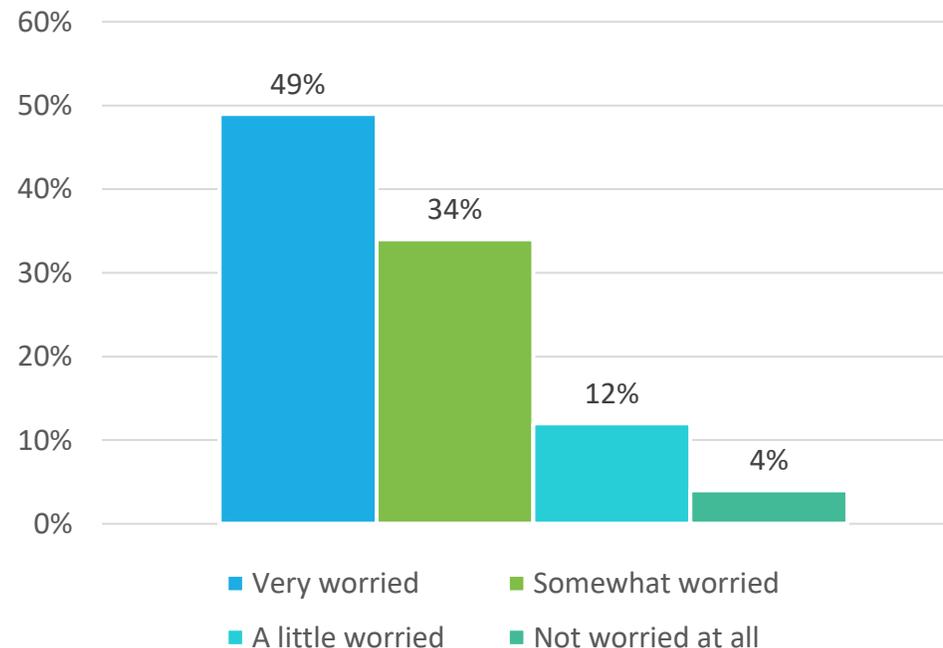
**Many are financially vulnerable to higher premiums and drug costs:** About half (49%) of Medicare beneficiaries say an increase of 10% or less in their Medicare premiums would make their coverage unaffordable; a similar figure (52%) say an increase of 10% or less would make their prescription drug costs unaffordable.

## Health Care Costs and Inflation

More than nine in ten Medicare beneficiaries worry about inflation's impact on health care costs

- Nearly half (49%) say they are “very worried.”
- 34% are “somewhat worried.”
- 12% are “a little worried.”
- 4% are not worried at all.

“How worried are you about the impact of inflation on health care costs?”



More than four in ten say their health care costs have already increased due to inflation

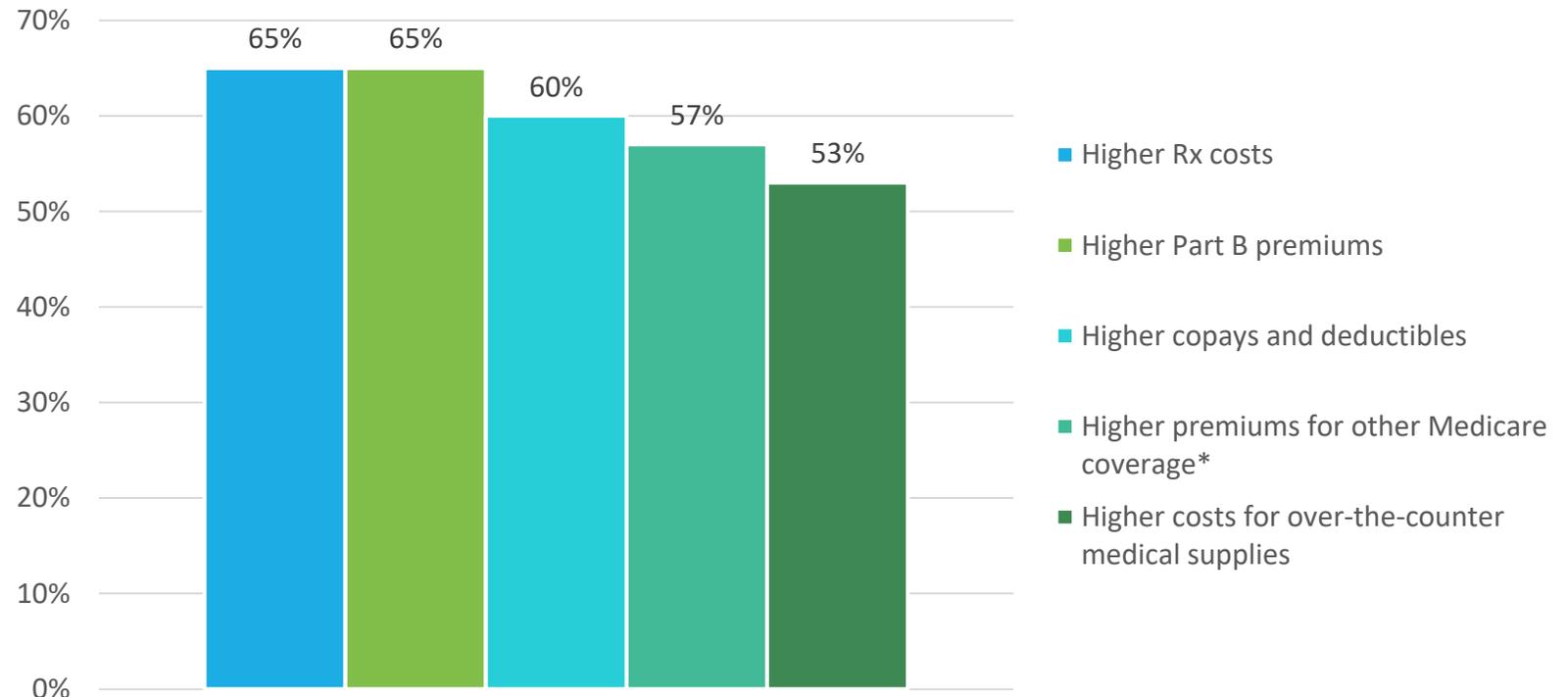
- 45% of Medicare beneficiaries say their personal health care expenses have already increased because of inflation.
- 31% say inflation has not yet had an impact on their personal health care costs.
- 24% are uncertain.

