

The Future of Medicare: A Survey of Beneficiaries

August 2023

Introduction

The long-term sustainability of the Medicare program is a pressing concern. Medicare's own Board of Trustees has estimated that funding for Medicare Part A will begin running regular deficits within the next several years and by 2031 will be insufficient to cover benefits*.

As demonstrated in this report, Medicare beneficiaries are alarmed for the long-term viability of the program, both for themselves and for future generations. They are conflicted, however, when asked what should be done about it.

eHealth's new original research demonstrates that a strong majority of current Medicare beneficiaries feel that the program works for them as it is. They feel they are entitled to the benefits they've earned, and they don't want to see any changes.

However, a strong majority also agree that future generations will have to pay more or accept reduced benefits.

This report is based on a survey of more than 3,500 Medicare beneficiaries who purchased coverage through eHealth. Additional methodology details are included at the end of the report.

*SOURCE: <https://www.cms.gov/oact/tr/2023>

Highlights

On balancing what's due to current beneficiaries with what future generations should expect:

- 74% of current beneficiaries worry about the long-term sustainability of the Medicare program, but there's little consensus on what should be done to secure it.
- 73% of current beneficiaries feel that Medicare “works” today, and nearly all (97%) feel they are entitled to the benefits they've earned.
- However, 84% of current beneficiaries say that significant changes to Medicare will be needed in order to secure the program for future generations.
- If it ensured the sustainability of Medicare for future generations, only 12% of current beneficiaries would agree to changes in their current Medicare benefits or costs.

Concern for the future is bipartisan but politics shapes judgments on government action:

- 76% of Democrat voters and 74% of Republican voters worry about the sustainability of the Medicare program.
- 62% of Republican voters give the government a D or F grade for working to secure the future of Medicare, while 73% of Democrat voters give the government an A, B, or C grade.

Income also influences concerns over Medicare's future:

- 25% of those earning under \$25,000 per year are “very worried” about the future sustainability of Medicare, compared to only 12% of those with an annual income over \$100,000.

Thinking back to when they first enrolled in Medicare:

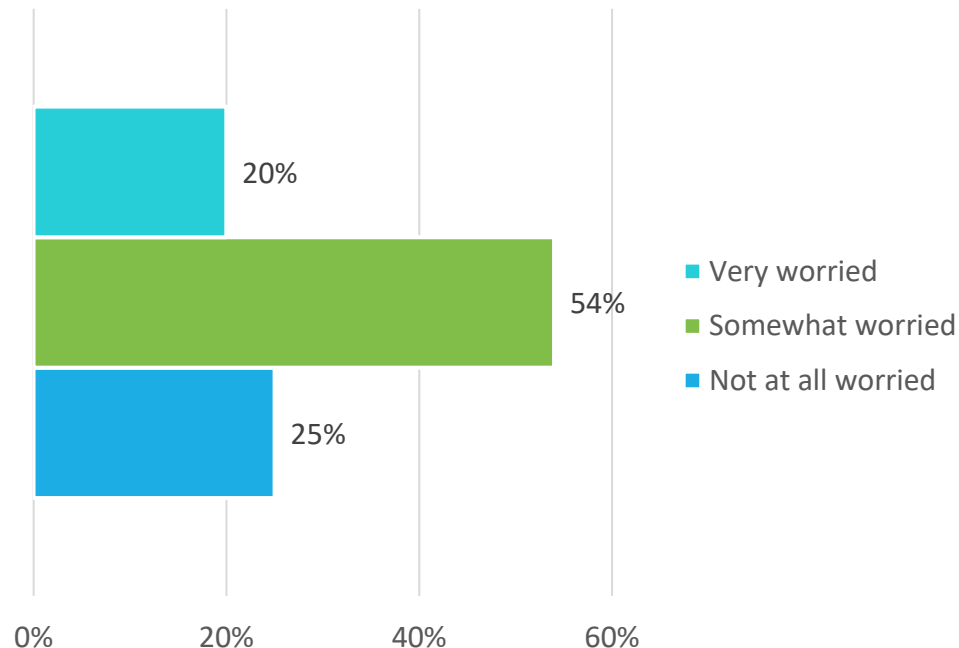
- 40% wish they'd had a stronger understanding of Medicare basics when they first enrolled, while 28% wish they had reviewed more coverage options.

