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Policy Research, LLC

Evaluation of MSA Plans Under the Medicare Program
HHSM-500-2006-0009I/T.O. #6

Focus Group Findings Report - FINAL

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A. KEY FINDINGS

In January 2007, the Medicare program began offering Medicare Medical Savings Account (MSA) plans to people with Medicare for the first time. In order to learn more about the new offerings and early experiences with the plans, the Centers for Medicare & Medicaid Services (CMS) contracted with L&M Policy Research, LLC (L&M) to conduct an evaluation of the Medicare MSA program.

In the first phase of the evaluation, L&M completed case studies of the Medicare Advantage (MA) organizations offering the MSA plans, as well as several organizations that considered offering a plan but opted not to. The case study research explored health plan reasons for offering (or not offering) MSA plans, factors examined in establishing the target market for MSA plans, sales and marketing of MSA plans, design and pricing strategy for MSA plans, and early experiences in managing MSA plans.

Building upon the case study research, the next phase of the evaluation included a series of focus groups and in-depth interviews with the following audiences:

- Medicare beneficiaries enrolled in the MSA plans
- Beneficiaries enrolled in non-MSA MA plans or fee-for-service (FFS) Medicare
- Primary care physicians
- State Health Insurance Assistance Program (SHIP) counselors and staff
- Health insurance agents/brokers

The aim of this research was to explore beneficiaries' and information intermediaries' understanding of, attitudes about, and experiences with the plans. The research was conducted in August and September 2008 in four locations, Cincinnati, OH; Lancaster, PA; Phoenix, AZ; and Sonoma, CA, and via telephone.

The research team identified several recurring themes from the research, including cost as the most significant draw to the MSA plans, the essential role of insurance brokers and agents in informing and enrolling beneficiaries in the plans, the impact of the covered benefits on enrollment, and the initial challenges MSA enrollees experienced with their plans. These and other key findings are described in more detail below. A detailed description of the research objectives, methodology, and results from each participant segment is provided within Sections B, C, and D of this report.

A.1. MSA Enrollee Satisfaction

MSA enrollees who participated in the focus groups were generally very satisfied with their plan. On the written exercise, participants reported an average satisfaction score of "very good." Only one participant was "very dissatisfied" with his/her MSA plan. In fact, participants most often (n=14) ranked their plan with the highest score.

Moreover, many of the MSA participants indicated that they had had significant problems when they initially enrolled in their plans, which may have lowered the participants' ratings of their plans. Several indicated that now that these initial problems have been resolved, they are very pleased with their plans.

A.2. Cost as a Factor in Plan Selection

Cost savings appeared to be a significant, and perhaps the most significant, determinant of MSA enrollment. In the initial written exercise, costs were identified more frequently as a factor in plan selection by the MSA participants (approximately two thirds of MSA participants) than by the non-MSA participants (approximately one-half of non-MSA MA and FFS participants). More specifically, 16 of 35 MSA participants indicated that "cost" or "price" was a factor and another seven indicated that the absence of monthly premiums was a factor. In addition, when asked during the groups about the advantages and disadvantages of their plans, MSA enrollees cited the lack of monthly premiums as one of the most significant advantages of their plans (along with portability and doctor choice).

Among the non-MSA participants, the relative cost of the MSA plans compared to other options in their area played a significant role in whether participants expressed an interest in the MSA plan. Fee-for-service beneficiaries typically were uninterested in the MSA plans when initially introduced to them; it was only after further discussion and the cost comparison exercise that they began to look more favorably on them. The non-MSA MA participants, on the other hand, tended to remain less interested, even after the discussion. This difference in their interest may be due, in part, to FFS beneficiaries finding some of the features of the plan, such as portability and doctor choice, more compelling than the non-MSA MA participants. But it was likely also related to the fact that the FFS beneficiaries tended to live in areas where the costs of other plan options was higher, making the MSA plans appear more favorable in the exercise comparing MSA plan costs with costs in an HMO or Medicare supplemental or Medigap plan.

The insurance agent/broker discussions bore out the importance of costs to enrollees. Several indicated that they spent much of their time explaining the relative cost of the MSA plans compared to other plan options. When working with prospective enrollees, agents tended to highlight the lack of monthly premiums and that out-of-pocket costs were limited to the difference between the amount of the deposit and the deductible. One participant explained his agents' typical "pitch" to clients:

> *"What is the best-case scenario and what is the worst-case scenario? The best-case scenario is that you don't use the $1,500 and so you have $1,500 [at the end of the year]. The worst-case scenario is that you go to the hospital and have services that exceed the $3,000 deductible. With the worst-case scenario, you pay $1,500. So the worst case scenario is really not that bad."*

A.3. Role of Insurance Agents and Brokers

The research results indicated that insurance agents, or other intermediaries, are essential to the sale of MSA plans. Agent involvement was critical in:

- Introducing the plans to potential enrollees
- Explaining the plans and helping beneficiaries compare the costs between MSA plans and other options
- Resolving problems enrollees encountered after joining the plans

In the MSA beneficiary focus groups, nearly all of the participants stated that they first heard about the MSA plans from an insurance agent. Several stated that although they were given written materials about the plans, they only began to understand how the plans worked through discussions with the agents. Many MSA participants had existing relationships with agents who they trusted, so when their agents recommended the plans, these participants felt comfortable enrolling in them even if they did not completely understand the details.

The results from the non-MSA beneficiary groups also pointed to the importance of agents or other intermediaries. Only a few of the participants had heard of MSA plans, and none of them had seriously considered enrolling in the plan. Moreover, participants' initial reactions to the MSA plans, after reading the brief written description of the plans, was overwhelmingly negative; nearly all participants stated that they would not look into the plans. It was only after the moderator began to answer participants' questions about the MSA plans and complete the cost comparison exercise, activities similar to those performed by agents and other intermediaries, that some non-MSA participants showed an interest in the plans or indicated that they would be willing to look into them. It appeared that participants needed an opportunity to ask questions and assistance with comparing the costs in order to feel comfortable considering the MSA plans.

The role of the agent/broker was equally important in helping the participants to stay enrolled in the MSA plans. As discussed below, issues in setting up the accounts and processing initial claims were widespread. Many of the MSA participants and agents reported that MSA plan members turned to their agents, who contacted Medicare, the plans, and/or the banks on their client's behalf to help resolve these issues. With the initial issues addressed, nearly all of the MSA participants indicated that they would like to continue with the plans.

A.4. Initial Negative Reaction to the Plans

Non-MSA participants tend to have strong, negative reactions to the MSA plans when they first hear about them. In the focus groups, the non-MSA participants were given a two-page handout (see Appendix B) describing Medicare MSA plans generally and a local MSA plan specifically. After reading the description, participants' reactions were almost universally negative. They were confused about what the MSA plans were and how they could be beneficial. Many reacted with suspicion and some with anger, indicating that the MSA plans sounded like a "scam" or a new way to pass more health care costs to them. Almost all of the non-MSA participants stated that they were not interested in learning more about the MSA plans. This initial reaction seemed due in part to participants' lack of familiarity with health savings account (HSA)-type products,

which made it difficult for them to understand and trust in the MSA, and their relatively negative opinions of high-deductible plans.

As the groups continued and the non-MSA participants gained a better understanding of the plans, these reactions were tempered. By the end of the non-MSA beneficiary groups, nearly half said they would look into the MSA plans and several were even enthusiastic about them. This indicates that the MSA plans could have more widespread appeal if beneficiaries were exposed to the plans and had the opportunity to understand them better.

Some insurance agent/broker participants also reported some initial suspicion of the plans. Several mentioned that their clients were "leery" that the Government would deposit funds into an account. They mentioned that after explaining MSA plans some clients commented that receiving these funds is "too good to be true." As for the non-MSA participants, these clients required that the agent spend some time explaining the MSA plans before they felt comfortable enrolling in one.

A.5. Lack of Prescription Drug Coverage

It appears that the lack of prescription drug coverage has had only a limited effect on sales of MSA plans. A few MSA participants in Phoenix indicated an interest in adding drug coverage to their plans, but most MSA participants did not mention drug coverage, other than to indicate that they had a stand-alone prescription drug plan (PDP). When asked how MSA plans could be improved, most MSA participants focused on issues related to improving the implementation and management of the plans rather than on changing or adding benefits.

For the non-MSA participants, there was some interest in adding prescription drug benefits, mostly among the non-MSA MA participants. Not surprisingly, FFS participants, most of whom already purchased a PDP, did not indicate that the addition of drug coverage would make them more likely to join an MSA plan. Among the non-MSA MA participants, a few indicated that the inclusion of drug coverage would make the MSA plans more appealing, especially to those who had low or no premium MA-PD plans. However, because these same individuals tended to have other, significant concerns about the plans, such as their exposure during the deductible period or a general distrust of this type of plan, it is unclear that the addition of drug coverage alone would encourage them to join an MSA plan.

Insurance agents/brokers tended to have more mixed reactions to the lack of drug coverage. Agent participants in Pennsylvania, Ohio, and Texas indicated that it was an advantage of the MSA plans because it allowed clients to better customize their drug coverage. As one stated:

> *"The agents can say [to their clients], 'There are 66 PDPs available, so you can pick the number one plan for you out of those 66 plans, instead of taking whatever type of drug coverage you get with the health plan."*

Another agent indicated that many of his clients have access to separate health and drug coverage through former employers. Because of the high cost of the health coverage, however, many opt to take only drug coverage. This participant explained that the MSA plan was an excellent fit for individuals who have retiree drug coverage but not health coverage.

The agents from California and Arizona, however, indicated that the lack of drug coverage was a barrier to selling the plans and named its addition as one of the top three features they would change. The SHIP counselors in Sonoma also felt strongly that the lack of drug coverage was a disadvantage. The difference on this issue was likely influenced by the types of plans in each area competing for enrollees. Agents and counselors favoring the addition of drug coverage, tended to reside in areas with relatively high levels of Medicare managed care penetration, mostly through MA-PD plans. While those in areas dominated by Original Medicare preferred separate health and drug coverage.

A.6. Coverage of Preventive Services

The lack of first dollar coverage for preventive services was seen as major disadvantage by the agents, but was seldom cited as an issue among the other participants. Several of the agents indicated that this was one of the most significant barriers to enrollment. As one participant explained, several of his agents had expressed reservations or even ethical concerns about selling a plan that dis-incentivized preventive services. Several of the agent participants indicated that preventive services should not be subject to the deductible in order to ensure that plan enrollees did not forego important health screenings to save money.

Interestingly, some of the physician participants thought that MSA plans would make enrollees more likely to use preventive services. They indicated that MSA patients may be more proactive about engaging in preventive care and wellness activities since they have a greater incentive to stay healthy to avoid future health care costs.

The coverage for preventive services was not frequently discussed in the beneficiary groups. The MSA participants did not typically mention the lack of first dollar coverage for preventive services as an issue. And, when asked whether they had changed their health behavior or health care utilization after enrolling in the plans, nearly all of the MSA participants responded that they had not. (It is important to note, however, that this self-reported information may not be reliable.) A few non-MSA participants asked about coverage for preventive services, such as mammograms or bone scans, but it did not appear to have a significant impact, either positively or negatively, on their interest in the plans.

A.7. Experiences in MSA Plans

Although the MSA participants generally rated their MSA plans highly, they expressed significant dissatisfaction with certain aspect of the plans, including the bank component and the plan's impact on their relationship with their physician.

Regarding the accounts, participants reported delays in receiving the deposits, checks, and debit cards, and a great deal of dissatisfaction about the monthly fees charged for the accounts. The fees, in particular, seemed to be a significant irritant to the participants, both because it was perceived as an attempt to squeeze more money for the enrollees and because the fees made it difficult to determine the account balance leading a few to overdraw their accounts. Several complained that the fees were not disclosed when they were considering the plans. Many participants also indicated that they either had moved their funds and closed their accounts or were considering it.

The MSA participants also reported some strain on the patient/provider relationship. First, participants noted that many providers were unsure of whether or not they could see MSA enrollees, resulting in anxiety for some participants while they waited to learn whether they could continue seeing their physician. Several physician participants also indicated that the physicians of MSA plan enrollees should be informed about the MSA plan structure and coverage. In addition, many were concerned that their providers were not being paid on time due to delays in billing or confusion about who should pay and how much. Finally, most participants expressed frustration that they needed to explain the MSA plan and the claims process to their providers. A few of the participants reported that their relationship with their provider was bordering on adversarial due to the issues with the MSA plans.

The agents' experiences were consistent with those of the MSA enrollees, with agent participants reporting issues related to plan start-up and the claims process. Agents described the following challenges with the MSA plans:

- Delays in receiving the deposit or debit card
- Lack of training for health plan customer service representatives (CSRs). A few participants indicated that the CSRs were not knowledgeable about their MSA plan and often gave incorrect or conflicting information
- Issues related to the claims process. Agents reported that they had clients who had not received their Explanation of Benefit (EOB) statements or who were given incorrect statements. They also described delays between the claim submission and the receipt of the EOB statement.
- Difficulty determining the account balance because of monthly fees or delays in processing checks. As a result, agents indicated that several of their clients had overdrawn their accounts and one recommended that clients leave at least a few hundred dollars in their accounts rather than spending the entire deposit.

All of the agent participants reported spending a significant amount of time trying to resolve the problems their clients encountered with the MSA plans. Specifically, the agents indicated that they called the health plans, the banks, and Medicare on behalf of their clients in an effort to locate missing deposits and reviewed files of claims paperwork in an attempt to address claims processing issues. Two of the agent participants indicated that they would be more hesitant to sell the MSA plans in the future because of the time they need to address these issues.

B. OBJECTIVES

B.1. Medicare Medical Savings Account Offering Under Medicare Advantage

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) included MSAs as a permanent MA plan type for beneficiaries. MSA plans are now available as an additional option under MA along with health maintenance organizations (HMOs), provider-sponsored organizations (PSOs), preferred provider organizations (PPOs), and private fee-for-service (PFFS) plans. In addition to the MA-MSA plans, Congress created demonstration MSA plans that are designed to have similar flexibility as HSAs offered in the non-Medicare market. The MSA Demonstration offers greater flexibility in plan design, including coverage of preventive services before the deductible is met. These newly created MSA options are intended to increase consumer choice and encourage prudent purchasing of health care services. Medicare Advantage organizations began offering Medicare MSAs on January 1, 2007.

A Medicare MSA plan is a type of MA plan that combines a high-deductible health plan with a tax-favored savings account (MSA account) that is used for qualified medical expenses that are not paid for by the health plan. The high-deductible plan provides coverage for all Medicare Part A and Part B benefits, with no monthly plan premium. (Members, however, continue to pay their Medicare Part B premium.) Medicare MSA plans do not provide prescription drug coverage, however, enrollees can join stand-alone prescription drugs plans.

MA plans deposit funds annually into the member's medical savings account to help cover their health care expenses. Members are not allowed to deposit their own funds into the account. If members use the funds for qualified health care expenses, as defined by the Internal Revenue Service, the funds are not taxed. Any funds used for Medicare-covered Part A and Part B services count toward the plan's annual deductible. Once members have reached their deductible, the health plan is responsible for all Medicare-covered services. Funds left in the medical savings accounts at the end of the year remain in the members' account and can be used to cover health care costs for the following year. At the beginning of each year, an additional deposit is made into the account if the enrollee chooses to re-enroll into the MSA plan.

B.2. Description of CMS Evaluation of Medicare MSA Offering

MSAs have been tested in the non-Medicare market with the Health Insurance Portability and Accountability Act (HIPAA) MSA offering, but January 2007 is the first time that high-deductible plan offerings were available in the Medicare Advantage market.[1] These plans raise a variety of important policy issues, prompting CMS to sponsor an evaluation of the MSA plans offered under the MA program. The evaluation focuses on examining early patterns of enrollment, market entry and risk selection among Medicare MSAs, and their potential effects on Medicare and beneficiary payments.

[1] Medicare MSAs were first introduced in the Balanced Budget Act of 1997, which created a demonstration pilot allowing up to 390,000 beneficiaries to enroll in MSAs. However, no private insurers contracted with CMS to offer such plans. Insurers felt that the design of the demonstration pilot limited their ability to offer a viable product.

The four key study aims include:

- Aim 1: Describe the early patterns of enrollment into MSA plans
- Aim 2: Examine the early stages of the development of the MSA market
- Aim 3: Document the potential for risk selection
- Aim 4: Explore the impact of MSA plans on Medicare program spending

A key area of interest is the take up of the MSA plans by Medicare beneficiaries. As of April 2008, about 3,500 beneficiaries were enrolled in Medicare MSA plans. One of the evaluation tasks is to profile MSA enrollees in terms of their demographic characteristics, health status, and health care utilization. The evaluation also explores beneficiaries' initial reasons for enrolling into MSA plans and their early experience with MSA plans.

Another area of interest is the development of the MSA market. In 2007, three health plans offered MSAs. Four health plans offered MSA plans in 2008. Without adequate health plan participation, Medicare beneficiaries' ability to choose an MSA plan will be limited. The evaluation seeks to identify any barriers to entry and understand why health plans decided to offer or not offer MSA plans.

The evaluation also explores the potential for risk selection. Some have contended that MSA plans tend to attract healthier enrollees, which raises the cost for those who remain in more traditional options. Finally, the study examines the impact of MSA plans on Medicare program spending. An open issue is whether these types of benefit structures will result in savings to the Medicare program.

The evaluation combines qualitative and quantitative research methods and includes the tasks described below.

- *Case studies* were completed with each of the MSA plan offerors, as well as several plans that considered offering an MSA plan but did not. The case study interviews provided first-hand information from health plans regarding their participation in the MSA market, especially the reasons for offering (or not offering) MSA plans. In addition, the case studies explored factors examined in establishing the target market for MSA plans; sales and marketing of MSA plans; design and pricing strategy for MSA plans; and early experiences in offering and managing the plans.

- *Focus groups and in-depth interviews (IDIs)* were used to collect information on attitudes about, knowledge of, and experiences with the MSA plans. The research team sought information about the MSA plans from various audiences, including: MSA plan enrollees, non-MSA MA plan enrollees, and fee-for-service enrollees; SHIP counselors and state SHIP directors; primary care physicians (PCPs); and insurance agents and brokers. This report describes the objectives, methodology, and results from these discussions.

- Following the completion of the focus group task, the team will perform an in-depth *analysis of Medicare administrative data* to explore issues related to selection bias and impact of MSA plans on Medicare spending. In addition, the evaluation team will use administrative data to profile the characteristics of MSA enrollees.

B.3. Description of Focus Group Component of Medicare MSA Evaluation

The focus groups and IDIs are an important source of information regarding knowledge of, attitudes about, and experiences with the MSA plans. Using these methods, the research team sought information about the plans from beneficiaries enrolled in MSA plans, beneficiaries enrolled in non-MSA MA plans and FFS Medicare, PCPs, SHIP counselors and state directors, and insurance agents/brokers. The key research questions for each participant type are summarized in the table below.