## Health Care Costs and Inflation (cont.)

Medicare beneficiaries are most likely to worry about increased Rx costs and Part B Medicare premiums

- 65% say they worry about inflation's impact on their prescription drug costs.
- 65% worry about higher Medicare Part B premiums (typically taken from their Social Security checks).
- 60% worry about higher copays and deductibles.
- 57% worry about higher premiums for other forms of Medicare coverage.

“When it comes to health care cost inflation, which of the following worries you? Select all that apply.”



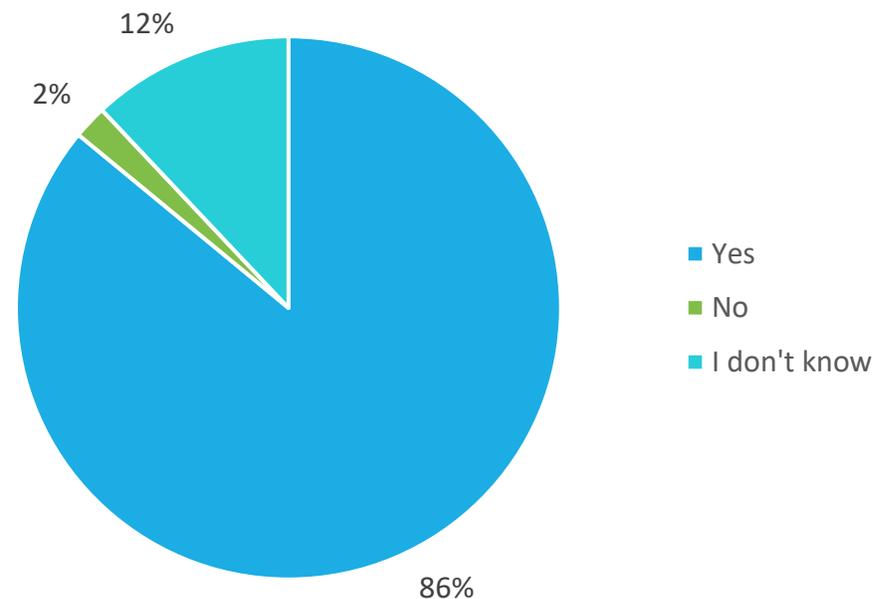
\* Including Medicare Advantage, Medicare Supplement (Medigap) and Medicare Part D plans.

## Focus on Prescription Drug Costs

A strong majority want the government to work with pharmaceutical companies to lower drug costs

- 86% say Medicare should directly negotiate with drug companies to lower costs.
- 2% say Medicare should not directly negotiate costs with drug companies.
- 12% are unsure.

“Should Medicare directly negotiate with drug companies to reduce costs?”