The Sustainability of the Medicare Program

Three quarters of beneficiaries worry about Medicare's sustainability

- 20% say they are very worried about the long-term sustainability of the Medicare program.
- 54% are somewhat worried.
- 25% are not worried at all.

“How worried are you about the long-term sustainability of the Medicare program?”



No partisan divide over concerns for Medicare's future, but income makes a difference

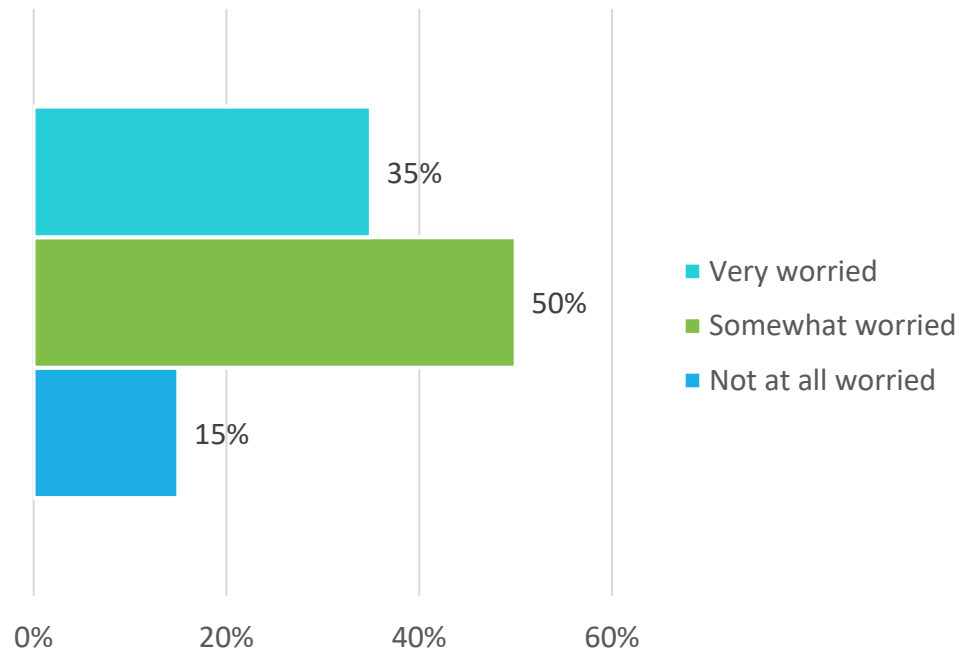
- 76% of Democrat voters worry about the long-term sustainability of Medicare, as do 74% of Republican voters.
- 25% of beneficiaries with an annual income of less than \$25,000 say they are “very worried” about the future of Medicare, compared to only 12% of those with incomes above \$100,000.

Concern About Changes to Medicare

Most are worried that their Medicare coverage will change

- 35% say they are very worried costs will increase or benefits will be reduced in their lifetime.
- 50% are somewhat worried.
- Only 15% are not worried at all.

“How worried are you that Medicare costs will increase or benefits will be reduced in your lifetime?”



Lower income beneficiaries are notably more concerned about changes to Medicare

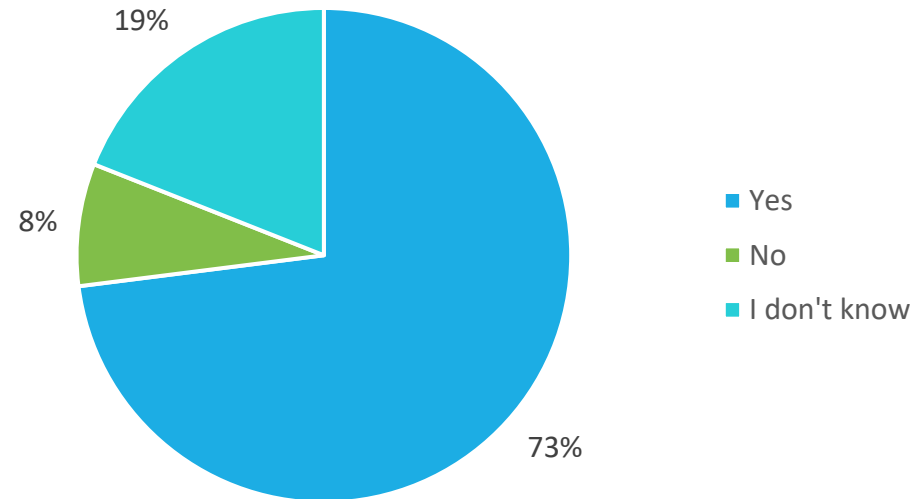
- Nearly half (46%) of Medicare beneficiaries with an annual income of less than \$25,000 are “very worried” about Medicare costs or benefits being changed in their lifetime.
- By contrast, only 18% of those with an income over \$100,000 are “very worried.”

