Is less more? The Effect of Simplifying Plan Information on Medicare Part D Choices

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Consumer choice is an important feature of the Medicare program, yet available evidence suggests that older adults frequently make suboptimal plan choices. This is particularly true in Medicare’s prescription drug program, Part D, where the average enrollee could save about $300 every year by choosing a different plan. Despite Medicare’s reliance on good consumer decision-making to ensure the financial security of beneficiaries and promote competition between private insurers, little is known about how best to support individuals with this complex task. This presentation will discuss how individuals typically make Part D plan choices and the primary decision support tool, Plan Finder, available to assist with this choice. It will detail the results of a randomized experiment to test the effect of simplifying the way financial plan information is presented on Plan Finder on a number of decision outcomes. It will also examine whether decision performance and the effects of these simplifications vary by individuals’ ability to work with numbers and their knowledge of insurance concepts and terminology. Recommendations for changes to the current Plan Finder tool will be discussed, as well as implications for the ways in which policy makers can promote good consumer choice within insurance marketplaces.

Assorted wraps will be available while supplies last. Bring your own beverage.

ASL interpreters or other accommodations are available upon request. Contact Jennifer VanRy @ Jennifer_vanry@urmc.rochester.edu or 224-2061 with requests and/or questions. This seminar series is funded in part by Cooperative Agreement #5U36CD319276CFDA93.283 which is shared by the American Association for Medical Colleges and the Centers for Disease Control and Prevention. Please find archived sessions at https://www.urmc.rochester.edu/community-health/education/grand-rounds.aspx