Action on drug costs would relieve concerns about inflation for many Medicare beneficiaries

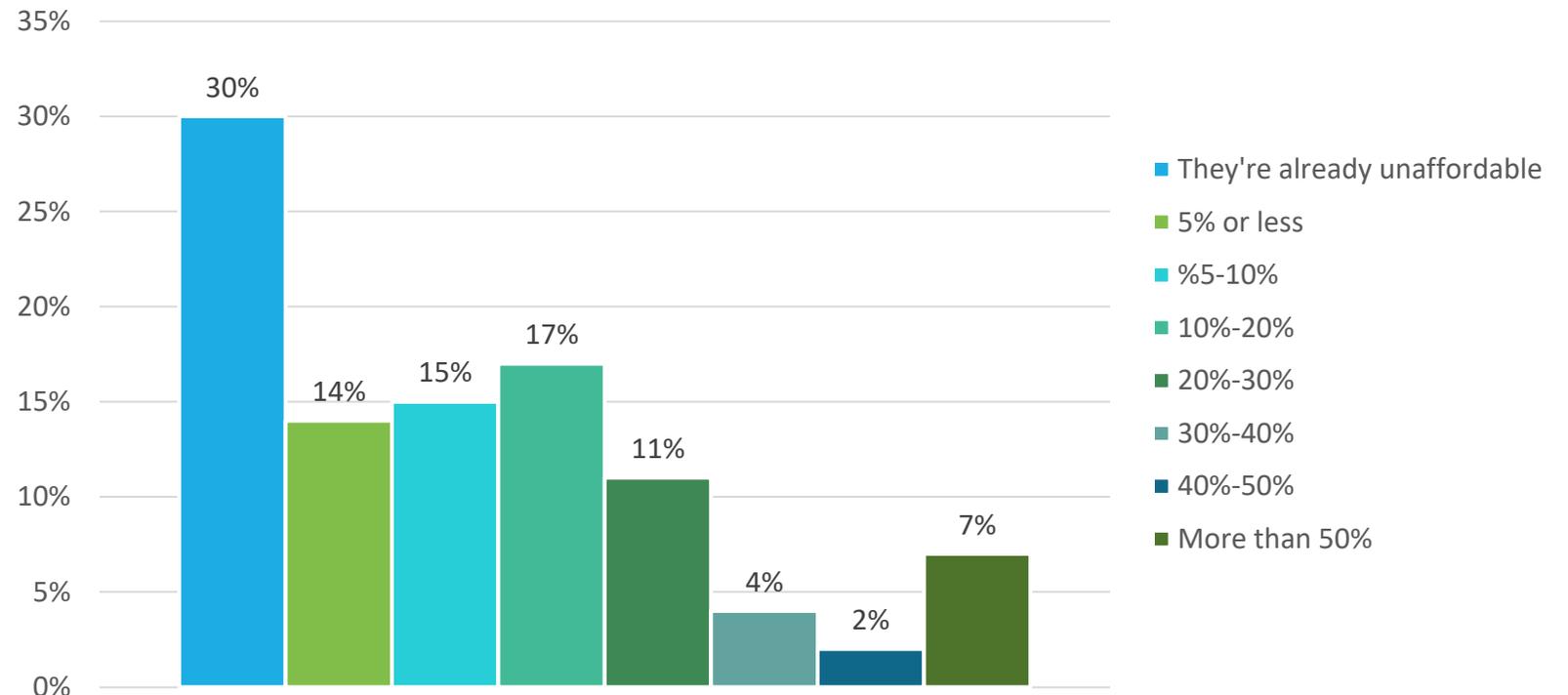
- 88% of respondents say that government action to lower drug costs would make a difference in their concerns about health care cost inflation.
- Among these, 40% say it would make “a big difference, while 48% say it would make “some difference.”
- Overall, only 12% say it would make “no difference.”

## Concerns about Health Care Cost Inflation (cont.)

Half (49%) of Medicare beneficiaries are vulnerable to premium increases of 10% or less

- 30% say their Medicare premiums are already unaffordable for them.
- 14% say an increase of 5% or less would make their premiums unaffordable.
- 15% say an increase of 5% to 10% would make their premiums unaffordable.

“How much would your premiums have to increase before they become unaffordable for you?”