Table 1. Key research questions by participant type

Participant Type	Key Research Questions
Beneficiary – MSA Plan Enrollee	• How did beneficiaries make the decision to enroll in the MSA plan? • How well do beneficiaries understand how MSA plans work? • How do beneficiaries compare MSA plans to other health plan choices? • What MSA plan/account features are most important to beneficiaries? • What are members' experiences with the plan, both before and after enrollment? • What impact has the MSA plan had on beneficiaries? • How satisfied are beneficiaries with their MSA plan?
Beneficiary – Non-MSA Enrollee (both non-MSA MA and fee-for-service)	• How did beneficiaries make the decision to enroll in their current plan? • Did beneficiaries consider enrolling in an MSA plan? Why or why not? • How well do beneficiaries understand how MSA plans work? • How do beneficiaries compare MSA plans to other health plan choices? • How likely are beneficiaries to consider enrolling in an MSA plan in the future?
PCPs	• What, if any, are PCPs' experiences with patients enrolled in MSA plans? • What impact have MSA plans had on PCPs? (Or what impact do they expect they would have?) • What impact have MSA plans had on their patients? (Or what impact do they expect they would have?) • How likely are PCPs to recommend these plans to their patients?
SHIP Counselors/Directors	• What, if any, are SHIP counselors'/directors' experiences in counseling beneficiaries about the MSA plans? • How well do SHIP counselors understand how MSA plans work? • How do SHIP counselors/directors compare MSA plans to other health plan choices? • What impact have MSA plans had on beneficiaries? (Or what impact do they expect they would have?) • What information or types of support do SHIP directors want from CMS? • How likely are SHIP counselors/directors to recommend these plans to beneficiaries?
Insurance Agents/Brokers	• What are agents'/brokers' experiences in talking about/enrolling beneficiaries in MSA plans? • How much interest is there in these plans? • What are the characteristics of individuals who are interested in MSA plans or who have enrolled in MSA plans? • What factors influenced the individual's decision to enroll (or not to enroll) in an MSA plan? • How well do beneficiaries understand these plans versus other types of health plans? • How likely are agents/brokers to recommend MSA plans to clients?

The remaining sections of the report describe the research methodology and detail the research results for each of the participant segments.

C. METHODOLOGY

The research included a combination of in-person focus groups and telephone interviews with the research participants. The approach for each participant type follows:

- Beneficiaries in MSA plans, non-MSA MA plans, and FFS: In-person focus groups
- PCPs: In-person focus groups
- SHIP counselors: In-person dyads/small group interviews
- SHIP directors: Telephone interviews
- Insurance agents/brokers: Telephone interviews

A detailed description of our methods for selecting research sites, recruiting participants, and conducting the focus groups and interviews is provided within the sections below.

C.1. Site Selection

The team conducted the in-person research in four locations: Hamilton County, OH (Cincinnati); Lancaster County, PA; Maricopa County, AZ (Phoenix); and Sonoma County, CA. These locations were selected in consultation with CMS based on criteria including the presence of a relatively high number of MSA enrollees and the availability of a reliable market research facility. The team also ensured that the sites were located in different geographic regions, had varying levels of Medicare managed care penetration, and provided access to beneficiaries enrolled in MSA plans from each of the three offerors (Coventry, Geisinger, and WellPoint).

To identify possible research sites, the team first identified the counties with relatively high numbers of MSA enrollees, using the most current MA enrollment data available on the CMS website. Table 2 provides a list of the 12 counties with the highest MSA enrollment.

Table 2. Counties with the highest MSA enrollment

County, State	MSA Enrollment (April 2008)
Maricopa, AZ	**144**
Lancaster, PA	**83***
Ouachita, LA	59
Sonoma, CA	**58**
Los Angeles, CA	48
St. Landry, LA	46
Atlantic, NJ	45
Sedgwick, KS	44*
Person, NC	36
Garfield, CO	33
Hamilton, OH	**32***
Lafayette, LA	29

* Each of these counties has two MSA plans available. The enrollment number included above is for only one of the two plans. Enrollment for the second plan is unavailable because there are nine or fewer individuals enrolled in the plan. Therefore, there may be as many as 9 more beneficiaries enrolled in MSA plans in these counties.

Using the above list of counties as a starting point, the team then identified a set of sites that offered variation in geographic region, Medicare managed care penetration rate, and the MSA plan(s) offered the area. Information for each of the sites is summarized in Table 3.

Table 3. Research site characteristics

County, State	Medicare Managed Care Penetration Rate	Overall MSA Enrollment Rank*	MSA Plans Available	Plan Enrollment
Hamilton, OH	28%	11	Advantra Savings Plan 1 (Coventry) Anthem Blue Cross and Blue Shield SmartSaver (WellPoint)	32 *
Lancaster, PA	23%	2	Geisinger Gold Reserve UniCare Save Well Plan I (WellPoint)	83 *
Maricopa, AZ	43%	1	UniCare Save Well Plan I (WellPoint)	144
Sonoma, CA	34%	4	Anthem Blue Cross SmartSaver Plan I (WellPoint)	58

* Based on publicly available data about MSA plan enrollment. Because privacy laws prohibit releasing enrollment numbers when a county has nine or fewer enrollees in a specific plan, this ranking may not be precise.

C.2. Participant Recruitment

In each of the four research sites, the team conducted one focus group with MSA enrollees and one focus group with either non-MSA MA enrollees or FFS beneficiaries. In Sonoma and Cincinnati, the team also conducted small group interviews with SHIP counselors. In Phoenix and Lancaster, the team conducted focus groups with PCPs.

To round out the local-level information gathered during the on-site research and provide a more global perspective on the MSA plans, the team also conducted key informant interviews via telephone with the SHIP directors from Arizona, California, Louisiana, and Ohio. Finally, the L&M team sought the perspective of the agent/broker community, conducting telephone interviews with six participants located throughout the country.

The number and type of participants for each site is summarized in Table 4 on the following page.

Table 4. Total participants by site and participant type

Site	Participant Type						Total
	MSA	Non-MSA MA	Non-MSA FFS	SHIP Counselor/ Directors	PCPs	Insurance Agents	
Sonoma County, CA	9	10		5 counselors			**24**
Hamilton County, OH (Cincinnati)	9		9	2 counselors 1 county director			**21**
Lancaster County, PA	9		10		8		**27**
Maricopa County, AZ (Phoenix)	9	9			8		**26**
Telephone				4 state directors		6	**10**
Total Participants	**36**	**19**	**19**	**12**	**16**	**6**	**108**

The team developed draft recruitment screeners for each participant type, which were submitted to CMS for review and approval prior to implementation. (See Appendix A for screeners and recruitment materials.) The team recruited participants using the methods described below.

- *MSA Enrollees:* Because there are so few MSA enrollees in any given location, it was not feasible to recruit MSA participants using the databases of a traditional market research firm. Instead, CMS extracted information from the Medicare Beneficiary Database (MBD) about beneficiaries enrolled in MSA plans in each of the counties identified for the research. The extraction yielded 45 enrollees in Hamilton County, OH; 114 in Maricopa County, AZ; 113 in Lancaster County, York County, and Chester County, PA;[2] and 45 in Sonoma County, CA. The extraction included, but was not limited to, the following fields: Name (first, last, and middle initial), address, city, state, zip code, coverage type, Plan H number, age, gender, and race. Since the extraction did not include telephone number, the team used Internet searches and a paid subscription for a telephone lookup service and was able to identify telephone numbers for 87 percent of the individuals in the extraction.

  The L&M team then developed a draft letter (see Appendix A) from Walter Stone, the CMS Privacy Officer, which introduced the project and informed beneficiaries that the research team would be conducting focus groups about MSA plans and that they may be contacted by the research facility and asked to participate. The letter also included a toll-free number that recipients could call if they wanted to learn more about the research or if they were interested in participating. Following CMS review and approval of the draft, the letter was printed on CMS letterhead and mailed to enrollees in the four research locations. The team received calls to the toll-free number from 17 beneficiaries. The team

[2] In order to expand the pool of possible participants, the research team requested data for MSA enrollees in York County and Chester County, which are adjacent to Lancaster County and also have relatively high MSA enrollment. Because counties in Pennsylvania are relatively small in size, the team felt that enrollees in these adjacent counties might be willing to participate in a group in Lancaster. Adjacent counties were not included for the other research sites, either because none of the adjacent counties had a significant number of MSA enrollees or because the state's counties were of sufficient size that it was unlikely residents of an adjacent county would be willing to attend the group.

identified market research facilities in each of the research sites to coordinate the recruitment of the MSA enrollee participants. L&M sent a password-protected spreadsheet with contact information for the enrollees in each facility's area and a recruitment screener developed by the research team and approved by CMS. The team also provided the name of any individual who called the toll-free number expressing an interest in participating so that the facility could pursue the lead. Participant demographics for the MSA participants are summarized in Table 5.

Table 5. Participant demographics for MSA beneficiary groups

MSA Plan Offeror		Gender		Age*		Income*		Education*		Health Status*	
Coventry	6	Female	18	64 or younger	1	Single: <$20k Married: <$30K	6	Less than HS	3	Poor	3
Geisinger	9	Male	18	65 to 69	11	S: $20-$40K M: $30-$60K	19	HS Grad	11	Fair	1
WellPoint	21			70 to 74	12	S: $40-$60K M: $60-$90K	7	Some College	11	Good	6
				75 or older	11	S: >$60K M: >$90K	3	College Grad	5	Very Good	13
								Post-Graduate	5	Excellent	12

* Age, income, education level, and health status were unavailable for one of the MSA participants.

- *Non-MSA MA and FFS Beneficiaries:* The team used local market research facilities to recruit participants for the non-MSA MA (Phoenix and Sonoma) and FFS (Cincinnati and Lancaster) focus groups. The team developed recruitment screeners (see Appendix A) that sought to mirror the demographics of the MSA enrollee groups to ensure that the MSA and non-MSA participants were similar in age, education, income, and health status Participants for the non-MSA beneficiary groups were identified through the facilities' databases. Demographics for the non-MSA participants are summarized in Table 6.

Table 6. Participant demographics for non-MSA MA and FFS beneficiary groups

Plan Type *		Gender		Age		Income		Education		Health Status	
A&B only	3	Female	23	64 or younger	5	Single: <$20k Married: <$30K	6	Less than HS	4	Poor	2
Medigap	13	Male	15	65 to 69	11	S: $20-$40K M: $30-$60K	19	HS Grad	9	Fair	3
Employer	1			70 to 74	9	S: $40-$60K M: $60-$90K	8	Some College	13	Good	11
HMO	15			75 or older	13	S: >$60K M: >$90K	5	College Grad	6	Very Good	11
PPO	1							Post-Graduate	6	Excellent	11
PFFS	5										

* Upon analysis of the written exercise and the group discussion, it was evident that the Cincinnati and Lancaster groups included a few MA beneficiaries and that the Phoenix group included a few FFS beneficiaries. Although the team and research facilities tried to ensure uniformity in Medicare coverage type (i.e., FFS vs. MA) within the groups, a few participants misidentified their coverage type during the recruitment process. This is not unexpected, since the differences between the plan types are sometimes confusing to beneficiaries. The numbers included in the table are based on our best assumptions about the coverage type the participants actually had.

- *PCPs:* The team employed a local market research facility to recruit participants for the PCP groups in Lancaster and Phoenix. The groups included physicians who indicated that they practiced one of the following types of medicine: primary care, internal or family medicine, general practice, or general preventative medicine. To the extent possible, the team sought PCPs who have patients with an MSA plan or an HSA plan. (The recruitment screener for the PCP participants is included in Appendix A.)

- *SHIP Counselors and Directors:* For the SHIP counselor interviews in Cincinnati and Sonoma, the team contacted the state and local SHIP directors for assistance in identifying counselors who were familiar with MSA plans. The team then contacted the counselors directly to describe the research, request their participation, and complete the recruitment screener (see Appendix A). The team recruited two counselors in Cincinnati and five counselors in Sonoma.

  For the SHIP director interviews, the team leveraged existing relationships with the SHIP community. The team targeted the state directors for each of the four research locations, as well as the directors from Louisiana and New Jersey, two other states with relatively high MSA enrollment. Four of the six directors (Arizona, California, Louisiana, and Ohio) participated in an interview. In addition, the team interviewed the Hamilton County SHIP director.

- *Insurance Agents/Brokers:* The team identified potential participants for agent interviews using three approaches. First, the team asked the three MSA plan offerors to provide the names of agents who had sold a significant number of MSA plans. One of the health plans was able to obtain clearance to release the name and contact information for one agent in Colorado and one in Texas. Second, the team asked the MSA focus group participants, either during the groups or in follow-up phone conversations, for the name of the agent who had assisted them with selecting their MSA plan, generating four leads for the interviews: one in California, one in Ohio, and two in Arizona. Lastly, the team conducted an Internet search for "insurance agent" or "insurance broker" and "Medicare MSA plan" and identified a potential participant in Pennsylvania. L&M contacted each agent to describe the research and request their participation. The team followed up with a written description of the evaluation and the discussion topics for the interview. (A copy of the description is included in Appendix A.) Of the seven agents contacted, six participated in an interview.

C.3. Moderator and Interview Guides

Based on the key research questions for each participant type, the team developed draft moderator protocols to guide the focus group and interview discussions, which were submitted to CMS for review and approval. A summary of the activities and topic areas for each participant type is provided below. Each of the final moderator guides, as well as the participant materials, may be found within Appendix B.

C.3.1. Beneficiary focus groups

The focus groups for both the MSA and non-MSA beneficiaries included a variety of written and oral exercises and lasted approximately two hours. Each of the groups included the following activities:

- *Initial Written Exercise:* The team began the groups with a brief written exercise to gather basic responses from individuals about their current plan. The written exercise allowed the team to capture information from participants before they may be biased by the group discussion and helped participants to begin thinking about the topics that would be discussed later in the group. For both the MSA and non-MSA groups, participants were asked to: (1) write down the two factors that are most important to them when deciding on a health plan and (2) rate their satisfaction with their current plan on a scale from 1 (very dissatisfied) to 5 (very satisfied) and provide an explanation for their rating. Following the written exercise, participants discussed their responses as a group. (A copy of the written exercise for both the MSA and non-MSA groups may be found within Appendix B.)

- *Enrollment Process:* Both the MSA and non-MSA participants were asked to discuss the plan selection and enrollment process, including how they first learned about their current plan, what questions they had about the plan during the comparison process and where they went for answers, and why they ultimately selected their plan.

- *Experiences with MSA plans (MSA enrollees only):* MSA participants discussed their experiences as members of the plans. The discussion focused on their experiences in setting up their MSA account, receiving services, using their MSA account funds, keeping track of their expenditures, and getting information and assistance from their plan, agent, and/or Medicare.

- *Description and discussion of MSA plans (non-MSA enrollees only):* The discussion began by assessing the non-MSA participants familiarity with Medicare MSA plans, Health Savings Accounts (HSAs), and high deductible health plans. The moderator then provided participants with a two-page handout, developed using excerpts from CMS's publication, "Your Guide to Medicare Medical Savings Account Plans," describing MSA plans generally, as well as one of the specific plans in the area. The moderator then gathered participants' initial impressions and reactions to the plans and encouraged participants to ask any and all questions that they had about the plans. After addressing participants' questions, the moderator also completed an exercise with the participants to compare the costs of an MSA plan to other coverage options such as an MA plan or Medigap policy.

- *Pros and Cons exercise:* Participants in both the MSA and non-MSA groups were asked to pair off and collaborate on a list of the advantages and disadvantages of joining an MSA plan. The pairs then shared and discussed their lists with the group.

- *Suggestions for improving MSA plans (MSA enrollees only):* The moderator asked the MSA participants to identify any change they would make to improve the MSA plans. The groups also discussed whether enrollees would be interested in having access to cost and quality information for health care services and/or providers.

- *Future enrollment in MSA plans:* MSA enrollee participants were asked whether they plan to remain in their MSA plan; non-MSA enrollees were asked whether they would consider enrolling next year. The group then discussed their reasons for enrolling or not.

C.3.2. Primary care physicians

A summary of discussion topics for the PCP focus groups is provided below.

- PCPs' experiences with patients enrolled in MSA plans or HSAs:
  - How would participants describe these patients? How do they know which patients have MSAs/HSAs? How are these patients different from their other patients?
  - Have patients changed their behaviors after joining an MSA or high deductible plan? If so, how?
  - Have patients been satisfied with their plans? Why or why not? Have PCPs been satisfied with plans? Why or why not?

- *Impact (or expected impact) of MSA plans on PCPs:* Do the MSA plans affect the PCP financially? Do they affect their relationships with patients? Do they make it easier/harder to get their patients the care that they need?

- *Impact (or expected impact) of MSA plans on patients:* Do MSA plans affect the quality of care? The cost of care? If so, in what way? Do they encourage patients to take a more active role in making decisions about their health care? Why or why not?

- *Recommending MSA plans:* How likely are PCPs to recommend these plans to their patients? Why?

C.3.3. SHIP counselor and staff

The interviews with SHIP counselors and staff focused on the following topics:

- *Experiences in counseling beneficiaries about the MSA plans:* Has the counselor spoken with individuals considering an MSA plan or enrolled in one? Why did the beneficiary contact the SHIP? If a beneficiary was considering enrolling in an MSA plan, did he/she end up enrolling? Why or why not? What problems, if any, have beneficiaries reported about the plans? What questions do beneficiaries have about the plans?

- *SHIP counselor understanding of MSA plans:* How did the counselor/staff member learn about the plans and how they work? What questions do they still have about the plans?

- *Comparison to other MSA plans or other health plan choices:* Do counselors typically mention MSA plans to clients who contact them for assistance in selecting a plan or do they focus on other health plan options (such as HMOs, PPOs, and PFFS)? How do

counselors/staff members think MSA plans compare to other health plan options? Favorably/ not favorably? In what ways? What features or aspects of the plan do they think beneficiaries should consider and compare?

- *Impact (or expected impact) of MSA plans on beneficiaries:* Do the plans affect the time or effort needed for beneficiaries to keep track of paperwork/claims? Do beneficiaries understand the plans and the benefit structure well enough to access services?

- *CMS support:* Is there anything that CMS can provide to SHIP directors to assist them in educating their counselors or beneficiaries about the plans?

- *Recommending MSA plans:* How likely are SHIP counselors/SHIP directors to recommend these plans to beneficiaries? Why?

C.3.4. Insurance agents/brokers

The discussion with the agents/brokers focused on the following topics:

- Agents' experiences in talking about/enrolling beneficiaries in MSA plans:
  - How much interest is there in the MSA plans? Do the participants generally suggest the plans to beneficiaries? Or do beneficiaries already know that they want this particular plan? If they suggest the plan, are there particular types of people that they think are best suited for these plans?
  - How have beneficiaries reacted to the plans? How many individuals have they enrolled in an MSA plan? How often will someone who hears about the plan decide to enroll?
  - What are the characteristics of individuals who are interested in MSA plans or who have enrolled in MSA plans?

- *Enrollment decision factors:* What has been the biggest factor for those who decided to enroll? For those who decided not to enroll? What other factors played a role in these decisions?

- *Client understanding of these plans:* How well do beneficiaries understand these plans versus other types of health plans? What questions do they have?

- *Client experiences with the plans:* What problems, if any, have clients reported about the plans? What role, if any, has the agent played in helping to resolve these issues?

- *Recommending MSA plans:* How likely are agents to recommend MSA plans to clients? Why?

C.4. Conduct Research and Analyze Results

The L&M team conducted the research in local market research facilities in Cincinnati and Phoenix and in hotel conference rooms in Lancaster and Sonoma. Using the approved protocols as a guide, a senior member of the research team facilitated each of the focus group discussions.

A second team member was assigned to take detailed notes of the discussion. Groups were audio- and/or video-taped so that the team could refer back to the recordings as needed.

All telephone interviews were conducted and recorded using L&M's toll-free teleconference line. As for the focus groups, the calls were led by a senior team member with another member of the research team taking notes during the calls.

After each site, the team debriefed by telephone to discuss the groups and interviews, identify preliminary results, and discuss and address any issues that arose with the participant recruitment or protocols. Following the completion of the research, the team prepared summaries of each group and interview, which were circulated to the entire team for review. Researchers also created an Excel spreadsheet to capture the information from the initial written exercise, the question-gathering task, and the pros and cons exercise to facilitate analysis of the data. The team held weekly calls to discuss the status of the data analysis and to identify and vet research findings.