The Effectiveness of the Medicare Program

Most say the Medicare program works today

- Nearly two thirds (73%) say the Medicare program works today.
- Only 8% feel that the Medicare program doesn't work as it is.
- 19% are unsure.

“Is Medicare working? Does the program serve the needs of beneficiaries efficiently and affordably?”



Higher income beneficiaries have a better view of the Medicare program

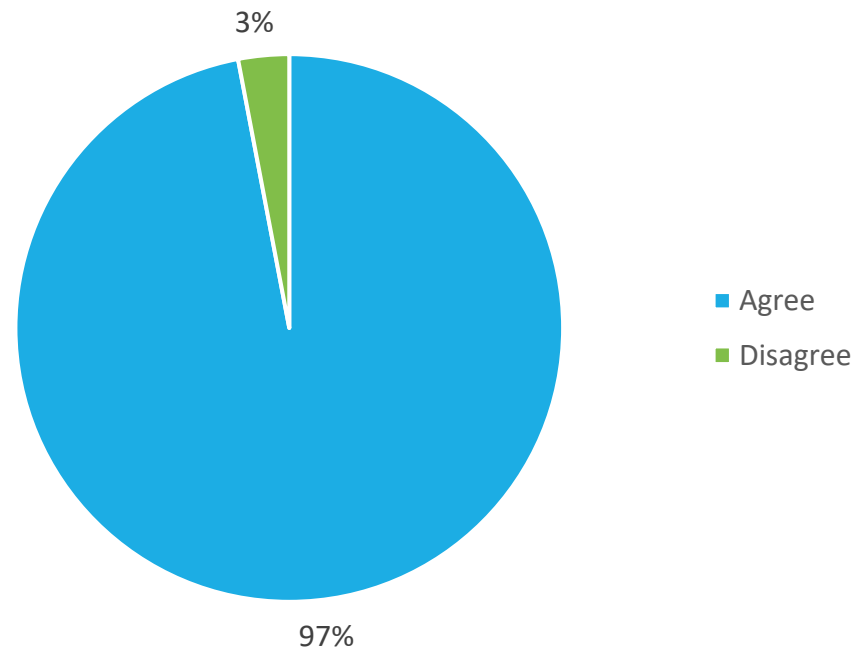
- 83% of beneficiaries with an annual income of more than \$100,000 feel the Medicare program works.
- By contrast, 68% of beneficiaries with an annual income of less than \$25,000 feel the program works.

Benefits for Current and Future Beneficiaries

Nearly all beneficiaries feel they are entitled to the Medicare benefits they receive today

- 97% say they are entitled to the Medicare benefits they receive after paying into the program in the past.
- Only 3% feel they are not entitled to their current level of benefits.

“Agree or disagree: ‘I paid into Medicare for years and am entitled to the benefits I receive today.’”



However, most feel future generations must accept significant changes to Medicare

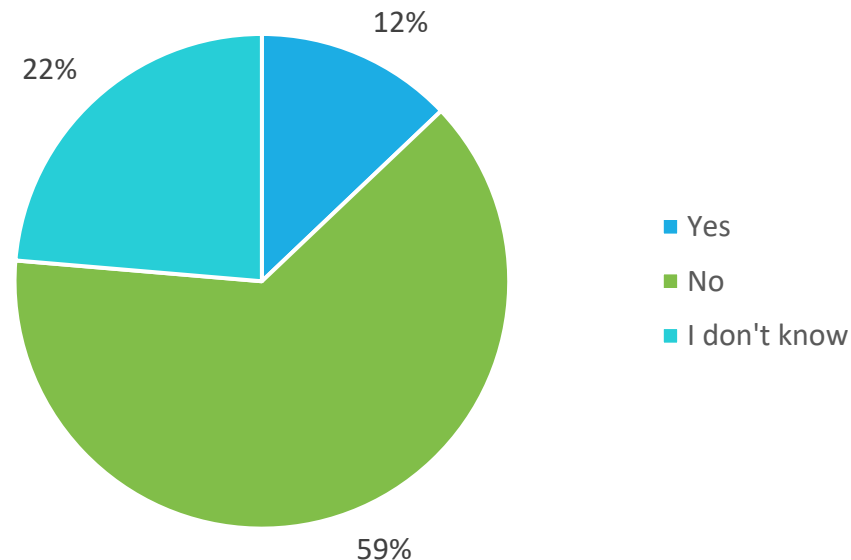
- 84% say that significant changes must be made to ensure the Medicare program is there for future generations.
- Only 16% do not think that significant changes will need to be made to ensure Medicare is there for future generations.

