
Middle-income Boomers ignorant of Medicare: Bankers Life

By Editor Test *Wed, Feb 29, 2012*

Although Boomers cite uncovered healthcare expenses (80%) and becoming ill (74%) as their top financial concerns about retirement, many appear to be taking a “learn as you go” approach to understanding Medicare’s coverage and costs.

More than half (56%) of America’s middle-income Boomers admit to knowing little or almost nothing about the Medicare program and one in seven (13%) falsely believe Medicare is free, a study released by the Bankers Life and Casualty Company Center for a Secure Retirement has shown.

The CSR’s *Retirement Healthcare for Middle-Income Americans* study of 400 pre-Medicare Boomers (age 47 to 64) and 400 older adults (age 65 to 75) with income between \$25,000 and \$75,000, found that 72% of Boomers did not know that most Americans on Medicare pay a monthly premium, co-pays and deductibles.

Moreover, two thirds (62%) of Boomers, even those within a few years of turning 65, do not understand what their health insurance benefit will be for doctor visits and hospitalization once they are on Medicare. And more than one-quarter (27%) could not venture a guess on how much they think they will pay for healthcare once on Medicare versus what they pay today.

Although Boomers cite uncovered healthcare expenses (80%) and becoming ill (74%) as their top financial concerns about retirement, many appear to be taking a “learn as you go” approach to understanding Medicare’s coverage and costs.

According to the CSR study, most pre-Medicare age Boomers do not understand their benefits for dental care (78%), hearing care (82%) and vision care (83%), none of which are typically covered by Medicare.

In addition, 86% of Boomers under age 65 do not know if Medicare covers long-term care or overestimate its long-term care coverage. Boomers nearing Medicare eligibility (age 60 to 64) do not show a significantly greater understanding than those ages 47 to 59.

Boomers under age 65 are taking Medicare eligibility into consideration in greater numbers when determining when to retire. Nearly half (45%) of working Boomers age 47 to 64 report they are waiting to retire until they are eligible for Medicare and one-fourth (24%) are still not decided if they would retire without the safety net of Medicare’s health benefits.

The decision to wait to retire until they are eligible for Medicare may be financially sound since medical bills are one of the leading causes of bankruptcy among people age 65 and older. The CSR study reports that 12% of middle-income Americans on Medicare have medical debt.

The Bankers Life and Casualty Company Center for a Secure Retirement’s study *Retirement Healthcare for Middle-Income Americans* was conducted in September 2011 by the independent research firm The Blackstone Group. The complete report can be viewed at www.CenterForASecureRetirement.com.