C.5. Research Limitations

The research team has made every effort to provide reliable and valid results. However, there are limitations to qualitative research in general, and this study design in particular, that should be considered when reviewing the research results. Several of these limitations are described below.

Qualitative research aims to provide in-depth narrative results. It allows researchers to ask open-ended questions, as well as appropriate follow-up questions, to gain a more comprehensive picture of participants' understanding, attitudes, and experiences. However, because these discussions are conducted with a limited number of participants, the team cannot know whether these results are representative of all individuals within a segment. For example, a quantitative survey with a large sample could provide statistically significant data about how many MSA enrollees experienced problems in setting up their MSA accounts. Focus groups discussions, on the other hand, can provide a complete description of a few participants' experience, including the specific problem encountered, its impact, and the steps taken to address it.

The limitations of qualitative research are especially important to remember when reviewing the results from the initial written exercise. When reporting these results, the team provided mean scores of participants' satisfaction and indicated the number of participants within each segment who mentioned certain factors in their plan selection. However, the results are based on an open-ended written exercise with a limited number of participants, not a rigorous quantitative survey. Therefore, the results are not meant to be interpreted as representative of all MSA enrollees or all non-MSA MA or FFS beneficiaries. Rather, they offer information about these particular participants, providing some context for the results that follow.

In addition to the general limitations of qualitative research, there are several limitations due to aspects of the study design:

- *Inclusion of current MSA enrollees only:* The research with MSA enrollees included only individuals who are currently enrolled in the plans, it did not include any individuals who had been enrolled and then disenrolled from an MSA plan. It is likely that individuals

who disenrolled would be somewhat less satisfied with the plans than those who choose to stay enrolled, so the results from the MSA participant segment may provide a more favorable depiction of the plans.

- *Voluntary participation:* As for all voluntary research participation, it is possible that the individuals who choose to participate were more interested in or familiar with the subject area, and/or had stronger opinions (either positive or negative) about the discussion topics than those who declined to participate.

- *Inclusion of only agents who have sold MSA plans:* The research with insurance agents/brokers included only individuals who have regularly sold MSA plans. In addition, two of the agent participants were identified through recommendations from one of the MSA plan offerors. The team limited the research to agents/brokers who had sold MSA plans because of concerns that agents who had not sold them would not be familiar enough with the product to offer useful feedback. However, it is also possible that agents who have sold MSA plans view them more favorably than those who have not.

D. DETAILED RESULTS

D.1. Beneficiary Written Exercise

Beneficiaries in each segment completed a written exercise at the beginning of each group, asking them to identify their top two factors in selecting a health plan and to rate their satisfaction with their current plan on a scale from 1 to 5 and explain the reason for their rating. One goal of the exercise was to give researchers a glimpse of the factors that are important to the different segments in selecting a plan. It also allowed researchers to obtain an initial assessment of plan satisfaction before participants were biased by the comments of others in the group. Finally, the exercise sought to get participants to start thinking about some of the topics that would be central to the remainder of the group discussion. Results from the two written exercises are provided below.

D.1.1. Factors determining plan selection

In general, costs, coverage, and physician choice were the factors the beneficiary participants cited most frequently in the initial written exercise, although their relative frequency varied among the three segments. The non-MSA MA participants tended to have the most variation in the factors that they identified. This is not entirely surprising, given the significant variation among the available types of MA plans (HMO, PPO, and PFFS plans). Table 7 on the following page summarizes the most common responses from each of the three segments.

Table 7. Plan selection factors identified by MSA and non-MSA beneficiary participants in the initial written exercise

Factor in Plan Selection	Number of Participants Citing Factor		
	MSA (n = 35)	Non-MSA MA (n = 21)	FFS (n = 15)
Cost Factors			
Non-specific (e.g., "cost" or "price")	16 of 35	7 of 21	7 of 15
Premiums	7 of 35	2 of 21	
Copays		2 of 21	
Coverage Factors			
Non-specific (e.g., "coverage" or "benefits")	16 of 35	6 of 21	9 of 15
Catastrophic coverage	2 of 35		1 of 15
Prescription drug coverage		3 of 21	
Physician Factors			
Can choose any doctor/hospital	7 of 35	2 of 21	3 of 15
Can obtain services anywhere in the U.S.	1 of 35	1 of 21	
Quality of doctors/hospitals in network		4 of 21	
Participant's doctor is in network		3 of 21	
Other Factors			
Ability to roll-over deposit	3 of 35		
Deposit	2 of 35		
Agent recommendation	2 of 35		
Family/friend recommendation			1 of 15
Ease of use		3 of 21	
Familiarity with offerors' products from previous employer group coverage		3 of 21	

Costs were identified as a factor in plan selection by approximately two-thirds of MSA participants and approximately one-half of non-MSA MA and FFS participants. More specifically, 16 of 35 MSA participants indicated that "cost" or "price" was a factor and another seven indicated that the absence of monthly premiums was a factor. Seven of 15 FFS participants named "cost" or "price." In the MA groups, a total of 11 of 21 participants mentioned some aspect of cost: seven identified "cost" or "price," two identified "premiums," and two identified "co-pays."

"Coverage" was a frequently cited factor for both the MSA (16 of 35) and FFS (9 of 15) participants, but less common among the non-MSA MA participants (6 of 21). It is important to note that participants did not define "coverage" within their responses and the term could mean different things to different participants, ranging from covered benefits or services to coverage out of state to access to any physician. In addition to those who mentioned "coverage" generally, several specifically mentioned catastrophic coverage or protection, including two MSA participants and one FFS participant.

Several participants in each segment mentioned factors related to physicians, although, not surprisingly, the specifics tended to differ between the non-MSA MA beneficiaries and the MSA

and FFS beneficiaries. Among the non-MSA MA participants, four mentioned the general quality of the plan's physician network, three mentioned his/her doctor's participation in the plan's network, and two (both PFFS enrollees) mentioned the ability to choose any doctor.
The ability to choose any doctor was identified by seven of 25 MSA participants and three of 15 FFS beneficiaries.

There were also a few factors that were limited to a particular segment. For the MSA plans, five of 35 participants indicated that the deposits played a role in their selection, including three who specifically mentioned the possibility of having remaining funds roll over from year to year.
In the non-MSA MA groups, three participants mentioned "ease of use" or "no paperwork" and three mentioned their enrollment in the company's employer group products prior to becoming eligible for Medicare as impacting their plan selection.

D.1.2. Participant satisfaction with their current plan

The MSA and FFS participants tended to be slightly more satisfied with their current plans than the non-MSA MA participants. On a scale from 1 to 5, with 5 meaning "very satisfied," MSA and FFS participants gave their plan an average rating of 4.0 and 4.1 respectively.
The non-MSA MA participants gave their plans an average rating of 3.6.

The MSA enrollee participants were generally satisfied or very satisfied with their plans, with 14 out of 34 participants giving the plan a "5" and another 10 participants giving the plan a "4." Only one participant was "very dissatisfied" with his/her MSA plan, giving the plan a rating of "1." The average ratings varied among the sites. On average, MSA participants in Lancaster expressed the highest satisfaction, rating their MSA plans an average of 4.8 out of 5, and participants in Phoenix were the least satisfied, rating their plans an average of 3.4 out of 5.

D.2. MSA Beneficiaries

As mentioned above, four focus groups were conducted with Medicare beneficiaries who had enrolled in the MSA plan. The recruitment screener asked participants to describe their health status and income. MSA enrollees who participated in these focus groups were generally of higher income and very good health status. On average, all participants were of middle income; though, participants in Sonoma generally tended to be of a slightly higher income. Similarly, participants generally were of a "very good" self-reported health status, with participants in Lancaster being of a slightly better average health status than the other groups. It should be noted, however, that the average health status in the Cincinnati, Phoenix, and Sonoma groups were lowered by one participant in each group who reported a "poor" health status.

D.2.1. Enrollment in MSA plan

D.2.1.1. Selecting the MSA plan

Before discussing the MSA plans, participants were asked to complete a written exercise to describe the two factors that were most important to them when selecting a health plan. The participants then discussed their responses as a group. In general, cost and coverage were cited as the biggest factors to participants in the MSA focus groups. Several participants noted that the MSA plans were more cost effective because they have zero premiums, while a few other

participants noted they liked receiving money in a savings account though the MSA plan. While it is unclear how participants defined "coverage" in the written exercise, in the group discussion, many participants cited the portability and ability to choose any doctor as key advantages to the MSA. Especially in Sonoma, it was important to MSA participants that they were able to choose their own provider and were not tied to a network. Finally, two participants listed recommendations by insurance agents as important factors in selecting their health plan.

Participants were next asked how they heard about the MSA plan. For all but a few participants, insurance agents were the biggest drivers for MSA enrollment. All four groups mentioned agents, with the majority in each group saying they learned about the MSA plan from an agent. In many cases, the same agent had sold the MSA plan to many of the focus group participants. A few other participants learned of the MSA through other means: cold calls from the health plan, from newspaper advertisements, or from the health plan's Web site.

The importance of the agent is also reflected in participants' preference for obtaining plan information verbally. While all of the participants received written materials about the plan, they cited the discussions they had with their agents as key to their enrollment. In fact, many felt the written materials (usually supplied by the agents) were confusing, but the conversations with agents cleared up their questions. In Cincinnati, MSA enrollees felt that the booklet provided to them was misleading.

"I learned more from conversations than from the written materials."

D.2.1.2. Adding prescription drug coverage

Most of the MSA participants who took part in the focus groups had opted to purchase a separate prescription drug plan. Only four participants said that they did not have prescription drug coverage. Especially in Sonoma and Lancaster, enrollees viewed prescription drug coverage as separate from their other medical insurance. Thus, because these individual are used to thinking about these two types of coverage separately, it was not an issue that the MSA did not include drug coverage. In contrast, enrollees in Phoenix suggested adding prescription drug coverage to the MSA to improve it.

There was also confusion about whether or not the savings account funds could be used to purchase the prescription drugs, and if so, if these purchases counted towards the deductible.

D.2.2. Understanding MSA plans

Participants varied in their confidence about the details of the plan. Most participants in Sonoma indicated they felt confident about the details of the plan. However, throughout the group, it became evident that many participants were confused about the MSA plans and began to feel less sure in the details of the plan. On the contrary, participants in Phoenix and Cincinnati stated from the beginning that they were less confident about the details of the plan, namely about the deductible and the billing process. These themes continued throughout the group. A few participants in Lancaster indicated that they were confused about the banking aspect of the MSA plan, specifically how and when to use the checks and debit cards and about the deductible; otherwise, most of the participants felt sure about the details of the MSA plan.

More specifically, participants were confused about the following aspects of the MSA plans:

- *General.* A substantial number of participants were confused about how the MSA plans actually worked, and learned a lot of information from the focus groups and from their peers.

- *Deductible.* Participants seemed unsure about which services counted towards the deductible and which did not. Participants questioned how the deductible differed from what you spent your savings account on. In terms of when the participants personally met their deductible, many participants did not know how close they were to meeting the deductible. These participants were either confused about which services counted, or did not understand the statements sent to them by their health plan. However, all participants in the Cincinnati group seemed to know where they were in terms of meeting their deductible and understood the deductible included Part A and Part B services only.

  "What counts to the deductible and what is the difference between this and what you can spend your money on?"

  While participants were unclear about certain aspects of the deductible, all participants understood that they had to pay out-of-pocket up to the deductible. Some enrollees in Phoenix referred to the difference between the amount in their savings account and the deductible as the "doughnut hole," noting that they had to pay out-of-pocket when they were in the doughnut hole.

- *Savings account.* Participants mentioned that they used the money in their savings account for a range of services, including x-rays, dental, eyeglasses, physician visits, surgery, anesthesia, MRIs, blood work, alternative therapies, and chiropractor visits. Most understood that this money could not and should not be used for non-health expenses; otherwise it would be subject to a tax penalty.

  While most participants understood that the money in the savings account could be used for health expenses, not all understood exactly which health expenses were allowable. In Cincinnati, a group of participants thought that the savings account funds could only be used for Medicare Part A and B services, while others understood that it could be used for all health-related expenses. A similar issue occurred in Lancaster, though with fewer participants. These individuals were confused about whether or not eyeglasses and dental work could be paid for with MSA funds. In addition, some participants were confused about whether services paid for out of the savings account would count toward the deductible.

- *Tracking expenses.* Several participants in all of the focus groups indicated that they were confused about statements or bills they received from the plan or provider, making it difficult for participants to track their expenses. Many participants either paid too much money and had to be reimbursed or had already met the deductible and kept paying. Similarly, participants were uncertain about balance billing and what they were responsible for, and how it was related to the deductible. Participants recounted several instances of paying too much money and then calling the health plan to find out they had overpaid. Even after overpaying, enrollees were not sure where to go to get their money

back: the doctor, the hospital, or the health plan. Others received bills many months after their procedure took place. Tracking has become so burdensome for some participants in the Sonoma group that they estimated at least one hour per day needed to be spent on this activity.

"It's the bookkeeping… you never know where you stand."

"Keeping track is very cumbersome due to the delay [in receiving bills]."

- *General payment.* Participants often did not understand where the money in the savings account came from and several were unsure how to use this money to pay the bills. In Lancaster, one participant was so confused about the debit card and the checks that she threw these items in the trash thinking they were junk mail. Additionally, across the groups, several other participants were not sure how to use the debit card.

- *Payment to providers.* Many enrollees were uncertain about when to pay their provider. A few felt they should pay the provider immediately after the visit, while others thought they should wait until the provider billed them. Others waited for the bill from the health plan before paying their provider. Because of the billing confusion about who to pay and how much to pay, enrollees experienced additional difficulties in tracking their own expenses.

"I didn't understand the payment part at all. It took me quite a while to understand what I was responsible for."

"No one could explain to me what to pay!"

"Right now, my provider keeps telling me he hasn't been paid by the insurance company… I would rather pay a [premium] than deal with this."

D.2.3. Satisfaction with MSA plan

MSA enrollees who participated in the focus groups were generally very satisfied with their plan. On the written exercise, participants reported an average satisfaction score of "very good" to their health plan. Only one participant was "very dissatisfied" with his/her MSA plan. In fact, the most participants (n=14) gave their plan the highest score.

In all groups, portability, no premiums, and choice of doctors were listed as "pros" or advantages to the MSA plan. Participants in Cincinnati also cited "ease of use" as an advantage to the plan, while participants in Lancaster noted the good customer service provided by the health plan. On the contrary, participants in all groups cited confusion with providers as a primary disadvantage to the plan. These comments ranged from doctors being unwilling to accept beneficiaries in the MSA plan to billing confusion to a general misunderstanding of the MSA plan. Additionally, participants in the Phoenix, Sonoma, and Lancaster groups all cited record-keeping as a main disadvantage to the MSA plan. These disadvantages are discussed in more detail later in this section.

On average, participants in Lancaster expressed the highest satisfaction with their MSA plans, rating them an average of 4.8 out of 5, and participants in Phoenix were the least satisfied, rating their plans an average of 3.4 out of 5.

However, several participants noted that they had not used their MSA plan very much. Many enrollees generally did not see the doctor very often or were healthy and did not use medical services frequently. Some indicated that they were satisfied with the plan because they did not use it very much.

"The plan is great if you are healthy, that is, if you only see a doctor once a year for a physician or such. However, if you see a doctor quite often, but not constantly, it's more costly than say paying a copay per visit."

"[Rated this plan a 5 out of 5] because I am healthy and I don't use it much."

D.2.4. Challenges/issues faced by enrollees

Though participants generally rated their plans highly, they expressed dissatisfaction with the MSA in three areas: banking relationships, physician relationships, and customer service.

Dissatisfaction in the banking relationship stemmed from delays in receiving funds, checks, and debit cards. Some MSA enrollees also expressed their dissatisfaction with the additional fees associated with the savings account. In one site, enrollees felt that the fees the bank charged made it difficult to determine how much money was left in the account. Several had bounced checks because they did not account for these additional fees. Many of these participants had looked into other options for a bank account and some of those individuals had moved their money and closed the account associated with the health plan.

"It's $15 to join the bank and $1.12 per month as a service charge. I tried to close my account but they still charged me $1.12. Why didn't they tell us about that service charge?"

"I would figure out immediately how to remove the money from this bank account."

In addition to the banking fees, enrollees were dissatisfied because the MSA plan resulted in some strain on the patient/provider relationship in three ways. First, enrollees noted that many providers were unsure of whether or not they could see MSA enrollees. Some indicated that the provider could take MSA enrollees so long as they took Medicare patients and were therefore confident that their physicians would continue to see them. However, others had to wait to hear back from the provider to confirm whether or not they could continue with their physician.

Second, many participants were concerned that providers were not being paid on time due to the delay in billing and confusion about who and how much to pay.

"I can see the providers are unhappy about some of these bills. It takes a while to get the providers paid."

Finally, most participants expressed frustration that they needed to explain the MSA plan to their providers, and frustration that the providers did not understand these plans how to bill them. Several questioned why CMS did not educate the providers more on MSA plans prior to their

implementation. Participants in Sonoma seemed to describe the patient/provider relationship as becoming adversarial as they were faced with educating the doctors about this plan. They felt they had become a "foe" of their provider and the doctor believed they were trying to escape payment of bills. Additionally, one person in Phoenix noted that her chiropractor begged her to leave the MSA plan.

"I feel uncomfortable when I go in – I feel like the enemy because they haven't been paid. I am getting calls from doctors trying to collect. I feel uncomfortable with the physicians. I feel like I am being put on the defense."

To rectify these issues, several participants suggested that CMS spend more time educating the providers, or created a one-page document that could be used to explain the plan to the providers.

Participants also expressed some dissatisfaction with their plan's customer service, although this was less common than the other two issues discussed above. Several Cincinnati participants complained that the plan's customer service representatives were not familiar with the MSA plans and gave conflicting or inaccurate information when they called. This customer service issue, however, was not universal to all three MSA plans. Participants enrolled in one of the plans indicated that they were very pleased with their plan's customer service and explained that each had been assigned a personal customer service representative. These enrollees were especially appreciative to have a direct number to call if they had a question and several stated that these representatives had assisted them in resolving billing issues.

D.2.5. Impact of MSA plans

The research team explored issues related to how MSA plan enrollment has or could impact participants' use of health care services. While participants generally reported that it had not changed their behavior, several suggested that it might change their behavior in the future.

When asked whether their enrollment in the MSA plan had changed their behavior, nearly all of the participants indicated that it had not. Moderators probed about whether any of the participants had used more or less health care services, had sought a second opinion, asked about other treatment options, or had researched costs or quality. The participants stated that they had not. However, it should be noted that many enrollees reported limited use of health care services generally and so may not have been in a situation where any of these actions were an option.

The only adjustment reported was from one participant in Sonoma who indicated that she is altering the timing or sequencing of her medical treatment as a result of enrolling in the MSA plan. Because she had met her deductible for the year, she is trying to schedule surgery and other medical expenses before the deductible renews in January 2009.

"I met my deductible and need more surgery. I am forced to do it this year because it will be covered."

Although they indicated that MSA enrollment had not changed their behavior, several participants in the Lancaster group and one participant in the Phoenix group stated they had a greater responsibility as a result of enrolling in the MSA plan. This responsibility made the enrollee consider whether or not a service or treatment was actually necessary.

"For years people have gone [to the doctor] because it was paid for and they have taken advantage of it. Now, this puts the responsibility on you."