Weighing Sacrifices for Future Generations

Few would accept changes to Medicare today even if it ensured the sustainability of the program

- 12% are willing to see their benefits or costs changed today if it guaranteed that Medicare was there for future generations.
- 59% are unwilling to accept changes to benefits or costs even if it ensured the sustainability of Medicare.
- 22% are uncertain.

“If it ensured the sustainability of Medicare for future generations, are you willing to see your benefits reduced or costs increased?”



Affluent beneficiaries are most likely to accept changes to ensure the future of Medicare

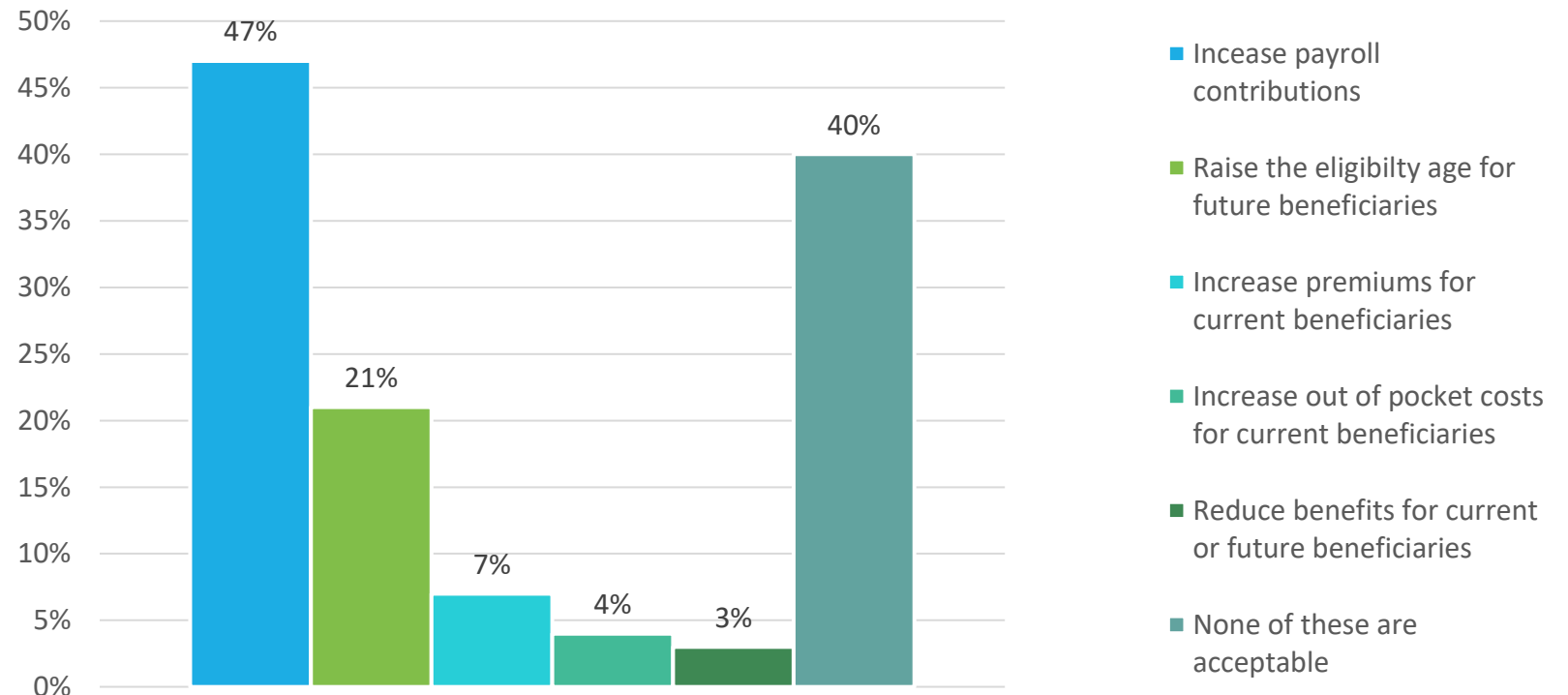
- 22% of those with an income over \$100,000 per year say they would accept changes to their Medicare costs or benefits today if it guaranteed the future of the program.
- By comparison, 13% of those with an annual income below \$25,000 feel the same.