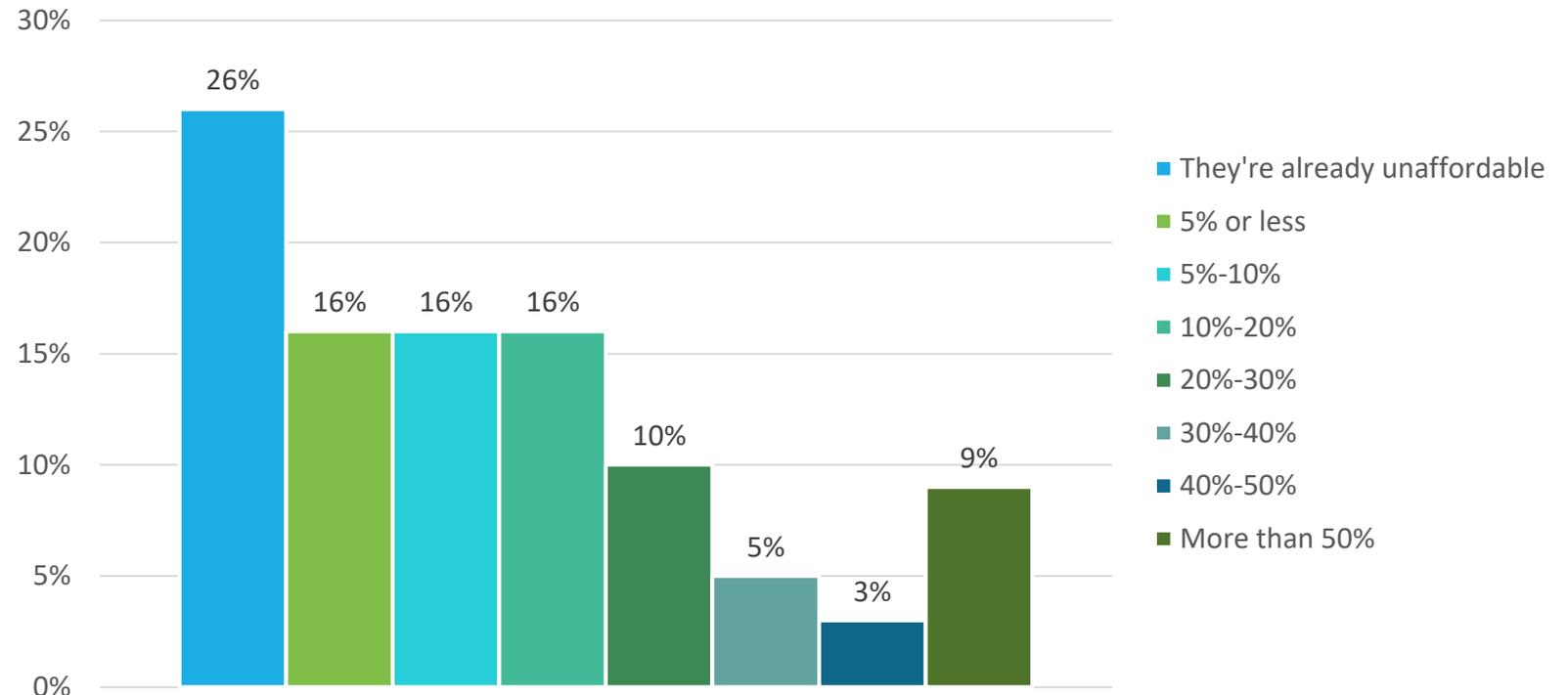


## Concerns about Health Care Cost Inflation (cont.)

More than half (52%) say a 10% increase in Rx costs would be unaffordable for them

- 26% say the drug costs they face today are already unaffordable for them.
- 16% say an increase of 5% or less would make their drug costs unaffordable.
- Another 16% say a 5% to 10% increase in their drug costs would make them unaffordable.

“How much would your prescription drug costs have to increase before they become unaffordable for you?”



## **Methodology Note**

The findings presented in this report are based on a voluntary survey of Medicare beneficiaries who purchased a Medicare Advantage, Medicare Supplement (Medigap) or Medicare Part D plan from eHealth, with coverage still in effect at the time of the survey. The voluntary survey was conducted online in July of 2022 and a total of 2,519 responses were collected. Percentages have been rounded to the nearest full percentage point and may add to slightly more or less than 100% due to rounding. For the purposes of this report, Democratic and Republican voters are those who indicate they are more likely to vote for the party in question, while Independents are those who say they are equally likely to vote for candidates from either party.

## About eHealth

eHealth, Inc. (NASDAQ: EHTH) operates a leading health insurance marketplace at [eHealth.com](http://eHealth.com) and [eHealthMedicare.com](http://eHealthMedicare.com) with technology that provides consumers with health insurance enrollment solutions. Since 1997, we have connected more than 8 million members with quality, affordable health insurance, Medicare options, and ancillary plans. Our proprietary marketplace offers Medicare Advantage, Medicare Supplement, Medicare Part D prescription drug, individual, family, small business and other plans from approximately 200 health insurance carriers across fifty states and the District of Columbia.