"I think people just go to the doctor all the time, but when you see you can make money from this, you can think about it. You can take charge."

Lastly, several participants thought that the plan might affect other enrollees' behavior. Some participants in the Sonoma group acknowledged that this type of plan might cause other people to use less treatment or services.

"I don't feel this way but I've heard of this from others… this reverse mindset. If you don't go, you save more money."

D.2.6. Transparency requirement

Across the groups, most participants were generally favorable to the transparency requirements, which would require health plans offering MSAs to report information on cost and quality of doctors. While many participants seemed to like the idea of this information, many indicated that they trust their family doctors more than ratings. Participants in Sonoma and Cincinnati seemed more enthusiastic about this requirement, noting that they already look at this information. One participant noted, however, that if the health plan dropped doctors with certain ratings, it would become similar to an HMO network. In Phoenix, there were more mixed reactions to these requirements; some stated that the recommendations of people in their community are more important, while others felt this information would be helpful to select a physician. In Lancaster, participants mentioned they already looked for information on the cost of drugs. This group noted the importance of the trust in the physicians. However, they did suggest reporting how many procedures a physician has performed.

D.2.7. Future enrollment in an MSA plan

At the end of the focus group, all participants were asked if they would continue in the MSA plan. All but two participants indicated that they planned to stay enrolled. Those who indicated that they would not continue in the MSA plan appeared to be in poorer health than the other MSA participants.

The other participants said they would stay enrolled with the MSA plan despite the challenges described in the group. Many of these challenges were attributed to the fact that this plan was relatively new. Now that the plans were more established and enrollees and their physicians had become more familiar with them, the issues with the billing and administrative procedures had mostly been resolved.

"Once you get the answers, it is a good plan."

D.3. Non-MSA Beneficiaries

The team conducted focus groups with non-MSA beneficiaries in each of the four research locations, two groups with non-MSA MA enrollees in Phoenix and Sonoma and two groups with FFS beneficiaries in Cincinnati and Lancaster. The non-MSA MA participants were enrolled in a range of MA plan types, including HMOs, PPOs, and PFFS plans. The FFS groups included

participants with a mix of insurance coverage: Original Medicare only, Original Medicare with a PDP, and Original Medicare with a Medigap policy and PDP. The non-MSA participants mirrored the demographics for the MSA group in that location in gender, age, education, income, and health status.

It is important to note that the non-MSA participants demonstrated a range of familiarity with and understanding of Medicare plan choices, including with their own plans. While many of the non-MSA participants had a clear grasp of how their current plan works and how it compares to other options, other participants did not. The confusion that some participants had about Medicare and its funding sources, as well as about their current plan and coverage, impacted their understanding of the MSA plans and their comparison of MSA plans with other Medicare options.

D.3.1. Familiarity with MSA plans

Most of the non-MSA participants had not heard of Medicare MSA plans before joining the group, although this varied significantly by location. For example, none of the participants in Cincinnati had heard of the plans, while in both the Lancaster and Phoenix groups, four out of nine participants stated that they had. Participants said that they had heard about the plans in a newspaper or magazine, from AARP, and from the Office of Aging. Several of the participants indicated that the plans had not been well received or expressed reservations about them. One Lancaster participant stated:

"[The plans are] too iffy. . . You could get into financial trouble if you have lots of bills."

In all of the groups, participants reported slightly more familiarity with HSAs than with MSAs and significantly more familiarity with high-deductible health plans. Participants tended to have fairly negative opinions of high-deductible plans, and comments indicated that at least a few of the participants did not fully understand how they worked.

"I heard you take a high-deductible and then put the [savings from] premiums into another account and you can roll it over and switch it and there are incredible tax benefits."

"The name turns me off because it means more money out of my pocket."

"With the high deductible plan, I may end up paying 50% of the bill instead of 20%."

D.3.2. Understanding of MSA plans

The non-MSA participants had a difficult time understanding the MSA plans and relied heavily on the moderators to clarify their confusion about a variety of issues, including questions about the savings account and how it worked, the deductible and limits on out-of-pocket expenses, the coverage and benefits under the plan, and Medicare's underlying rationale for offering the plans to beneficiaries. More details about the non-MSA participants' interpretation of and questions about the plans are provided below.

After allowing participants to read the MSA plan description, moderators encouraged participants to ask any and all questions that they had about the plans and savings accounts. The questions offered by the non-MSA beneficiary participants are listed in Table 8.

Table 8. Questions from non-MSA beneficiary participants about the plans

General purpose/rationale for the plans: • Why are they offering this? • Is Medicare going to be dropped and this take its place or will this be an option? • They are giving you $1250 so you really pay a $1500 deductible (instead of $2750). Why do that? Why not just say it is a $1500 deductible? Account: • Where does the deposit come from? • Is this distributed to your estate if you die? • What are the additional penalties? • How do you withdraw this money? • Is this like a prepaid credit card? • Do you get interest? • Are they making money off of our money? • Does the money roll over?	Benefits/Coverage: • How much money is charged per visit? • What counts towards the deductible? • What is the out-of-area coverage? • Are prescription drugs covered? • What happens with bone scans and mammograms? • Is this yearly? So if someone thing bad happens, BOOM, you are covered? • What is the limit on how much they will cover? Other: • Who administers this plan? • Who is pitching this? • How long has this been around? • How many people are signed up and are they satisfied?

The questions illustrated several issues, which continued to be themes throughout the focus group discussions:

- *General.* As discussed in more detail in the next section, many participants were confused about why Medicare was offering the plan and who would sign up for it. This type of plan was completely new to most participants and many struggled with understanding what exactly it was. Most were uncertain about the general plan structure, i.e., how the two parts of the plan, the health plan and the savings account, worked together. For example, several were uncertain about whether they could use the money in the account before or after meeting the deductible.

  "With this deductible, you have to pay that deductible before you can go in and use the $1500? Is that what they are saying?"

  As the groups continued, participants gained a better understanding of the general structure of the plans, even though they remained uncertain about many of the plan details. Several of the participants described the plans as having a "doughnut hole"

similar to that in the prescription drug plans. This seemed to help them to understand the overall structure, with the plan "paying" initially via the deposited the funds, the member paying in the "doughnut hole," and then the plan paying again after the member meets the deductible.

- *Savings accounts.* The single most commonly asked question was about origin of the funds for the deposit. Participants in every group asked where the deposit came from and several participants offered guesses about its origin. For example, a couple of participants thought that the funds were deducted from their Social Security checks each month. Several thought that they needed to fund the account. Participants also had questions about the possible penalties, the tax implications of the accounts, and whether remaining funds could be left to heirs if the member died.

- *Coverage and benefits.* Participants had several issues understanding the coverage and benefits. One of the most common was confusion about which services would count toward the deductible and which services the plan would cover after meeting the deductible. Participants also had questions about specific benefits, including coverage for mammograms and prescription drugs, about the provider network, and about coverage out of the plan's service area.

- *Total out-of-pocket costs.* Most of the participants initially assumed that they would have much higher costs in an MSA plan compared to their current plan, and that individuals who were very ill would have extremely high costs. After further discussion and the cost comparison exercise, participants generally understood that their total out-of-pocket costs were limited to the difference between the amount of the deposit and the deductible. And several came to see this catastrophic protection as one of the most important advantages of the plan.

D.3.3. Interest in MSA plans

The research team assessed the participants' interest in MSA plans at several points during the focus group discussions: immediately after participants had read the two-page description of the plans, after answering participants' questions about the plans, and after completing the cost-comparison exercise.

After reading the description, but before moderators answered questions, participants' reactions to the plans were almost universally negative. There were only a couple of participants that indicated that they would look into the plans at this point in the groups. One of these participants explained that she was interested in the plan because she liked that the MSA plan pays 100% after the deductible and that the deposit can be used to offset part of that deductible. However, this interest was rare, as nearly all of the participants' reactions ranged somewhere between a simple lack of interest to bafflement about what the plans were and why someone would join one to a strong suspicion of the plans. Several participants indicated that being given, for example, a $1,200 deposit was "too good to be true."

"Why would I do this!?"

"It seems complicated and like a scam."

Several non-MSA participants wanted to know why Medicare was offering this plan to beneficiaries. They also wondered about how the MSA plan fit into more global changes in the health care system and the implications of this new option for their future health coverage.

"Is this socialized medicine?"

"Is Medicare going to be dropped and this take its place or will this be an option?"

Several of the participants reacted negatively to possible taxes and penalties associated with MSAs. Participants found this information vague and several seemed to assume that it was intentionally left undefined, perhaps to make the plans more appealing to beneficiaries or to "trick" enrollees into having to pay more money:

"I have a problem with "qualified medical expenses" and "additional penalties." How much are these taxes? What are these additional expenses? Those are nebulous words on paper. It sounds tricky."

After gathering and answering the participants' questions about the plans, the moderators again assessed their interest in learning more. At this point in the groups, the reaction was more positive, although still mostly negative. In Cincinnati, nearly all of the participants indicated that they would be interested in the plans. In the other locations, most participants continued to state that they would not want to learn more about the plans, although there were typically a couple of participants who would.

The moderator then completed a cost comparison exercise with the participants, showing the hypothetical annual costs for a relatively healthy beneficiary in an MSA plan compared to the costs in other types of health plan options, such as a Medigap, HMO, or PFFS plan. The exercise factored in premiums, copayments/coinsurance, and deductibles when calculating the annual costs for each plan type. The moderator then repeated the exercise using a "high cost" beneficiary to give participants an idea of the range of annual costs that could be associated with the different options. Following the cost comparison, the moderator again assessed participants' interest in learning more about the plans.

After the cost comparison, most of the non-MSA MA participants remained uninterested in the plans. In Sonoma, two participants indicated that they would look into the plans. In Phoenix, the cost comparison made some of the participants lose interest in the MSA plans. That is, prior to the exercise, a few Phoenix participants had indicated that they would be interested in the plans; after the cost comparison, these individuals seemed to be favoring an HMO. This result was not entirely unexpected since Phoenix has several low or no premium MA plans that compare favorably with MSA plans in their costs, which was evident to the groups after completing the cost exercise.

"Why would anyone choose the MSA after looking at the numbers? Choose the HMO!"

"I don't want to have to hire an accountant. The math turns me off."

The FFS participants, however, were more receptive to the plans after the cost comparison. The Cincinnati groups were especially excited about the possibility of joining a plan, with all of the participants stating that they would look into the plans for 2009. Five of the nine Lancaster participants indicated that they would consider an MSA plan. Several of those who would not,

stated that their lack of interest was due to their satisfaction with their current plan rather than any particular shortcoming of the MSA plan.

"I am more impressed now than before . . . I don't know if I would choose this but I would consider it."

"I would have to have something happen [with current plan] before I would consider."

It is important to note that the cost comparison exercise focused on comparing the annual costs for the plan types. The groups spent only limited time discussing the differences between how these costs would be distributed over the year. That is, the MSA plan costs are clustered during the time after the deposit has been spent but before the deductible has been met, while costs with a Medigap plan are distributed evenly throughout the year via the monthly premium. Although this distribution may have important implications for those enrolled in an MSA plan, the non-MSA participants very rarely discussed this during the cost comparison exercise or during the pros and cons exercise that followed.

During the groups, participants were also asked to identify the advantages and disadvantages of MSA plans. The most commonly cited advantages were cost related, such as the lack of monthly premiums, the ability to roll-over money from year to year, and the catastrophic coverage the plans provided. Participants also cited the ability to choose any doctor and less paperwork as advantages. According to both the Lancaster and Phoenix groups, the most significant disadvantage of the plans was that they are new and might change over the next few years. Participants were reluctant to switch from their current plan to an MSA since the MSA plan might raise the deductible and/or decrease the deposit in future years. Non-MSA participants also cited the possible tax penalties, the high deductible, and the lack of drug coverage as disadvantages. Table 9 lists the advantages and disadvantages identified by the non-MSA participants.

Table 9. Advantage and disadvantage of MSA plans identified by non-MSA participants

Advantages	Disadvantages
• Catastrophic coverage • Less paperwork • Can choose any doctor • Can use $1250 on anything • Savings, if healthy • No premiums • No need for supplement • Might cut down on totally unnecessary visits for medical care • Interest on account • Money rolls over	• Possible tax and penalties • No track record • They may change the plan next year • Confusing • High deductible • Must meet the deductible every year • Low enrollment • No prescription drug coverage • Geared to healthy individuals • Too much trouble to collect money if the enrollee passes away • Don't like change • Government is controlling the money • Some might use the deposit for non-health expenses

As shown above, participants indicated that the plans were for healthy beneficiaries, citing this as both an advantage and disadvantage of the plans. From the first introduction of the plans, most of the participants assumed that the MSA plans were appropriate for the very healthy. Even after completing the cost comparison exercise showing the costs for a "high cost" beneficiary, most participants continued to indicate that these plans were for healthy individuals, although a few participants recognized that there could be cost savings for both the very healthy and the very ill.

"This is a gamble on good health… this is how I look at it."

D.4. Primary Care Physicians

Two focus groups with eight physicians each were conducted in Lancaster and Phoenix. Demographically, most of the physicians were solo practitioners, but a few worked in small group practices (of less than five partners), and only one physician was in a large group practice. Physicians also reported that approximately 30 to 50 percent of their patients were Medicare beneficiaries. Half of the physicians did not know which patients were in an MA plan and which had Original Medicare.

D.4.1. Understanding the MSA plans

Generally, physicians understood the basics of the MSA plans; specifically, how high deductible plans and savings accounts work. However, none reported having patients currently enrolled in an MSA plan. A few of the physicians in Lancaster felt that an MSA plan was a "bargain" and cheaper than a supplemental plan with a monthly premium.

"Nowadays people pay that much [$1,500] with $125 per month premiums. I know most of my patients are paying right up there."

"I think this is a bargain. Premiums are really expensive. To have only $1,500 out of pocket is cheap and you don't have to worry about which insurance [plan to select]."

A few of the physicians used the term "doughnut hole" to refer to the coverage gap between the monies deposited into the savings account and the remaining deductible. All of the physicians participating in the groups understood the term.

Most of the physicians were confused about what medical services were covered and did not know what a qualified medical expense was. Physicians were concerned that a patient could spend the money on qualified medical expenses that would not count towards their deductible.

D.4.2. Response to the MSA plans

After reading material on the MSA plans and discussing questions about the plan with the moderator, physicians were asked their view of the plan. Even with the potential benefits, a few of the physicians felt that this plan was too confusing for the Medicare population to understand.

"They won't figure out that the $1,500 [deductible] will be cheaper than their premiums now. It's less painful to be bled slowly."

Several of the physicians described characteristics of the Medicare population to explain why this product was inappropriate for them:

- *Patients and providers are confused by current plans.* Two physicians felt that patients at this age are not "high functioning," and unable to weigh the pros and cons of the MSA plan or to keep track of their spending on a regular basis. When asked by their patients which plan to choose, a few physicians stated that they recommend "straight Medicare" because of the flexibility and full coverage.

- *This population lives on a fixed income.* As such, a couple of physicians felt that this put a vulnerable population at greater risk for financial problems that would prevent them from seeking needed health care. Further, one physician felt that patients prefer making monthly payments as opposed to making a lump sum deductible payment.

- *Patients may not live long enough to realize the benefits of the plan.* One physician felt that older patients joining this plan would not see the rewards.

- *This population has difficulty grasping change.* One physician mentioned that some patients want to choose the plan that works best for the physician they see on a regular basis.

Physicians used many phrases and adjectives to describe the type of beneficiaries likely to use the plan. Physician descriptions ranged from mostly positive to somewhat negative, reflecting the divergent views of the product and its impact. Specifically the participants used the following descriptions for individuals likely to enroll (bolded items reflect those most frequently mentioned):

- Alternative medicine users
- Cheapskates
- Entrepreneurial
- **Healthy**
- High functioning
- Managing their own health care costs
- Savvy
- Working professionals
- **Young**

Two Phoenix physicians felt that the MSA plan was a risk because beneficiaries could not accurately predict their healthcare needs, particularly as they age. One physician described the plan as a "crap shoot." These physicians argued that there was a possibility that a moderately healthy patient could fall within the "doughnut hole" where the MSA plan is not fully advantageous to them. However, a couple of physicians indicated that beneficiaries could carry over monies in the first few years of the program to fill that donut hole in the future.

D.4.3. Perceived impact of MSA plans

The groups discussed the potential impact the plan might have on patient behavior and the doctor-patient relationship. Since none of the physicians had patients enrolled in the MSA plan, they based their perceptions on their experiences with patients with HSAs and high-deductible plans.

D.4.3.1. Patient behavior

Physicians anticipated three positive impacts on the patients' behavior: more cost-effective decision-making, better dialogue with physicians, and better engagement in preventive care.

- *More cost-effective decision making.* The majority of the physicians felt that under the MSA plan, patients might begin making decisions based on costs. Several physicians felt there would be fewer unnecessary visits to the ER and to the doctor's office.

  "I think they're going to pick and choose when they're going to come to the office more. It might cut down on some unnecessary visits. "

  "You might get less ER visits. It drives me nuts when they show up for a minor problem. Hopefully some of that will go away."

- *Better dialogue with physicians.* When patients do visit the doctor's office, physicians pointed out that there would be a better dialogue between physicians and patients because they will be more engaged in their care. Patients will take the cost of care more seriously and be more critical about what is truly necessary.

  "I like that it changes their attitude toward care. They've always wanted the Cadillac care and they deserve it because someone else is paying for it. Maybe they'll choose Chevy care and it's perfectly fine...There's a big gap between what they want and what they need."

- *Better engagement in preventive care.* A few physicians felt that MSA patients may be more proactive about seeking preventive care and wellness activities. MSA patients will have a greater incentive to stay healthy to avoid healthcare costs.

Physicians anticipated three possible negative effects of MSA plans on patients' behavior including: pressure on physicians to lower costs or provide free care, patients forgoing needed care, and patients spending the deposit inappropriately.

- *Patients might pressure physicians to lower costs or provide free care.* As mentioned earlier, the majority of physicians felt that patients would make decisions based on cost under the MSA plan. In Lancaster, a few physicians mentioned that their patients with high-deductible plans would try to negotiate lower rates for visits and care if they have not met their deductible and are paying out-of-pocket. Physicians also reported that patients have tried to obtain advice or medication over the telephone as opposed to coming into the office as another cost-saving mechanism. The participants expected similar responses from MSA plan enrollees.

- *Patients might forgo needed care.* A few physicians felt that patients would be less likely to participate in follow-up care, come back for follow-up visits, or take prescribed medication. They felt that the MSA plans risked putting a vulnerable population at greater risk by encouraging them to delay care, thereby increasing the societal burden for caring for the elderly. Some physicians felt that switching patients to this program is like "cutting out the safety net" for patients in need.

- *Patients might spend the deposit funds inappropriately.* The majority of physicians were very concerned that patients enrolled in an MSA plan would spend the money on non-medical items and not have any money available to obtain medical care or meet their deductible. Making the funds available to spend on anything is "full of pitfalls…a temptation…a battle." With competing needs such as paying bills, patients might opt to use the deposit to serve one need over another. Further, one physician pointed out the savings account would be susceptible to abuse by patients who have a third-party helping to manage their healthcare costs.

D.4.3.2. Doctor-patient relationship

Nearly all of the physicians believed that under an MSA plan there was a "huge risk" that they would not get paid. Based on his experience with deductibles, one physician explained,

> *"Every year, Medicare patients must meet [a $150] deductible and it is a battle to reach that few hundred dollars [in the first few months of the year]. For this plan, it will be a year-round problem because the deductible is so high."*

By putting the responsibility on the patients, many felt that the timeliness of payments would suffer. If patients do not pay their bill, than there can be no on-going relationship. Patients will choose or need to change doctors because of non-payment. Ultimately, a few physicians felt since they can choose whether or not to accept patients, they will refuse patients with MSA plans due to historically inconsistent or non-payment.