How Beneficiaries Would Save Medicare

Nearly half would pass on the burden of Medicare sustainability to future generations

- 47% of current Medicare beneficiaries think that the payroll contributions of future beneficiaries should be increased.
- 21% say the Medicare eligibility age should be raised for future beneficiaries.
- Fewer than 10% would make specific changes that impact current beneficiaries.
- 40% say that none of these solutions are acceptable.

“Which of the following do you think should be done to ensure the long-term sustainability of Medicare? Select all that apply.”

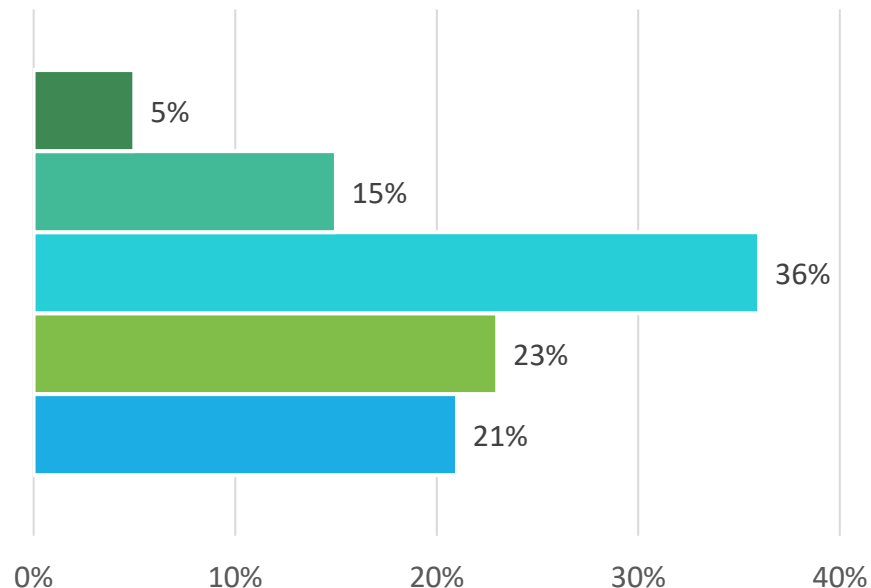


Grading the Government on Ensuring Medicare's Future

Few give the government top marks on acting to secure the future of Medicare

- 5% would give the government an A grade.
- 15% would give it a B.
- 36% would give it a C.
- 23% would give it a D.
- 21% would give it an F.

“How would you grade the government on doing what needs to be done to ensure the future of Medicare?”



