

Financial Knowledge and Skills for Sound Financial Decisions – Senior Health Insurance Counseling for Kansas

The Situation

Health insurance choices affect all Kansans. Every day 10,000 Americans become Medicare eligible – significantly increasing the need and demand for SHICK services. Many do not understand health insurance or Medicare. Insufficient or inaccurate information can lead to late enrollment penalties, gaps in coverage, strained finances, and delayed health care treatment for those who are newly eligible for Medicare. For all Medicare beneficiaries, and particularly for those living near or below the poverty level, making sound financial decisions related to health insurance can alleviate stress. It can also free up income to meet other goals, improve health outcomes, and support community vitality when that money stays in the local area.

What We Did

Health insurance education is provided via telephone and one-one-one in-person sessions in local Extension offices and at events, in addition to public education presentations presented all over the state.

Face-to-face delivery methods are especially important for the significant number of Medicare beneficiaries with cognitive illness or other chronic conditions that make it more difficult to process the complicated information. Agents who provide SHICK Counseling provide assistance with fraud and abuse issues, billing problems, appeal rights, and enrollment in low-income protection programs. Nationally, 29% of enrollees are vulnerable beneficiaries with incomes below 150% of the federal poverty level, who qualify for financial assistance. Many of those who qualify do not know that help is available until screened by a counselor who can help them apply for the programs.

During the 2017-2018 program year, K-State Research and Extension professionals in 26 local units covering 40 Kansas counties provided health insurance education, in both one-on-one and group-settings, for soon-to-be eligible, newly-eligible, and long-time Medicare beneficiaries. In addition to learning how to navigate the Medicare maze, beneficiaries are educated about the availability of the low-income subsidy and the Medicare Savings program as well as other resources available in their communities. This opens the door to services such as the supplemental nutrition program, utility assistance, food pantry, and food commodity program.

Outcomes

“How does the average person do this on their own without your help?” ...SHICK Client

During the fall 2017 open enrollment period, K-State Research and Extension educated 7,903 Kansans through the process of Medicare plan comparisons and explanation of benefits covered. Participants who completed

plan comparisons and changed prescription drug or Medicare advantage plans to a plan that better met their needs saved a total of \$6,136,613. In addition to the plan comparisons, older Kansans were educated through office visits or telephone consultations.

Outside of the annual open enrollment period, K-State Research and Extension had contact with 8,316 individuals about Medicare through classes and plan comparisons. Total savings for those beneficiaries able to change plans outside of the open enrollment period was \$3,786,938.

On end-of-session evaluations, Kansans reached through these educational efforts reported that they increased their understanding of: terms associated with insurance, factors to consider when choosing a health plan, how level of coverage and size of deductible affect the premiums paid, and where to look for other resources in their communities. A Johnson county beneficiary shared, "I SAVED OVER \$11,200 PER YEAR....My premium for the entire year cost less than the co-pay of one drug last year, thank you very much. "

Success Story

SHICK counselors advise, educate, and empower individuals to navigate the increasingly complex Medicare program and help beneficiaries make choices among a vast array of options to best meet their needs. Making informed decisions can improve access to quality care. Given the significant differences in premiums, cost sharing, provider networks, and coverage rules, SHICK Counselors play a critical role in ensuring that these choices are well informed and thoughtful for each beneficiary served.

Agents providing SHICK services in Kansas get referrals from Area Agencies on Aging, Senior Centers, Social Security Administration, accountants, lawyers, HR Directors and nursing homes, as well as word of mouth from other beneficiaries who value the service they received and refer friends.

Choosing the right policy saves money for Medicare beneficiaries, allowing them to pay for other needs and spend that money in their communities. A couple in the Central Kansas district had enrolled in a Medicare drug plan in 2006 and had not compared or changed since. Each changed drug plans for 2018, saving over \$2,000 between the two of them. During the conversation, the wife mentioned they had a daughter who was on disability. In further conversation, the couple shared that their daughter had been receiving Social Security for more than two years and had been enrolled in Medicare in 2012. The daughter did not have a drug plan as they did not realize she was eligible to enroll in one. The parents thought it was just for those over 65. After meeting with the daughter, it turned out that she qualified for the Low Income Subsidy (LIS) to help pay the costs of the premium, subsidize the cost of medications, and eliminate the penalty for not having enrolled in a Medicare Part D drug plan when she was first eligible to do so. As a result of SHICK Counseling, instead of paying \$10,906 for the full cost of medications (or going without), this Medicare beneficiary is estimated to pay \$676 in 2018 for premiums plus medications, a savings of \$10,230.

Kansas State University Research and Extension is a trust-worthy, non-biased resource for financial education. In many Kansas counties, the Extension office is the most accessible in-person source of information about Medicare. Since 2011, agents have educated Kansans about health insurance through 47,317 Medicare plan comparisons that resulted in more than \$25 million becoming available to help beneficiaries reach their financial goals, improve their health outcomes, and support community vitality. During the 2017-2018 program year, Medicare plan comparisons resulted in nearly \$10 million becoming available. Relationships are built with a trusted educator who can provide additional information about financial resource management and related topics.

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Local Units Participating

Central Kansas

Dickinson

Flint Hills District

Geary

Golden Prairie

Harvey

Johnson

Kingman

Leavenworth

Lyon

Marais des Cygnes

Marshall

McPherson

Midway District

Phillips-Rooks

Pottawattomie

Rawlins

Reno

Riley

River Valley

Sedgwick

Shawnee

Southwind

Thomas

Wabaunsee

Walnut Creek