Several of the physicians reported that this plan would have a negative effect on the relationship because the monetary issues become a distraction to providing high quality care. As one physician described,

> *"It pits the doctor against the patient -- there's forgoing of preventive care because of cost but [under pay for performance] it dings the doctor because they aren't providing that care."*

In addition, MSA patients may require additional administrative time. Additional staff time will be required to chase after payments. Patients under the MSA plan desire more of the physician's time to explain their care to them and that additional time spent with the patient would not be reimbursed.

However, physicians highlighted an important potential positive outcome of MSA plans. Patients may be more invested in their healthcare and want to explore the necessity of medical care. Adding to the depth of dialogue between patients and doctors could reduce unnecessary tests and treatments ultimately elevating the quality of care.

D.4.4. Transparency requirement

All of the physicians were resistant to the transparency requirement. Among the various reasons that physicians expressed, the most common concern was that ratings were based on poor data collection techniques and that the ratings were generally based on spending data.

A few physicians felt that the techniques used to collect data never accurately gauged quality because they do not conduct chart reviews to take into account what was done, patient characteristics, and patient compliance.

Others felt that basing the quality ratings on spending was a poor substitute for measuring quality. One physician felt that "it discriminates against internists because they [appropriately] generate more tests." A very sick patient requiring catastrophic medical care would negatively skew the ratings for a single doctor. Two pointed out that ratings based on billing data provide an incentive for doctors to refuse to treat sick patients to improve their rating.

A couple of physicians expressed that there is already too much regulation in the industry and that this was taking it too far. With recent trends using pay for performance, two physicians feared that insurance companies might use or skew the data as a way to pay physicians less for their services. One physician explicitly stated that they would be less willing to participate in the MSA plan if the transparency requirement for rates and ratings were in place.

D.4.5. Recommendations from physician participants

During the discussion, the physicians provided recommendations to improve the MSA plans. The most frequently mentioned recommendations are listed first.

- More than half of the physicians stressed the importance of marketing this product ethically and accurately. Specifically, physicians indicated that agents should present the maximum out-of-pocket expense for the plan and provide a side-by-side comparison of the MSA plan to other plans to illustrate the costs to the patient for the same care over a year under each plan.

  > *"People [patients] see savings account and they see 'dollar signs.' The sales people won't tell them the details. People don't know what they are buying."*

- Many of the physicians suggested using another name for this plan other than Medicare because Medicare is perceived to be free. Patients are "insulated from the true cost" of medical care and perceive Medicare to be free.

- Several physicians suggested installing a gatekeeper to monitor the spending, similar to Federal HSAs, to protect patients from spending the money on non-medical purchases.

- Some physicians in Lancaster suggested informing physicians about changes in coverage or plans. Specifically, they suggested sending a letter to the patient to give to their physician at their next visit that would inform physicians about their patients' new plan.

- Some Phoenix physicians suggested selling one simple, standardized plan for all seniors.

D.5. SHIP Counselors/Staff

As mentioned above, the research team conducted interviews with both volunteer SHIP counselors and SHIP staff employed by the SHIP program. In total, seven SHIP counselors, two in Cincinnati and five in Sonoma, were interviewed. The team also interviewed the county-level director in Cincinnati and the State Director or Deputy Director for Arizona, California, Louisiana, and Ohio.

With regard to counseling beneficiaries, two of the State Directors did not spend time counseling beneficiaries, as their program was structured with the State office not receiving calls directly. Instead, work was contracted through the Department of Aging on the local level. The other SHIP staff participants directly counseled beneficiaries at least occasionally.

D.5.1. Experiences with MSA plans

Prior to our interview, all SHIP counselors had heard of MSA plans. Most of these counselors learned about the plans through the trainings provided to them as SHIP counselors or as SHIP staff. In a general sense, the information was passed from CMS to the SHIP staff through trainings and then from SHIP staff to the SHIP counselors through additional trainings. These trainings were generally in-person, but the counselors also received a manual discussing all of the Medicare options. One State Director also mentioned DVD trainings provided by CMS. However, another State Director said the information was distributed to the counselors and from then on it was "sink or swim." In another state, the Director noted that, of a four-day training, only 20 minutes was spent discussing MSA plans. In general, participants learned of the MSA plan only as it was discussed as an option with the other Medicare plans.

Only two SHIP counselors had beneficiaries contact them about an MSA plan. One beneficiary approached the counselor with questions about several MA plans, including an MSA plan, and eventually opted to select another plan. The other inquiries were beneficiaries generally seeking information about MSA plans as they had seen them mentioned in the *Medicare & You* Handbook. The other counselors had not had any questions about the MSA plans, and consequently did not know much about the details of the plans. SHIP staff who coordinate the volunteer counselors knew a bit about MSA plans as they were charged with putting together the materials for the counselors, using primarily the *Medicare & You* Handbook.

The SHIP counselors noted that, in general, their job is to stay ahead of the beneficiaries in terms of knowledge about the Medicare options. Therefore, because beneficiaries do not frequently ask about MSA plans, the SHIP counselors have not had to look more in-depth into them.

"Without the demand, we don't have the incentive to find out about the MSA plans."

"I haven't paid too much attention because no one has asked about them."

In terms of SHIP State Directors, only two had received questions about the MSA plans from beneficiaries or had heard from the counselors that such questions were asked. Again, most of these calls were general inquiries about MSA plan options. However, one State Director recalled a story of a beneficiary who was enrolled in an MSA plan and was very confused.

"I did get a call from a beneficiary in 2007 that had an MSA and didn't realize what she had. She subsequently had a lot of problems because she got very ill and had a lot of out-of-pocket expense. We worked with the doctor to reduce the cost of the billing and explained how the MSA worked. Ultimately she got out of the MSA plan and went back to her supplement."

Two other State Directors had not personally received calls about MSA plans, nor had they heard about such inquiries from their staff. However, in these states, all local level counseling is contracted through the State Departments for Aging, so it may be less likely that these individuals would hear about MSA plan inquiries.

D.5.2. Understanding of MSA plans

In general, all SHIP counselors and staff seemed to understand the basics of the plans, but several were somewhat unclear on the details. For example, two participants seemed to be confused about the overall deductible amount, while other participants understood that the plans have a high-deductible but did not understand what happened after the beneficiary met that deductible. Participants were additionally confused about what happened at the end of the year with unused funds in the savings account.

Several participants also noted that the insurance agents have the most knowledge of MSA plans. Similarly, if the counselors had questions about a plan, they indicated they would contact an agent, or the health plan offering the plan for more detailed information. Several counselors and one State Director also suggested that the beneficiary contact a financial advisor if he/she was interested in an MSA plan.

D.5.3. Attitudes towards MSA plans/MSA enrollees

Since most of the SHIP counselors and staff did not have extensive experience counseling or educating beneficiaries about the MSA plan, the team solicited their general opinions of the MSA plans. The opinions of the majority of the SHIP counselors and staff are described below:

- Both counselors and staff alike felt that the MSA plan was more confusing than traditional Medicare and other Medicare Advantage plan options.

- Counselors and staff used the following terms to characterize the enrollees (bolded terms were used the most frequently):
    - Background in business
    - **Healthy**
    - Information seekers
    - Savvy
    - Still working
    - **Wealthy**
    - **Young**

    Participants felt that the typical MSA enrollees might be younger, healthier, and have financial stability. In terms of income, however, two State Directors noted that the MSA enrollees might have a relatively lower income than beneficiaries enrolling in a straight

high-deductible plan, as individuals with lower incomes might be attracted to the savings. However, all participants agreed that this plan is not financially feasible for beneficiaries who are not at least middle income.

Many participants also noted that the MSA enrollees would be savvier and have more knowledge of business than other Medicare enrollees. This knowledge would be necessary to understand the details of the plan and the tax benefits of the savings account.

Participants also felt that the MSA plan could be suitable for individuals who are in need of portable insurance or who do not have a lot of options for providers and need a plan that would be accepted by any doctor accepting Medicare. Specifically, one State Director saw a need for this plan in rural counties where beneficiaries may want or need to cross state lines to see a provider.

- Given their assumptions about the types of individuals who would enroll in MSA plans, most SHIP counselors and staff agreed that MSA enrollees would be less likely to contact their SHIP counselor or SHIP program with questions about their health plan because individuals with lower incomes were more likely to contact the SHIPs. MSA enrollees may tend to be a bit savvier and more educated than the average Medicare beneficiary, and therefore have less need for assistance.

- One group of SHIP counselors in Sonoma felt strongly that a disadvantage of the MSA plans is that they do not include prescription drug coverage. These counselors felt that prescription drug coverage is of high importance to Medicare beneficiaries and Medicare beneficiaries tend to like packages that are all rolled together.

- Finally, both groups of counselors felt strongly that Medicare beneficiaries did not need more choices. Further, many counselors questioned the reasons behind providing so many choices to this population. The counselors were concerned that with so many choices, the beneficiaries would not understand their own health plan.

"Choices are bewildering."

"People are mesmerized. What was simple the day before is now difficult."

D.5.4. Impact of MSA plans

Participants had varying opinions on the potential impact of the MSA plans. Two State Directors felt that the overall impact of could be positive for the Medicare population because enrollees would be less likely to use services that were not needed. Because of the high out-of-pocket costs, beneficiaries would think twice before utilizing services.

"They'll look at the symptoms and then carefully consider what to do."

One group of SHIP counselors also believed that this plan would decrease utilization, although they expected this to have a negative impact on beneficiaries. The other group of SHIP counselors seemed less concerned and did not think this plan would have an effect on use of health care services.

However, many participants seemed to agree generally that MSA plans would have a more positive impact by placing a greater responsibility on the patient to take charge of their own health care.

"This plan puts more onus on the individual to stay healthy."

The State Directors and counselors had varying opinions about the potential impact of transparency requirements for the MSA plan. While some of the State Directors seemed to think that beneficiaries would be more likely to look at cost information, the counselors seemed to disagree. The counselors did not think beneficiaries would look at this information or take an interest in it. Two State Directors noted that Medicare beneficiaries might shop for quantity and look at cost data, but would be less likely to look at physician quality.

"Have you ever heard of someone who didn't love their doctor?"

D.5.5. CMS support for MSA plans

As noted above, much of the information on the MSA plans was derived from CMS materials or presented in trainings to the SHIP counselors. State Directors similarly learned of MSA plans through CMS trainings and passed the information down to the counselors.

"Other than the Web site, there isn't much information out there. All of the information is with the broker."

Most participants agreed that there was not a need for more information on the MSA plan at this point; however, should the demand for the plans increase, many SHIP counselors and all of the State Directors suggested that CMS create an easy-to-read fact sheet with information on the MSA. Two State Directors noted that this sheet should not be too text heavy and might include graphics. Aside from the fact sheet, two State Directors suggested that CMS make a more specific training for the MSA plans. Once a general training is created, the States can work to make it more specific to their population.

D.5.6. Future of MSA plans

Finally, participants were asked to give their opinion on the future of Medicare MSA plans. Reactions from counselors and SHIP staff were mixed: many counselors felt strongly that these plans did not have a place in the market and were not suited for the Medicare population. However, SHIP staff saw more value in the plans and felt they could become more popular in the future for several reasons. First, these individuals felt that the plans would become more popular as baby boomers, who are familiar with HSAs, age into the Medicare market. Secondly, the SHIP staff recognized the value of the portability of the plans, which could be useful for beneficiaries who want to use health care across state lines, such as rural beneficiaries. Lastly, two State Directors felt strongly that the plans would become more popular as the beneficiaries became more informed. Once they know the details of the plans, some beneficiaries might realize they are suitable for them. However, both directors agreed that this plan would be most suitable for beneficiaries with low utilization, not for beneficiaries who use a lot of health services.

"I think you would probably see more utilization of MSAs if more people understood the program. In five years or more you may see an increase..."

D.6. Insurance Agents/Brokers

The research team conducted two small group interviews with a total five health insurance independent agents or brokers and an interview with a representative of an Independent (or Field) Marketing Organization (IMO). Health plans generally contract with IMOs to promote and distribute their products to independent insurance agents and brokers.

The following summarizes the characteristics of the five agents/brokers interviewed:

- All of the participants were either independent insurance agents or insurance brokers. None of the participants were captive agents.

- All but one of the agent participants have been selling health insurance products for at least 20 years. They also tended to sell other lines of insurance, such as automobile, life and commercial insurance. With regard to Medicare products, many of the agents sold Medicare Advantage plans, Medicare prescription drug plans, and Medigap policies.

- The agents had sold Medicare MSA plans from at least one of the three MSA offerors (WellPoint, Coventry, and Geisinger) and a few had sold plans from two offerors.

- The majority of the agents interviewed had sold a large number of Medicare MSA plans and were among the most enthusiastic about the MSA concept and MSA plans.

D.6.1. Introduction to and training about MSA plans

Agents first learned of the Medicare MSA plans from several different sources: CMS's *Medicare & You* Handbook, summaries of the Medicare Modernization Act (MMA), an announcement by the offering health plans, and information on specific MSA plans from their brokerage firm. One participant observed the following regarding the marketing of MSA plans by Medicare:

> *"I saw a little tiny blurb in the Medicare booklet…very small mention of the MSA plans…Medicare didn't put a lot of emphasis on it in the Medicare pamphlet."*

After learning about the MSA plans, some agents downloaded the CMS booklet, *Your Guide to Medicare Medical Savings Account Plan*, for more information. They also attended training sessions by the health plans that explained the product along with other Medicare Advantage offerings. The IMO representative mentioned that their organization conducted a number of training sessions for individual health insurance agents.

D.6.2. Selling MSA plans

D.6.2.1. Approaches to selling MSA plans

The participants interviewed outlined their strategy for explaining MSA plans to their clients. Much of their sales pitch focused on the potential cost savings or potential exposure (to include the premium and out-of-pocket expenses) associated with the plan. For example, some agents would compare the potential exposure between the Medicare MSA plan versus a Medigap policy. The IMO representative recommended to agents that they explain to their clients the best case and worst case scenario with Medicare MSAs, understanding that most clients will fall in the

middle. Using a $1,500 deposit and $3,000 deductible as an example, the IMO representative used the following pitch:

> *"The best case scenario is that you don't use the $1,500 and so you have $1,500 [at the end of the year]. The worse case scenario is that you go the hospital and have services that exceed the $3,000 deductible. With the worse case scenario, you pay $1,500. So the worse case scenario is really not that bad."*

Other features of MSA plans that agents highlighted included:

- *Zero premium plan.* Some participants interviewed compared a client's out-of-pocket costs with the premium that the client would pay with a Medigap policy or Medicare Advantage plan. Furthermore, two agents recommend that clients put aside the "premium savings" in another account for future health care needs. One participant who had about 50 clients in MSA plans commented that "very few clients have excess cash in their account" at the end of the year.

- *Accumulation of funds in the account.* Some agents emphasized the potential for the account to grow from funds that were not spent during the year and the annual deposit into the account if the beneficiary re-enrolls in the MSA plan.

- *Flexibility.* One agent highlighted the plan's flexibility in being able to use the MSA funds for a range of health care services, such as dental care or prescription drug co-payments.

- *Similarity to HSAs.* A participant who has clients who have experience with HSAs emphasized the similarity between the HSA and MSA.

D.6.2.2. Barriers to selling MSA plans

Several of the agent participants indicated that most of the clients they recommended the MSA plan to ended up enrolling in the plans. Participants stated that once they explained the details of the plan, answered clients' questions, and demonstrated the potential annual cost savings, clients generally had a positive response to the plans. That said, the agents did identify some barriers to selling MSA plans.

- *Short selling season.* Several of the agents agreed that the short selling season was a barrier to selling the plans. They explained that beneficiaries can only enroll in MSA plans during the Annual Coordinated Election Period, or AEP, which runs for six weeks from November 15th to December 31st every year. Other Medicare Advantage plan types, however, have the Open Enrollment Period, or OEP, which runs from January 1st to March 31st as well as the AEP to enroll in, disenroll from, or change plans. The shortened selling season gives agents less time to inform clients about the plans and help them complete the enrollment process.

- *Lack of coverage for preventive care.* The IMO representative mentioned that insurance agents were concerned that their clients were not able to access preventive care services. This representative encourages independent agents to recommend clients talking to their physicians to ensure that preventive services are being utilized.

- *Client disbelief in receiving deposit.* Several agents mentioned that their clients were "leery" that the Government would deposit funds into an account. They mentioned that after explaining MSA plans some clients commented that receiving these funds is "too good to be true."

D.6.2.3. Prescription drug coverage

Agents tended to have mixed reactions to the lack of drug coverage under the MSA option. Participants in Pennsylvania, Ohio, and Texas indicated that it was an advantage of the plans because it allowed clients to better customize their drug coverage. As one stated:

> *"The agents can say [to their clients], 'There are 66 PDPs available, so you can pick the number one plan for you out of those 66 plans, instead of taking whatever type of drug coverage you get with the health plan."*

Another agent indicated that many of his clients have access to separate health and drug coverage through former employers. Because of the high cost of the health coverage, however, many opt to take only drug coverage. He explained that the MSA plan was an excellent fit for individuals who have retiree drug coverage but not health coverage.

The agents from California and Arizona, however, indicated that the lack of drug coverage was a barrier to selling the plans and named its addition as one of the top three features they would change. The difference on this issue was probably influenced by the types of plans in each area competing for enrollees. Participants favoring the addition of drug coverage tended to reside in areas with relatively high levels of Medicare managed care penetration, mostly through MA-PD plans. While those in areas dominated by Original Medicare preferred separate health and drug coverage.

Generally, agents did not feel that the Medicare MSA would impact the utilization of health care services. One participant felt that it may be a "possible scenario but not a likely scenario" that an MSA client would forego health care services, explaining that it might impact getting minor services, but not major services.

D.6.2.4. Clients most suitable for MSA plans

The agents interviewed provided their opinion of the types of beneficiaries that would be the most appropriate for MSA plans. Several participants felt individuals just entering Medicare who have experience with high deductible plans were most suited to the plans. Several commented that MSA plans are "a logical follow-on" to health savings accounts.

Specifically the participants used the following descriptions for individuals likely to enroll (bolded items reflect those most frequently mentioned):

- About to enroll in Medicare
- Disposable income
- Experience with HSAs
- **Healthy**
- **Savvy**
- **Young**

An agent who has been selling MSA plans since their inception revealed that his thinking on the types of clients most appropriate for Medicare MSAs has evolved. This participant now feels that in addition to being financially savvy, clients should also be able to understand the administration of the plan. For example, they should understand that physicians should only be paid the Medicare allowable amount.

D.6.3. Assisting clients with MSA plan issues

Generally, after enrolling clients in the plans, all the agents actively assisted their clients in resolving administrative issues either with the health plan, MSA custodian, or provider.

Some agents encountered numerous administration issues when the MSA plan was first introduced. There were issues related to a lack of infrastructure to handle the plan's implementation, such as delays in receiving the debit card or checkbook or health plan customer service staff who were not knowledgeable about the plan. In addition, there were errors in claims processing, including enrollees who did not receive Explanation of Benefit (EOB) statements or who received statements that were incorrect. Agents also indicated that there is often a delay between the claim submission and the receipt of the EOB statement.