Voting habits impact grading the government on its handling of Medicare's future

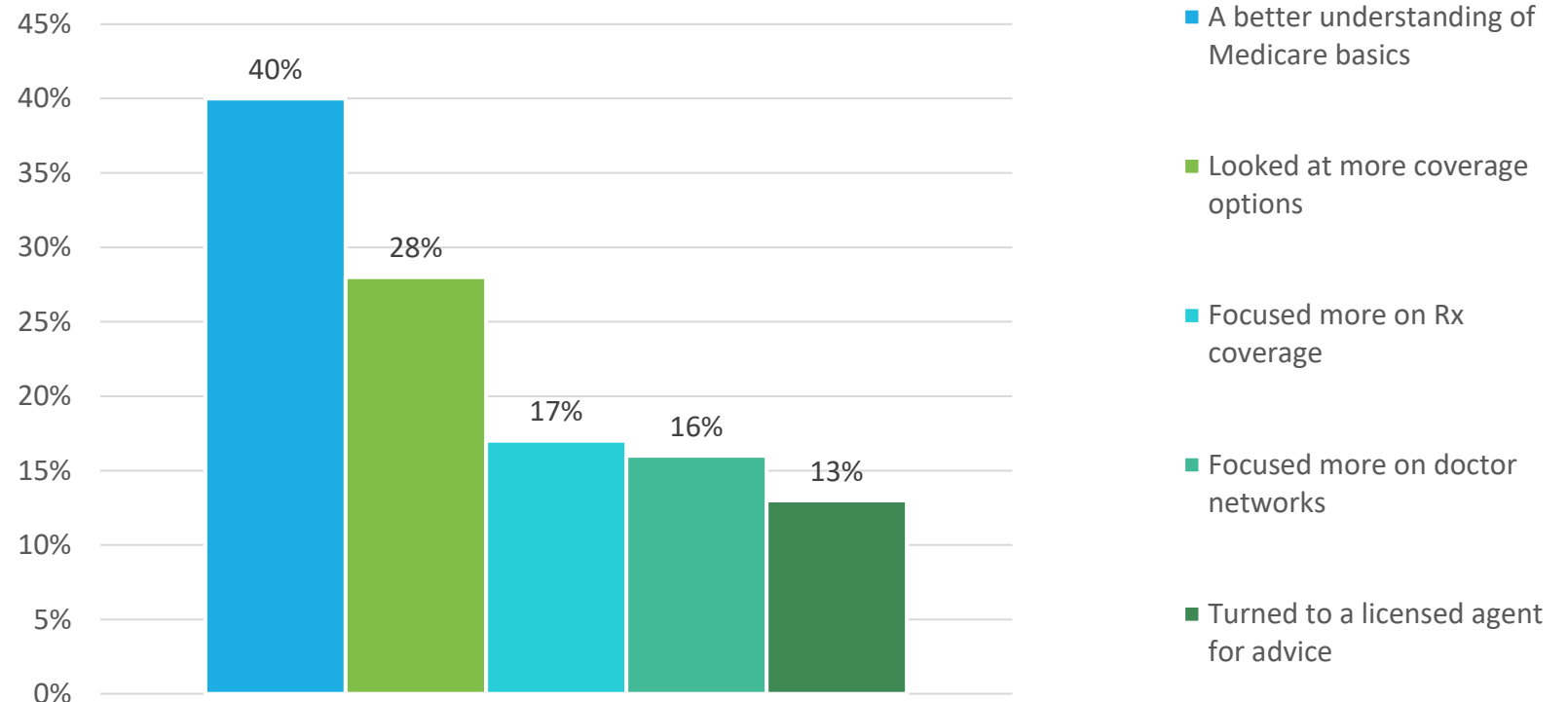
- 73% of Democratic voters would award the government an A, B or C grade for ensuring the future of Medicare.
- 53% of Independent voters would give the government an A, B, or C grade.
- By contrast, 62% of Republican voters would give the government a D or F grade.

If I Could Start All Over Again...

Lack of basic Medicare knowledge and reviewing too few coverage options are top regrets

- 40% wish they'd had a better understanding of Medicare basics when they first enrolled in Medicare.
- 28% wish they had looked at more coverage options before enrolling.
- 17% wish they had focused more on Rx coverage.
- 16% wish they had paid more attention to medical provider networks.

“Complete the sentence by selecting all that apply: ‘When I first enrolled in Medicare, I wish I had...’”



Methodology Note

The findings presented in this report are based on a voluntary survey of Medicare beneficiaries who purchased Medicare health insurance plans (Medicare Advantage, Medicare Supplement, or Medicare Part D) through eHealth, with coverage currently in effect at the time of the survey. The survey was conducted through a third-party survey tool in June of 2023 and a total of 3,582 responses were collected. Throughout this report, percentages have been rounded to the nearest full percentage point and may add to slightly more or less than 100% due to rounding.

About eHealth

For over 25 years, eHealth, Inc. (Nasdaq: EHTH) has expertly guided American consumers with innovative technology and licensed advisor support to help them find health insurance and related options. Through its proprietary health insurance marketplace at eHealth.com, eHealth has connected more than eight million members with quality, affordable coverage. eHealth offers Medicare Advantage, Medicare Supplement, Medicare Part D, individual, family, small business, and ancillary plans from approximately 200 health insurance companies nationwide.