A few issues were mentioned regarding the bank custodian. There were several reports that the funds were delayed in being deposited into the account. One participant also has warned MSA clients that their bank statements may not reflect the true amount in the account. Oftentimes the bank statements have yet to include uncashed checks. The participant reported that some clients have exceeded their deposit amount and incurred hefty Non-Sufficient Funds (NSF) charges. To ensure that they did not overdraw their account, the agent recommended that his clients keep several hundred dollars in their accounts rather than spend the entire deposit.

Several agents also reported spending a lot of time assisting clients with the administering the Medicare MSA plan. One trains clients in the beginning by reviewing their first claim and providing strategies to organize the paperwork. However, the weight of the MSA administration has one participant reconsidering the value of the Medicare MSA plan:

"I look out for my clients, but I can't spend all these hours fixing things."

Furthermore, this agent felt that the administration issues with MSA plans have unintentionally caused anxiety among some MSA enrollees. He indicated that one purpose of insurance is to reduce anxiety not create it. He noted that other plans, such as Medigap policies, may be more appropriate for these clients since there is less confusion about how much to pay and when and less anxiety about being stuck with a large medical bill.

Some agent participants mentioned that a key concern for their clients was whether their physician accepted MSA plans. In response, agents have had to explain assignment and balance billing to their clients. In some cases, agents have taken on the role of educating physicians (and their billing staff) on the plans or have acted as an advocate for their client in resolving issues associated with balance billing. One participant described a fractured relationship between the patient with MSA plans and their physicians. During the initial deductible period, the physician does not have a guaranteed payment from Medicare because the patient is responsible for paying the bill. Depending on the patient's financial circumstance, the physician may not be paid.

D.6.4. Future of MSA plans

Three of the agents were extremely enthusiastic about the plans, indicating that their clients were very happy with them and that they excited to continue offering them in 2009. The IMO representative was also positive about the plans, although he indicated that they were appropriate for a narrower segment of beneficiaries than he/she had originally thought. The other two agents expressed some hesitation in marketing the MSA plans in the upcoming year due to the greater amount of servicing (e.g., assisting in interpreting the EOBs) that clients need to fully utilize the plan, as well as the amount of anxiety they caused among some of their clients.

At the end of the discussion, interviewers asked participants to suggest improvements to the Medicare MSA plan offering to encourage enrollment:

- *Market the Medicare MSA plan to increase familiarity and understanding of the plan.* Most participants felt that the Federal government should promote MSA plans. One suggestion was to provide more information on the plans in the *Medicare & You* Handbook or market the plan by doing a roadshow. Agents also recommended educating providers and their billing staff on the MSA plans.

- *Cover preventive care.* The IMO representative suggested that co-payments be allowed so that beneficiaries would be encourage to access preventive services.

- *Prorate deductible.* For beneficiaries enrolling in the Medicare MSA in the middle of year, agents recommended that the deductible be prorated since the deposit is being prorated. Several pointed out that prorating the deposit but not the deductible deters a key demographic, those who are aging into Medicare, from enrolling in the MSA plans.

- *Better guaranteed convertibility.* Some participants felt that MSA enrollee should have greater flexibility in being able to return to Original Medicare. Currently, MSA enrollees are provided guaranteed issue rights for only one year.

- *Decrease complexity of the product.* One participant suggested that instead of providing the deposit account, which the member must manage, it should be incorporated into the health plan. For example, the health plan would cover the first $1,000 then the client would be responsible for the next $1,750, and then the plan would cover 100 percent. Plans would thereby avoid all of the issues associated with the accounts, such as delays in getting the deposit and enrollees overdrawing their accounts, and prevent enrollees from using the deposit for non-health expenses.

E. CONCLUSIONS

Based on the findings from the discussions, the research team identified several recurring themes, including cost as the most significant draw to the MSA plans, the essential role of insurance agents/brokers in informing and enrolling beneficiaries in the plans, the impact of the covered benefits on enrollment, and the initial challenges MSA enrollees experienced with their plans. The following outlines the key research findings and suggestions for improving the MSA plans.

E.1. Increasing Interest and Enrollment in MSA Plans

As of April 2008, about 3,500 beneficiaries were enrolled in Medicare MSA plans. During the discussions, participants suggested that ***informing and educating insurance agents/brokers about the MSA plans*** would help to increase interest and enrollment in the MSA plans. Findings from the MSA participant discussions indicated that agents were instrumental in generating interest among their clients and encouraging enrollment in the MSA plans.

MSA participants overwhelmingly cited cost savings as the most significant determinant in their enrollment into an MSA plan. Among the non-MSA participants, the relative cost of the MSA plans compared to other options played a significant role in whether they expressed an interest in the MSA plan. Participants suggested the ***development of materials that helped beneficiaries compare the costs of their current health plans or other plan options with the costs of an MSA plan***. It should be noted that while written materials may prove helpful to beneficiaries, findings from the discussions indicate that participants benefited from an oral explanation of the MSA plans, especially discussions with their insurance agent.

E.2. Increasing Understanding of MSA Plans

The group discussions provided insights regarding participants' understanding of the MSA plans. The following provides areas in which there are opportunities for health plans, agents and brokers, and others to provide additional information to those potentially interested in MSA plans. For those that were not at all familiar with the MSA plan, they struggled the most with the general plan structure, namely the ***interaction between the health plan and the savings account***. With regard to the savings account, the single most commonly asked question centered on the ***origin of the funds for the deposit***.

Both MSA participants and non-MSA participants had several issues in understanding ***the coverage and benefits associated with MSA plan***s. One of the most common was confusion about ***which services count toward the deductible and which services the plan would cover after meeting the deductible***.

For those enrolled in MSA plans, there was often confusion regarding the ***monthly service fees surrounding the savings account***. Some participants were unaware that there were monthly fees deducted from the account while others did not know the amount of the fee.

E.3. Improving the Experiences of MSA Enrollees

Though MSA participants generally rated their plans highly, they provided the following suggestions for improving their experience with the plan.

With respect to the banking relationship, participants identified the need for health plans to ***expedite the process for funding the savings account and ensure that debit cards and checks are promptly provided to the enrollees.***

As noted above, some enrollees expressed their dissatisfaction with the service fees associated with the savings account. They felt that the fees the bank charged made it difficult to determine how much money was left in the account. Several had bounced checks because they did not account for these additional fees. A potential solution is to ***encourage health plans to cover the monthly bank service fees*** or provide information regarding the service fees prior to enrollment.

MSA participants also cited that belonging to an MSA plan resulted in some strain on the relationship with their providers. Some enrollees noted that many providers were unsure of whether or not they could see MSA enrollees. Many participants were concerned that their providers were not being paid on time due to the delay in billing. Most expressed frustration regarding the lack of knowledge their providers had of the MSA plan. Several participants suggested that ***more time be spent educating the providers, or creating a document that could be used to explain the plan to them***.

Participants suggested improvements to the health plan's customer service. Some participants mentioned that the plan's customer service representatives were not familiar with the MSA plans and gave conflicting or inaccurate information when they called. Participants who were satisfied with the health plan's customer service noted that they were ***assigned a personal customer service representative*** who was able to resolve their issues. Others suggested that ***additional training be provided*** to these representatives.

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

7500 Security Boulevard
Baltimore, MD 21244-1850

In January 2007, the Medicare program began offering Medicare Medical Savings Account (MSA) plans to people with Medicare for the first time. According to our records, you are enrolled in the UniCare Save Well Plan, which is one of the Medicare MSA plans.

The Centers for Medicare & Medicaid Services (CMS), the agency that runs the Medicare program, has hired L&M Policy Research, LLC (L&M) to conduct an evaluation of Medicare MSA plans. In September 2008, L&M is holding a group discussion in your area with MSA plan members. During this discussion, we hope to learn more about how members decided to enroll in an MSA plan and about their experiences in the plan. This feedback on these new MSA plans is very important and helps us to make improvements to Medicare programs.

Your participation in the group discussion is completely voluntary. If you decide to participate, all of your comments will be confidential and nothing that you say will affect your Medicare coverage in any way. Those who participate in the group discussion will be compensated for their time.

A researcher from Plaza Research may contact you in the next few weeks to tell you more about the group discussion and to find out if you are interested in participating. Space for the group discussion is limited so we may not call all MSA plan members.

If you would like to let us know that you are interested or if you have any questions, please call 1-877-231-7843 (toll-free). Please leave a message with your name and telephone number. A researcher will call you back within one business day.

If you have questions or concerns about Medicare's evaluation of MSA plans, please call the CMS Government Task Leader, Melissa Montgomery, PhD, at (410) 786-7596.

We appreciate your help.

Sincerely,

Walter Stone

Walter Stone
CMS Privacy Officer

Evaluation of Medicare MSA Plans
Screener: Medicare MSA Enrollees

July 29, 2008

Target Population: Recruit 10 (for 8 to show) Medicare beneficiaries enrolled in a Medicare MSA plan (recruit from provided list)

Recruitment Criteria:

- Recruit individuals who are responsible for making health insurance decisions for their household.
- Exclude individuals who currently work in the health care industry (i.e., for a hospital, nursing home, home health agency, pharmacy, medical office, clinic, health plan, HMO, health insurance company, or pharmaceutical company) or who have an immediate family member that works in the health care industry
- Exclude individuals who are current or former employees of the Social Security Administration or the Department of Health and Human Services or one of its related agencies (such as the Centers for Medicare & Medicaid Services, the Health Care Financing Administration, the Agency for Healthcare Research and Quality, the Centers for Disease Control, the Food and Drug Administration)
- Exclude individuals who have participated in a health or health insurance related IDI or focus group within the past year and/or who have participated in an IDI or focus group within the past 6 months.

Recruitment Mix:

- Recruit approximately 50% female and 50% male
- Recruit a mix of race/ethnicity (Caucasian vs. Non-Caucasian)
- Recruit a mix of education level (less than high school, high school graduate/GED, some college, college graduate, post graduate)
- Recruit a mix of ages

INTRODUCTION:

Hello, my name is _____ from _____, a local research firm here in the _____ area. We are working with L&M Policy Research on a project about health care.

> *If needed:* If recruit asks about L&M Policy Research, please say the following: "L&M Policy Research is a company with headquarters in Washington, D.C that conducts research on many different healthcare issues."

I'm calling today about a project that we are doing about Medicare Medical Savings Account (MSA) plans for the Centers for Medicare & Medicaid Services, the federal government agency that runs Medicare. For this study, we'd like to speak with people who have decided to join an MSA plan to hear about their experiences with the plan. According to information provided by CMS, you are enrolled in the Anthem Blue Cross SmartSaver Plan. If you are interested in helping with the project and you meet its requirements, we will invite you to come for a group discussion on _____. It would take about 2 hours of your time, and we would pay you $150 at the end of the discussion. May I ask you a few questions to see if you qualify to participate? *If yes, continue to #1. If no, thank and end.*

1. **First, I'd like you think about who is most involved in making decisions about your health insurance. When researching health plans and deciding which plan to join, would you say that . . .**

   ____ You are most responsible for selecting a health plan → *Continue*

   ____ You and another person are equally responsible for selecting a health plan → *Continue*

   ____ Someone else is most responsible for selecting a health plan → *Thank and end call*

2. **Are you or an immediate family member currently working in the health care industry?** (e.g., working for a hospital, nursing home, pharmacy, home health agency, medical office, clinic, health plan, HMO, health insurance company, or pharmaceutical company)

   ____ YES → *Thank and end call*

   ____ NO → *Continue*

   ____ NOT SURE → *Thank and end call*

3. **Are you currently or have you ever been employed by the Social Security Administration or the Department of Health and Human Services or one of its related agencies, such as the Centers for Medicare & Medicaid Services, the Health Care Financing Administration, the Agency for Healthcare Research and Quality, the Centers for Disease Control, or the Food and Drug Administration?**

____ YES → *Thank and end call*

____ NO → *Continue*

4. **Have you been paid to participate in an interview, focus group, or other group discussion in the past 6 months?**

____ YES → *Thank and end call*

____ NO → *Continue*

____ NOT SURE → *Thank and end call*

5. **Which category best describes your age?** *{Read list below.} {SEEK MIX}*

____ 64 or younger

____ 65 – 69

____ 70 – 74

____ 75 or older

6. **According to the information provided by CMS, you were enrolled in Anthem Blue Cross SmartSaver Plan. Approximately when did you first enroll in this plan?**

(Write month and year:) _____

7. **Are you still enrolled in this plan?**

____ YES → *Continue, skip to Question 8*

____ NO → *Continue, ask Question 7b below*

____ NOT SURE → *Thank and end call*

7b. When did you leave this plan? (Month and year:) _____

8. **How satisfied are you with the Anthem Blue Cross SmartSaver Plan? Would you say you are . . .**

____ Very satisfied → *Continue*

____ Somewhat satisfied → *Continue*

____ Neither satisfied nor dissatisfied → *Continue*

____ Somewhat dissatisfied → *Continue*

____ Very dissatisfied → *Continue*

9. **Some people who have Medicare also have other types of insurance in addition to Medicare. I am going to read a list of different types of insurance. Please tell me whether each type applies to you.** *{Read each item and check ALL that apply.}* **Do you have:**

____ A separate Medicare prescription drug plan, such as Humana or another drug plan

____ Medical Assistance, also know as MediCal, from the state of California

____ TRICARE, TRICARE for Life, or Veterans/VA benefits

____ Health coverage from your current or former employer

____ Health coverage from your spouse's current or former employer

I have a few more questions about your background. This information will enable us to make sure we have a broad mix of people participating in the interviews. If you feel uncomfortable answering any of these questions, please let me know and we'll go on to the next question.

10. **Gender.** *{Confirm if needed.} {SEEK MIX}*

____ MALE → *Continue*

____ FEMALE → *Continue*

11. **What is the last or highest grade that you finished in school**? *{Do not read options.}*

____ Less than high school degree → *Continue*

____ High school degree or GED→ *Continue*

____ Some college or two year degree → *Continue*

____ College graduate/4-year college degree → *Continue*

____ More than 4-year college degree → *Continue*

12. Are you of Hispanic or Latino origin or descent?

____ Yes, Hispanic or Latino → *Continue*

____ No, not Hispanic or Latino → *Continue*

13. What is your race? Are you… *Read options. {SEEK MIX}*

____ White → *Continue*

____ Black or African American → *Continue*

____ Asian → *Continue*

____ Native Hawaiian or other Pacific Islander → *Continue*

____ Native American or Alaskan Indian or Alaskan Native → *Continue*

____ Other *(Write response:_____)* → *Continue*

14. Please tell me your marital status. Are you . . . *Read options.*

____ Single → *Continue, go to Question 15*

____ Married → *Continue, skip to Question 16*

____ Widowed → *Continue, go to Question 15*

____ Divorced → *Continue, go to Question 15*

15. I am going to read a series of income ranges, please tell me which range applies to your household. Please try to include income from all sources, such as Social Security, pensions, and IRA/401k distributions: *Read options.*

____ Less than $20,000 → *Continue, skip to Question 17*

____ $20,000 to $40,000 → *Continue, skip to Question 17*

____ $40,000 to $60,000 → *Continue, skip to Question 17*

____ $60,000 or more → *Continue, skip to Question 17*

16. I am going to read a series of income ranges, please tell me which range applies to your household. Please try to include income from all sources, such as Social Security, pensions, and IRA/401k distributions: *Read options.*

____ Less than $30,000 → *Continue*

____ $30,000 to $60,000 → *Continue*

____ $60,000 to $90,000 → *Continue*

____ $90,000 or more → *Continue*

17. How would you describe your health? Would you say that it is … *Read options.*

____ Excellent → *Continue*

____ Very good → *Continue*

____ Good → *Continue*

____ Fair → *Continue*

____ Poor → *Continue*

CONTINUE TO INVITATION BELOW

INVITATION:

Thank you for answering all of my questions. We would like to invite you to participate in the study that will take place on _____ at _____ located in _____. The group discussion will last about 2 hours. As a thank you for your participation, you will be paid $150.

Are you willing to participate? Yes____(CONTINUE) No____(THANK/END)

Now, let me just verify the spelling of your name and your address, so we can send you a confirmation letter with directions. (RECORD RESPONDENT'S INFORMATION)

Name:_____Telephone:_____

Email:_____

Address:_____

City, State:_____Zip:_____

[IF EMAIL PROVIDED:] Would you rather receive a reminder by email or regular mail?

☐ Email

☐ Regular mail

You may be asked to read and discuss some materials during the discussion. So if you use reading glasses or assistive hearing devices, please remember to bring them with you.

If you have any questions or find that you can't attend, please call us right away at _____ so that we can find a replacement. Thank you for your time and for agreeing to help.

Evaluation of Medicare MSA Plans
Screener: Medicare FFS Enrollees

July 29, 2008

Target Population: Recruit 10 (for 8 to show) Medicare fee-for-service (FFS) beneficiaries

Recruitment Criteria:

- Recruit individuals who are responsible for making health insurance decisions for their household.
- Recruit individuals who are currently have Medicare Part A and Part B and are enrolled in Original Medicare (fee-for-service)
- Exclude individuals who are have Medicaid, TRICARE, or VA benefits or who have health insurance through a current or former employer.
- Exclude individuals who currently work in the health care industry (i.e., for a hospital, nursing home, home health agency, pharmacy, medical office, clinic, health plan, HMO, health insurance company, or pharmaceutical company) or who have an immediate family member that works in the health care industry
- Exclude individuals who are current or former employees of the Social Security Administration or the Department of Health and Human Services or one of its related agencies (such as the Centers for Medicare & Medicaid Services, the Health Care Financing Administration, the Agency for Healthcare Research and Quality, the Centers for Disease Control, the Food and Drug Administration)
- Exclude individuals who have participated in a health or health insurance related IDI or focus group within the past year and/or who have participated in an IDI or focus group within the past 6 months.

Recruitment Mix:

- Recruit for similar demographics as for the MSA groups

INTRODUCTION:

Hello, my name is _____ from _____, a local research firm here in the _____ area. We are working with L&M Policy Research on a project about health care.

> *If needed:* If recruit asks about L&M Policy Research, please say the following: "L&M Policy Research is a company with headquarters in Washington, D.C that conducts research on many different healthcare issues."

I'm calling today about a project that we are doing about Medicare health plans for the Centers for Medicare & Medicaid Services, the federal government agency that runs Medicare. For this study, we'd like to speak with people about how they decided on their Medicare health insurance options. If you are interested in helping with the project and you meet its requirements, we will invite you to come for a group discussion on _____. It would take about 2 hours of your time, and we would pay you $100 at the end of the discussion. May I ask you a few questions to see if you qualify to participate? *If yes, continue to #1. If no, thank and end.*

1. **First, I'd like you think about who is most involved in making decisions about your health insurance. When researching and deciding on health insurance options, would you say that . . .**

   ____ You are most responsible for making health insurance decisions → *Continue*

   ____ You and another person are equally responsible for making health insurance decisions → *Continue*

   ____ Someone else is most responsible for making health insurance decisions → *Thank and end call*

2. **Are you or an immediate family member currently working in the health care industry?** (e.g., working for a hospital, nursing home, pharmacy, home health agency, medical office, clinic, health plan, HMO, health insurance company, or pharmaceutical company)

   ____ YES → *Thank and end call*

   ____ NO → *Continue*

   ____ NOT SURE → *Thank and end call*

3. **Are you currently or have you ever been employed by the Social Security Administration or the Department of Health and Human Services or one of its related agencies, such as the Centers for Medicare & Medicaid Services, the Health Care Financing Administration, the Agency for Healthcare Research and Quality, the Centers for Disease Control, or the Food and Drug Administration?**

____ YES → *Thank and end call*

____ NO → *Continue*

4. **Have you been paid to participate in an interview, focus group, or other group discussion in the past 6 months?**

____ YES → *Thank and end call*

____ NO → *Continue*

____ NOT SURE → *Thank and end call*

5. **Which category best describes your age?** *{Read list below.} {RECRUIT SIMILAR AGE MIX AS FOR MSA GROUP}*

____ 64 or younger → *Continue, go to Question 5b*

____ 65 – 69 → *Continue, skip to Question 6*

____ 70 – 74 → *Continue, skip to Question 6*

____ 75 or older → *Continue, skip to Question 6*

5.b. Are you eligible for Medicare because of a disability?

____ YES → *Continue*

____ NO → *Thank and end call*

____ NOT SURE → *Thank and end call*

6. **Some people who have Medicare also have other types of insurance in addition to Medicare. I am going to read a list of different types of insurance. Please tell me whether each type applies to you.** *{Read each item and check ALL that apply. Must have Medicare Part A and Part B to continue. May also have a Medigap plan or a prescription drug plan.}* **Do you have:**

____ Health coverage from your current or former employer → *Thank and end call*

____ Health coverage from your spouse's current or former employer→ *Thank and end call*

____ **Medicare Part A and Part B → *Must have to continue***

____ A Medicare HMO or PPO, such as Kaiser, HealthNet Seniority Plus, or another HMO or PPO → *Thank and end call*

____ A Medicare Private Fee-for-Service plan, such as Today's Options, Advantra Freedom, or another Private Fee-for-Service plan → *Thank and end call*

____ A Medigap plan or Medicare supplement plan, such as Blue Cross and Blue Shield or another supplement plan → *Continue*

____ A separate Medicare prescription drug plan, such as Humana or another drug plan → *Continue*

____ Medical Assistance or Medicaid from the state of _____ → *Thank and end call*

____ TRICARE, TRICARE for Life, or Veterans/VA benefits → *Thank and end call*

I have a few more questions about your background. Again, this information will enable us to make sure we have a broad mix of people participating in the interviews. If you feel uncomfortable answering any of these questions, please let me know and we'll go on to the next question.

7. **Gender.** *{Confirm if needed.} {RECRUIT SIMILAR GENDER MIX AS FOR MSA GROUP}*

____ MALE → *Continue*

____ FEMALE → *Continue*

8. **What is the last or highest grade that you finished in school**? *{Do not read options.} {RECRUIT SIMILAR EDUCATION MIX AS FOR MSA GROUP}*

____ Less than high school degree → *Continue*

____ High school degree or GED→ *Continue*

____ Some college or two year degree → *Continue*

____ College graduate/4-year college degree → *Continue*

____ More than 4-year college degree → *Continue*

9. Are you of Hispanic or Latino origin or descent? *{RECRUIT SIMILAR RACE/ETHNICITY MIX AS FOR MSA GROUP}*

____ Yes, Hispanic or Latino → *Continue*

____ No, not Hispanic or Latino → *Continue*

10. What is your race? Are you… *Read options {RECRUIT SIMILAR RACE/ETHNICITY MIX AS FOR MSA GROUP}*

____ White → *Continue*

____ Black or African American → *Continue*

____ Asian → *Continue*

____ Native Hawaiian or other Pacific Islander → *Continue*

____ Native American or Alaskan Indian or Alaskan Native → *Continue*

____ Other *(Write response:_____)* → *Continue*

11. Please tell me your marital status. Are you . . . *Read options.*

____ Single → *Continue, go to Question 12*

____ Married → *Continue, skip to Question 13*

____ Widowed → *Continue, go to Question 12*

____ Divorced → *Continue, go to Question 12*

12. I am going to read a series of income ranges, please tell me which range applies to your household. Please try to include income from all sources, such as Social Security, pensions, and IRA/401k distributions: *Read options. RECRUIT SIMILAR INCOME MIX AS FOR MSA GROUP}*

____ Less than $20,000 → *Continue, skip to Question 14*

____ $20,000 to $40,000 → *Continue, skip to Question 14*

____ $40,000 to $60,000 → *Continue, skip to Question 14*

____ $60,000 or more → *Continue, skip to Question 14*

13. I am going to read a series of income ranges, please tell me which range applies to your household. Please try to include income from all sources, such as Social Security, pensions, and IRA/401k distributions: *Read options. RECRUIT SIMILAR INCOME MIX AS FOR MSA GROUP}*

____ Less than $30,000 → *Continue*

____ $30,000 to $60,000 → *Continue*

____ $60,000 to $90,000 → *Continue*

____ $90,000 or more → *Continue*

14. How would you describe your health? Would you say that it is … *Read options. {RECRUIT SIMILAR HEALTH MIX AS FOR MSA GROUP}*

____ Excellent → *Continue*

____ Very good → *Continue*

____ Good → *Continue*

____ Fair → *Continue*

____ Poor → *Continue*

CONTINUE TO INVITATION BELOW

INVITATION:

Thank you for answering all of my questions. We would like to invite you to participate in the study that will take place on _____ at _____ located in _____. The group discussion will last about 2 hours. As a thank you for your participation, you will be paid $100.

Are you willing to participate? Yes____(CONTINUE) No____(THANK/END)

Now, let me just verify the spelling of your name and your address, so we can send you a confirmation letter with directions. (RECORD RESPONDENT'S INFORMATION)

Name:_____Telephone:_____

Email:_____

Address:_____

City, State:_____Zip:_____

[IF EMAIL PROVIDED:] Would you rather receive a reminder by email or regular mail?

☐ Email

☐ Regular mail

You may be asked to read and discuss some materials during the discussion. So if you use reading glasses or assistive hearing devices, please remember to bring them with you.

If you have any questions or find that you can't attend, please call us right away at _____ so that we can find a replacement. Thank you for your time and for agreeing to help.

Evaluation of Medicare MSA Plans
Screener: Medicare MA (Non-MSA) Enrollees

July 29, 2008

Target Population: Recruit 10 (for 8 to show) Medicare beneficiaries enrolled in a Medicare Advantage plan

Recruitment Criteria:

- Recruit individuals who are responsible for making health insurance decisions for their household.
- Recruit individuals who are currently enrolled in a Medicare HMO, PPO, or Private Fee-for-Service plan.
- Exclude individuals who are have Medicaid, TRICARE, or VA benefits or who have health insurance through a current or former employer.
- Exclude individuals who currently work in the health care industry (i.e., for a hospital, nursing home, home health agency, pharmacy, medical office, clinic, health plan, HMO, health insurance company, or pharmaceutical company) or who have an immediate family member that works in the health care industry
- Exclude individuals who are current or former employees of the Social Security Administration or the Department of Health and Human Services or one of its related agencies (such as the Centers for Medicare & Medicaid Services, the Health Care Financing Administration, the Agency for Healthcare Research and Quality, the Centers for Disease Control, the Food and Drug Administration)
- Exclude individuals who have participated in a health or health insurance related IDI or focus group within the past year and/or who have participated in an IDI or focus group within the past 6 months.

Recruitment Mix:

- Recruit for similar demographics as for the MSA groups

INTRODUCTION:

Hello, my name is _____ from _____, a local research firm here in the _____ area. We are working with L&M Policy Research on a project about health care.

> *If needed:* If recruit asks about L&M Policy Research, please say the following: "L&M Policy Research is a company with headquarters in Washington, D.C that conducts research on many different healthcare issues."

I'm calling today about a project that we are doing about Medicare health plans for the Centers for Medicare & Medicaid Services, the federal government agency that runs Medicare. For this study, we'd like to speak with people about how they decided to join their health plan and about their experiences with the plan. If you are interested in helping with the project and you meet its requirements, we will invite you to come for a group discussion on _____. It would take about 2 hours of your time, and we would pay you $100 at the end of the discussion. May I ask you a few questions to see if you qualify to participate? *If yes, continue to #1. If no, thank and end.*

1. **First, I'd like you think about who is most involved in making decisions about your health insurance. When researching health plans and deciding which plan to join, would you say that . . .**

   ____ You are most responsible for selecting a health plan → *Continue*

   ____ You and another person are equally responsible for selecting a health plan → *Continue*

   ____ Someone else is most responsible for selecting a health plan → *Thank and end call*

2. **Are you or an immediate family member currently working in the health care industry?** (e.g., working for a hospital, nursing home, pharmacy, home health agency, medical office, clinic, health plan, HMO, health insurance company, or pharmaceutical company)

   ____ YES → *Thank and end call*

   ____ NO → *Continue*

   ____ NOT SURE → *Thank and end call*

3. **Are you currently or have you ever been employed by the Social Security Administration or the Department of Health and Human Services or one of its related agencies, such as the Centers for Medicare & Medicaid Services, the Health Care Financing Administration, the Agency for Healthcare Research and Quality, the Centers for Disease Control, or the Food and Drug Administration?**

____ YES → *Thank and end call*

____ NO → *Continue*

4. **Have you been paid to participate in an interview, focus group, or other group discussion in the past 6 months?**

____ YES → *Thank and end call*

____ NO → *Continue*

____ NOT SURE → *Thank and end call*

5. **Which category best describes your age?** *{Read list below.} {RECRUIT SIMILAR AGE MIX AS FOR MSA GROUP}*

____ 64 or younger → *Continue, go to Question 5b*

____ 65 – 69 → *Continue, skip to Question 6*

____ 70 – 74 → *Continue, skip to Question 6*

____ 75 or older → *Continue, skip to Question 6*

5.b. Are you eligible for Medicare because of a disability?

____ YES → *Continue*

____ NO → *Thank and end call*

____ NOT SURE → *Thank and end call*

6. **Some people who have Medicare also have other types of insurance in addition to Medicare. I am going to read a list of different types of insurance. Please tell me whether each type applies to you.** *{Read each item and check ALL that apply. Must have either an HMO/PPO or Private FFS plan to qualify.}* **Do you have:**

____ Health coverage from your current or former employer → *Thank and end call*

____ Health coverage from your spouse's current or former employer→ *Thank and end call*

____ Medicare Part A and Part B → *Continue*

____ A Medicare HMO or PPO, such as Kaiser, HealthNet Seniority Plus, or another HMO or PPO → *Must have this or PFFS to continue*

____ A Medicare Private Fee-for-Service plan, such as Today's Options, Advantra Freedom, or another Private Fee-for-Service plan → *Must have this or HMO/PPO to continue*

____ A Medigap plan or Medicare supplement plan, such as Blue Cross and Blue Shield or another supplement plan → *Thank and end call*

____ A separate Medicare prescription drug plan, such as Humana or another drug plan → *Continue*

____ Medical Assistance, also known as MediCal, from the state of California → *Thank and end call*

____ TRICARE, TRICARE for Life, or Veterans/VA benefits → *Thank and end call*

7. **You indicated that you have a Medicare HMO, PPO, or Private Fee-for-Service plan. What is the name of the plan on your membership card?**

_____

I have a few more questions about your background. Again, this information will enable us to make sure we have a broad mix of people participating in the interviews. If you feel uncomfortable answering any of these questions, please let me know and we'll go on to the next question.

8. **Gender.** *{Confirm if needed.} {RECRUIT SIMILAR GENDER MIX AS FOR MSA GROUP}*

____ MALE → *Continue*

____ FEMALE → *Continue*

9. **What is the last or highest grade that you finished in school**? *{Do not read options.} {RECRUIT SIMILAR EDUCATION MIX AS FOR MSA GROUP}*

____ Less than high school degree → *Continue*

____ High school degree or GED → *Continue*

____ Some college or two year degree → *Continue*

____ College graduate/4-year college degree → *Continue*

____ More than 4-year college degree → *Continue*

10. **Are you of Hispanic or Latino origin or descent?** *{RECRUIT SIMILAR RACE/ETHNICITY MIX AS FOR MSA GROUP}*

____ Yes, Hispanic or Latino → *Continue*

____ No, not Hispanic or Latino → *Continue*

11. **What is your race? Are you…** *Read options {RECRUIT SIMILAR RACE/ETHNICITY MIX AS FOR MSA GROUP}*

____ White → *Continue*

____ Black or African American → *Continue*

____ Asian → *Continue*

____ Native Hawaiian or other Pacific Islander → *Continue*

____ Native American or Alaskan Indian or Alaskan Native → *Continue*

____ Other *(Write response:_____)* → *Continue*

12. **Please tell me your marital status. Are you . . .** *Read options*.

____ Single → *Continue, go to Question 13*

____ Married → *Continue, skip to Question 14*

____ Widowed → *Continue, go to Question 13*

____ Divorced → *Continue, go to Question 13*

13. **I am going to read a series of income ranges, please tell me which range applies to your household. Please try to include income from all sources, such as Social Security, pensions, and IRA/401k distributions:** *Read options. RECRUIT SIMILAR INCOME MIX AS FOR MSA GROUP}*

    ____ Less than $20,000 → *Continue, skip to Question 15*

    ____ $20,000 to $40,000 → *Continue, skip to Question 15*

    ____ $40,000 to $60,000 → *Continue, skip to Question 15*

    ____ $60,000 or more → *Continue, skip to Question 15*

14. **I am going to read a series of income ranges, please tell me which range applies to your household. Please try to include income from all sources, such as Social Security, pensions, and IRA/401k distributions:** *Read options. RECRUIT SIMILAR INCOME MIX AS FOR MSA GROUP}*

    ____ Less than $30,000 → *Continue*

    ____ $30,000 to $60,000 → *Continue*

    ____ $60,000 to $90,000 → *Continue*

    ____ $90,000 or more → *Continue*

15. **How would you describe your health? Would you say that it is …** *Read options. {RECRUIT SIMILAR HEALTH MIX AS FOR MSA GROUP}*

    ____ Excellent → *Continue*

    ____ Very good → *Continue*

    ____ Good → *Continue*

    ____ Fair → *Continue*

    ____ Poor → *Continue*

CONTINUE TO INVITATION BELOW

INVITATION:

Thank you for answering all of my questions. We would like to invite you to participate in the study that will take place on _____ at _____ located in _____. The group discussion will last about 2 hours. As a thank you for your participation, you will be paid $100.

Are you willing to participate? Yes____(CONTINUE) No____(THANK/END)

Now, let me just verify the spelling of your name and your address, so we can send you a confirmation letter with directions. (RECORD RESPONDENT'S INFORMATION)

Name:_____Telephone:_____

Email:_____

Address:_____

City, State:_____Zip:_____

[IF EMAIL PROVIDED:] Would you rather receive a reminder by email or regular mail?

☐ Email

☐ Regular mail

You may be asked to read and discuss some materials during the discussion. So if you use reading glasses or assistive hearing devices, please remember to bring them with you.

If you have any questions or find that you can't attend, please call us right away at _____ so that we can find a replacement. Thank you for your time and for agreeing to help.

Evaluation of Medicare MSA Plans
Screener: Physicians

July 29, 2008

Target Population: Recruit 8 primary care physicians.

Recruitment Criteria:

- Recruit physicians who practice primary care medicine (internal or family medicine, family practice, geriatrics).
- Recruit physicians who have been practicing medicine for at least one year.
- Recruit physicians who see/treat predominantly older adult patients (at least 50% of patient mix will be adults age 65 and older)
- Exclude physicians who are current or former employees of the Social Security Administration Department of Health and Human Services or one of its related agencies (such as the Centers for Medicare & Medicaid Services, the Agency for Healthcare Research and Quality, the Centers for Disease Control, the Food and Drug Administration).

INTRODUCTION:

Hello, my name is _____ from _____, a local research firm here in the _____ area. We are working with L&M Policy Research on a project about health care.

> *If needed:* If recruit asks about L&M Policy Research, please say the following: "L&M Policy Research is a company with headquarters in Washington, D.C that conducts research on many different healthcare issues."

I'm calling today about an evaluation that we are doing on Medical Savings Account (MSA) plans for the Centers for Medicare & Medicaid Services. This health insurance plan combines both a personal savings account and a high-deductible health insurance policy. Part of the study includes talking with physicians about their patients who may have the MSA plan, about their experiences with these plans, and any challenges they may foresee treating patients with these plans.

I'm calling to find out if you would be available to share your experiences and thoughts on the MSA plans. A small group interview will be held in _____ on _____. The discussion will be informal and confidential. It would take about 1.5 hours of your time and we would pay you $250 at the end of the discussion. May I ask you a few questions to see if you qualify to participate? *If yes, continue to #1. If no, thank and end.*

1. **What type of medicine do you practice?**

   ____ Primary Care, Internal or Family Medicine, General Practice, General Preventative Medicine → *Continue*

   ____ Other → *Thank and end call*

2. **Are at least 50% of the patients you treat adult patients age 65 and older?**

   ____ YES → *Continue*

   ____ NO → *Thank and end call*

3. **Have you been practicing for at least one year?**

   ____ YES → *Continue*

   ____ NO → *Thank and end call*

4. **Are you currently or have you ever been employed by the Social Security Administration or the Department of Health and Human Services or one of its related agencies, such as the Centers for Medicare & Medicaid Services, the Agency for Healthcare Research and Quality, the Centers for Disease Control, or the Food and Drug Administration?**

   ____ YES → *Thank and end call*

   ____ NO → *Continue*

5. **Do you know if any patients you treat are enrolled in Medical Savings Account or Health Savings Account health plans?**

   ____ YES → *Continue*

   ____ NO → *Continue*

CONTINUE TO INVITATION BELOW

INVITATION:

Thank you for answering all of my questions. We would like to invite you to participate in the study that will take place on _____ at _____ located in _____. The discussion will last about 90 minutes. As a thank you for your participation, you will be paid $250.

Are you willing to participate? Yes____(CONTINUE) No____(THANK/END)

Now, let me just verify the spelling of your name and your address, so we can send you a confirmation letter with directions. (RECORD RESPONDENT'S INFORMATION)

Name:_____Telephone:_____

Email:_____

Address:_____

City, State:_____Zip:_____

[IF EMAIL PROVIDED:] Would you rather receive a reminder by email or regular mail?

☐ Email

☐ Regular mail

You may be asked to read and discuss some materials during the discussion. So if you use reading glasses or assistive hearing devices, please remember to bring them with you.

If you have any questions or find that you can't attend, please call us right away at _____ so that we can find a replacement. Thank you for your time and for agreeing to help.

Evaluation of Medicare MSA Plans
Screener: Volunteer SHIP Counselors

July 29, 2008

Target Population: Recruit 2 volunteer SHIP counselors for a dyad

Recruitment Criteria:

- Recruit State Health Insurance Assistance Program volunteers who work directly with Medicare beneficiaries and/or their families.
- Recruit staff who have been working in the SHIP program for at least one year.
- Exclude staff who are current or former employees of the Social Security Administration Department of Health and Human Services or one of its related agencies (such as the Centers for Medicare & Medicaid Services, the Agency for Healthcare Research and Quality, the Centers for Disease Control, the Food and Drug Administration).

INTRODUCTION:

Hello, my name is _____ from _____, a local research firm here in the _____ area. We are working with L&M Policy Research on a project about health care.

> *If needed:* If recruit asks about L&M Policy Research, please say the following: "L&M Policy Research is a company with headquarters in Washington, D.C that conducts research on many different healthcare issues."

I'm calling today about an evaluation that we are doing on Medical Savings Account (MSA) plans for the Centers for Medicare & Medicaid Services. This health insurance plan combines both a personal savings account and a high-deductible health insurance policy. Part of the study includes talking with SHIP volunteers and program staff on their experiences assisting Medicare beneficiaries and their families or other SHIP staff with these plans.

I'm calling to find out if you would be available to share your experiences and thoughts on the MSA plans. A small group interview will be held in _____ on _____. The discussion will be informal and confidential. It would take about 1.5 hours of your time and we would pay you $75 at the end of the discussion. May I ask you a few questions to see if you qualify to participate? *If yes, continue to #1. If no, thank and end.*

1. **Do you work for your State's State Health Insurance Assistance Program?**

   ____Yes → *Continue*

   ____ No → *Thank and end call*

2. **Are you a paid employee of this program?**

   ____ YES → *Thank and end call*

   ____ NO → *Continue*

3. **Have you been working in the SHIP program for at least one year?**

   ____ YES → *Continue*

   ____ NO → *Thank and end call*

4. **How many hours per month do you volunteer for the SHIP program?**

   ____ 3 hours or fewer per month → *Thank and end call*

   ____ 4 hours or more per month → *Continue*

5. **Do you provide insurance counseling assistance directly to Medicare beneficiaries and/or their families?**

   ____ YES → *Continue*

   ____ NO → *Thank and end call*

6. **Are you currently or have you ever been employed by the Social Security Administration or the Department of Health and Human Services or one of its related agencies, such as the Centers for Medicare & Medicaid Services, the Health Care Financing Administration, the Agency for Healthcare Research and Quality, the Centers for Disease Control, or the Food and Drug Administration?**

   ____ YES → *Thank and end call*

   ____ NO → *Continue*

CONTINUE TO INVITATION BELOW

INVITATION:

Thank you for answering all of my questions. We would like to invite you to participate in the study that will take place on _____ at _____ located in _____. The discussion will last about 90 minutes. As a thank you for your participation, you will be paid $75.

Are you willing to participate? Yes____(CONTINUE) No____(THANK/END)

Now, let me just verify the spelling of your name and your address, so we can send you a confirmation letter with directions. (RECORD RESPONDENT'S INFORMATION)

Name:_____Telephone:_____

Email:_____

Address:_____

City, State:_____Zip:_____

[IF EMAIL PROVIDED:] Would you rather receive a reminder by email or regular mail?

☐ Email

☐ Regular mail

You may be asked to read and discuss some materials during the discussion. So if you use reading glasses or assistive hearing devices, please remember to bring them with you.

If you have any questions or find that you can't attend, please call us right away at _____ so that we can find a replacement. Thank you for your time and for agreeing to help.

Evaluation of Medicare MSA Plans
Screener: SHIP Program Staff

July 29, 2008

Target Population: Recruit 2 paid SHIP staff for a dyad

Recruitment Criteria:

- Recruit State Health Insurance Assistance Program staff who are paid employees of the SHIP program.
- Recruit staff who train and/or coordinate the activities of the SHIP volunteers.
- Recruit staff who have been working in the SHIP program for at least one year.

INTRODUCTION:

Hello, my name is _____ from _____, a local research firm here in the _____ area. We are working with L&M Policy Research on a project about health care.

> *If needed:* If recruit asks about L&M Policy Research, please say the following: "L&M Policy Research is a company with headquarters in Washington, D.C that conducts research on many different healthcare issues."

I'm calling today about an evaluation that we are doing on Medical Savings Account (MSA) plans for the Centers for Medicare & Medicaid Services. This health insurance plan combines both a personal savings account and a high-deductible health insurance policy. Part of the study includes talking with SHIP program staff on their experiences assisting Medicare beneficiaries and their families or other SHIP staff with these plans.

I'm calling to find out if you would be available to share your experiences and thoughts on the MSA plans. A small group interview will be held in _____ on _____. The discussion will be informal and confidential. It would take about 1.5 hours of your time and we would pay you $75 at the end of the discussion. May I ask you a few questions to see if you qualify to participate? *If yes, continue to #1. If no, thank and end.*

1. **Do you work for your State's State Health Insurance Assistance Program or a local SHIP office?**

   ____Yes → *Continue*

   ____ No → *Thank and end call*

2. **Are you a paid employee of this program?**

   ____ YES → *Continue*

   ____ NO → *Thank and end call*

3. **What is your position?**

   Please specify: _____ → *Continue*

4. **Do you train and/or coordinate the activities of SHIP volunteers?**

   ____ YES → *Continue*

   ____ NO → *Thank and end call*

5. Have you been working in the SHIP program for at least one year?

____ YES → *Continue*

____ NO → *Thank and end call*

CONTINUE TO INVITATION BELOW

INVITATION:

Thank you for answering all of my questions. We would like to invite you to participate in the study that will take place on _____ at _____ located in _____. The discussion will last about 90 minutes. As a thank you for your participation, you will be paid $75.

Are you willing to participate? Yes____(CONTINUE) No____(THANK/END)

Now, let me just verify the spelling of your name and your address, so we can send you a confirmation letter with directions. (RECORD RESPONDENT'S INFORMATION)

Name:_____Telephone:_____

Email:_____

Address:_____

City, State:_____Zip:_____

[IF EMAIL PROVIDED:] Would you rather receive a reminder by email or regular mail?

☐ Email

☐ Regular mail

You may be asked to read and discuss some materials during the discussion. So if you use reading glasses or assistive hearing devices, please remember to bring them with you.

If you have any questions or find that you can't attend, please call us right away at _____ so that we can find a replacement. Thank you for your time and for agreeing to help.

Evaluation of Medicare Medical Savings Account Plans:
Project Description and Interview Information

In January 2007, the Medicare program began offering Medicare Medical Savings Account (MSA) plans to people with Medicare for the first time. In order to learn more about these new offerings and early experiences with the plans, the Centers for Medicare & Medicaid Services (CMS), the agency that runs the Medicare program, has contracted with L&M Policy Research, LLC (L&M) to conduct an evaluation of the Medicare MSA program.

In previous phases of the evaluation, L&M completed case studies of Medicare Advantage organizations offering the MSA plans and consumer research with Medicare beneficiaries enrolled in the MSA plans. We are currently conducting research with "information intermediaries," including insurance agents/brokers, primary care physicians, and State Health Insurance Assistance Program (SHIP) counselors and staff. The aim of the current phase of the research is to gather information from individuals who explain the plans to Medicare beneficiaries, help them to enroll in the plans, and/or assist them in using the plan or addressing problems with the plans.

L&M is currently arranging a telephone discussion with insurance agents/brokers located through the country to discuss the Medicare MSA plans. The discussion will focus on questions, such as:

- How did you learn about the MSA plan offering? What, if any, training did you receive from the health plan?
- How do you explain the plan and savings account to Medicare beneficiaries? What questions do you often hear from beneficiaries considering these plans?
- What have been your clients' early experiences with the plans? What, if any, issues have you helped them try to resolve?
- What types of individuals are appropriate for these types of plans?
- What would suggest changing about the plans?

The discussion is scheduled for Thursday, September 25, 2008 from 10:00 AM to 11:00 AM PT (1:00 PM to 2:00 PM ET). Participants can access the discussion by calling 1.800.391.1709 and using passcode 459089.

We appreciate your interest and willingness to assist with CMS's evaluation by participating in the discussion. Please note that your participation is completely voluntary and all of your comments will be kept anonymous. If you have any questions or concerns, or if you cannot participate, please contact Kelly Moriarty at 310.428.7953. You can also contact our CMS Government Task Leader, Melissa Montgomery, PhD at 410.786.7596, should you have questions regarding the evaluation.

CMS Evaluation of MSA Plans Under the Medicare Program

DRAFT Focus Group Moderator's Protocol: MSA Medicare Beneficiaries

Research Locations: Sonoma, CA; Cincinnati, OH; Lancaster, PA; Phoenix, AZ

August – September 2008

Materials checklist

Verify audio and video recording equipment
Laptop for note-taking
Moderator clock
Pens and notepads in each testing room
Informed consent forms
Moderator guide and initial written exercise
Flip chart, easel and markers

Procedures for obtaining informed consent

As focus group respondents arrive, greeter should have them read and sign the informed consent form (if not enough time, focus group moderator should do this prior to starting). Give each person an unsigned copy of the form to keep.

RESEARCH GOALS

The focus group will focus on the following issues:

- *Why beneficiaries made the decision to enroll in the MSA plan:* What type of plan were beneficiaries enrolled in prior to joining their MSA plan? What features attracted them? What was the enrollment experience like?

- *Beneficiaries experiences with their plan:* How does the MSA operate? What, if any, issues did beneficiaries have initially with their plans? Have beneficiaries changed health behavior as a result of enrolling in an MSA?

- *Determine overall satisfaction with MSA plan:* What are the advantages/disadvantages of the MSA? Will they remain enrolled in an MSA plan?

TIMELINE FOR INTERVIEWS (2 HOURS TOTAL)

Topic	Time in minutes
Welcome and overview	5
Warm-up	10
SECTION 1: Initial Assessment of Current Plan (written exercise)	10
SECTION 2: Discussion of Enrollment Process	20
SECTION 3: Discussion of Plan Experiences	30
SECTION 4: Pros and Cons of MSA Plans (written exercise followed by group discussion)	15
SECTION 5: Discussion of Ways to Improve Plans	10
SECTION 6: Discussion of Plans for Future Enrollment	10
Closing	5
TOTAL TIME	1 hour 55 minutes

WELCOME AND OVERVIEW

Welcome

- Thank you for agreeing to participate in today's focus group.
- My name is {NAME} and I'll be talking with you today.
- I work for a company called L&M Policy Research/American Institutes for Research. My company conducts research on various health related topics. (If notetaker is in focus group room:) I'd also like to introduce {NAME} who also works for L&M/AIR and is here to take notes.

Background

- Our discussion today is part of a project sponsored by the Centers for Medicare & Medicare Services, which is part of the U.S. Department of Health and Human Services and is the agency that runs the Medicare program.
- We are conducting an evaluation of Medicare Medical Savings Account plans, also called MSA plans, for CMS. MSA plans are a type of Medicare Advantage plan that combines a high-deductible health plan with a medical savings account. Enrollees of Medicare MSA plans can initially use their savings account to help pay for health care, and then will have coverage through a high-deductible insurance plan once they reach their deductible. For Medicare beneficiaries, the MSA deposit can be used for any health care expense, but only Medicare Part A and Part B count towards the deductible. Additionally, MSA packages must cover all of the Part A and B services.
- Today, we're going to be talking with you about your Medicare MSA plan. Specifically, we'll discuss your decision to join an MSA plan and hear about your experiences with the plan. Since these plans are fairly new, Medicare is interested in learning more from the people who are enrolled in them. The information you provide to us today is very important to CMS.

Ground rules

I'd like to begin by setting some ground rules for this session.

- As you may have noticed, this session is being videotaped. The tapes will be used for analysis only and possibly shared with other team members.
- Everything said here is considered confidential. To help insure confidentiality, we will only be using your first names. And nothing that you say will affect your Medicare coverage in any way.

- Please set your pagers and cell phones to "vibrate."

- Because we're recording, please try to speak in a voice at least as loud as the one I'm using now and please don't have any side conversations. This helps us make sure that the tape is picking up the discussion.

- We'll need to move along – we have a lot to talk about and want to hear from everyone. There won't be enough time for full discussions of every topic. So please understand that when I ask that we move to a new topic or speaker, I don't mean to be rude.

Finally, a couple of housekeeping issues:

- Our discussion will last for about 2 hours. To maximize discussion time, there will be no formal breaks.

- If you need a quick break, the restrooms are ____.

Does anybody have any questions about ground rules or logistics for this session?

WARM-UP

Introductions

- Just to get acquainted, let me tell you a bit about myself.
- Now, let's learn a little bit about you all. I will ask that you tell me your first name only and then tell about your favorite thing about [CITY.]

SECTION 1: INITIAL ASSESSMENT OF CURRENT PLAN (WRITTEN EXERCISE)

Let me tell you a little bit more about what we'll be focusing on today. As I mentioned, you were selected to participate in our group discussion today because you are enrolled in a Medicare Medical Savings Account. We want to learn about your experience with your plan. So, first, I'm going to ask you to take some time and write some comments about your plan.

{Give written exercise to participants.}

SECTION 2: DISCUSSION OF ENROLLMENT PROCESS

Now, let's talk a bit about your MSA plan and how you selected it.

- Before I ask you about your MSA, tell me if you have heard about health savings accounts or HSAs. Did anyone have an HSA? What was your experience like with HSAs?

- Let's talk about your MSA now. How did you learn about this type of health plan? What was your initial reaction to the plan? What type of plan did you have before you joined an MSA? How did you initially think the MSA plan measured up against this plan?

    - PROBE: (If used broker or insurance agent): What features of the MSA did your broker or agent highlight? How much time did the broker/agent spend with you explaining MSAs?

- Tell me about your process for selecting the plan.

    - PROBE: Before enrolling, did you make comparisons to other health plans? What things did you compare? Where did you get the information that you used to compare plans?

    - PROBE: How important was the amount of the deductible to your decision? What about the deposit into the account?

- What attracted to you enroll in an MSA plan? How did you make the decision to enroll?

    - PROBE: How important is coverage for prescription drugs to you? Did this play a role in your decision to enroll in an MSA? What type of prescription drug coverage, if any, do you have?

- When you decided to enroll, what type of information was provided to you? Was it helpful? Why or why not?

- Did you feel confident that you understood the details of the plan? If not, what was unclear? What, if anything, did you wish you knew about your MSA plan before enrolling?

- If you had questions during the enrollment process, where did you go for answers?

SECTION 3: INITIAL EXPERIENCES WITH PLAN

- I'd like you to think back to when you first joined the plan. Was the plan what you expected? If not, how was it different?

- What, if any, difficulties did you experience initially with the plan? How were these resolved?

    - PROBE: For example, were there any issues receiving membership materials? Setting up the account? Using the account funds? Finding a doctor who would accept the plan? Submitting claims?

- Now, I would like for you to think about your more recent experiences with your MSA. Tell me a little bit about what that has been like. Positive? Negative?

- Let's talk a little about managing your plan. Do you know how much you currently have in your medical savings account? Do you know how close you are to meeting your deductible for the year?

- For what type of health services or other expenses have you used the account?

    - PROBE: What have you done in terms of obtaining preventive services such as mammograms or other health screenings?

- How, if at all, do you keep track of your medical expenses? How easy or difficult is this? Would you say you spend more time, less time, or the same amount of time tracking your expenses as you did before you joined an MSA plan? Why?

- PROBE: How have you kept track if the service or expense is qualified health expense or not?

- Do you think that joining the MSA plan has changed the way you research or use health care services at all? If so, in what way? Why has it had that effect?

    - PROBE: Do you use more or less services? Research costs more? Discuss treatment options with physician?

SECTION 4: PROS and CONS (WRITTEN EXERCISE AND DISCUSSION)

Now I'd like to have you work together in pairs. I'd like you to work with your partner to write a list of the pros and cons of your MSA plan.

{Have participants pair off and allow participants approximately 5 minutes to write a list of pros and cons.}

Let's discuss some of the things that you wrote and I'll write them up here on the chart.

- What are some of the advantages of an MSA plan?

- What are some of the disadvantages?

- Looking at this list, which are the most important pros? The most important cons? Why?

SECTION 5: MSA PLAN CHANGES

Now I'd like to talk about how MSA plans could be improved.

- What, if anything, would you change about MSA plans? About the enrollment process?

- Some people would like to require MSA plans to provide more information to their members, such as information about the costs of different treatment options or ratings of the physicians who participate in the plan. What do you think of this idea? How, if at all, would you use this kind of information?

SECTION 6: OVERALL SATISFACTION

- Overall how satisfied would you say you are with your plan?

- In general, what has satisfied you the most about your MSA plan? What, if anything, has dissatisfied you?

- Will you remain enrolled in your current MSA plan or would you choose another health plan option if you had the choice? Why?

CLOSING

Before we end, I'd like to give you chance to share any additional thoughts or comments about Medicare and your current MSA plan. Is there anything else you would like to add that you didn't have a chance to say during our discussion today, or something that we didn't talk about that you wish we had?

Thank you very much for participating in this discussion today. We appreciate your time.

First Name _____

1. **What is the name of your MSA plan?**

2. **What two factors are most important to you when deciding which health plan to join?**

   1.

   2.

3. **If a friend asked you how your MSA plan worked, how would you explain the plan?**

4. **How satisfied are you with your MSA plan? Please circle:**

1	2	3	4	5
(Very Dissatisfied)				(Very Satisfied)

5. **Why did you give your plan this rating?**

CMS Evaluation of MSA Plans Under the Medicare Program

DRAFT Focus Group Moderator's Protocol: Non-MSA Medicare Beneficiaries

Research Locations:
Medicare Advantage: Sonoma, CA and Phoenix, AZ
Fee-for-Service: Cincinnati, OH and Lancaster, PA

August – September 2008

Testing materials checklist

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Informed consent forms
Protocol and initial written exercise
Flip chart, easel and markers

Procedures for obtaining informed consent

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RESEARCH GOALS

The focus group(s) will focus on the following issues:

- *Why beneficiaries made the decision to enroll in their plan:* What features of their Original Medicare/Medigap/MA plan are most attractive? How was the enrollment experience?

- *Beneficiaries' understanding of MSA plans:* How does an MSA differ from a non-MSA MA plan or FFS? What questions do they have about the plans? What are the advantages/disadvantages of the MSA?

- *Determine likelihood of future MSA enrollment:* Will beneficiaries currently enrolled in a MA or FFS Medicare choose to enroll in a MSA plan in the future? Why? What barriers, if any, are there to enrollment?

TIMELINE FOR INTERVIEWS (2 HOURS TOTAL)

Topic	Time in minutes
Welcome and overview	5
Warm-up	10
SECTION 1: Initial Assessment of Current Plan (written exercise)	10
SECTION 2: Discussion of Current Plan and Enrollment Process	20
SECTION 3: Discussion of How MSA Plans Work	25
SECTION 4: Comparison of MSA plan with MA and Medigap plans	15
SECTION 5: Discussion of Advantages and Disadvantages of MSA Plans (written exercise and group discussion)	15
SECTION 6: Likelihood of Future Enrollment in an MSA Plan	10
Closing	5
TOTAL TIME	1 hour 55 minutes

WELCOME AND OVERVIEW

Welcome

- Thank you for agreeing to participate in today's focus group.
- My name is {NAME} and I'll be talking with you today.
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- Today, we're going to be talking with you about your health plan choices and about your current plan. We are also going to discuss these Medicare MSA plans. The information you provide to us today is very important to CMS.

Ground rules

I'd like to begin by setting some ground rules for this session.

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- Everything said here is considered confidential. To help insure confidentiality, we will only be using your first names. And nothing that you say will affect your Medicare coverage in any way.
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- If you need a quick break, the restrooms are ____.

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WARM-UP

Introductions

- Just to get acquainted, let me tell you a bit about myself.
- Now, let's learn a little bit about you all. I will ask that you tell me your first name only and then tell about your favorite thing about [CITY.]

SECTION 1: INITIAL ASSESSMENT OF CURRENT PLAN

Let me tell you a little bit more about what we'll be focusing on today. As I mentioned, we are going to be talking about some of the options you have for your Medicare coverage and about the plan that you have selected. First, I'd like to learn a little about your experience with your plan. So, first, I'd like you take about 10 minutes and write some comments about your plan.

{Give written exercise to participants.}

SECTION 2: DISCUSSION OF CURRENT PLAN and ENROLLMENT PROCESS

Now, let's talk a bit about your Medicare plan and how you selected it.

- Tell me a bit about your current Medicare coverage (Original Medicare, MA, Medigap, other insurance coverage). How long have you had this coverage?

- How did you learn about this type of health plan?

    - PROBE: (If used broker or insurance agent): What features of the MSA did your broker or agent highlight? How much time did the broker/agent spend with you explaining MSAs?

- Tell me about your process for selecting the plan.

    - PROBE: Before enrolling, did you make comparisons to other health plans? What things did you compare? Where did you get the information that you used to compare plans?

- What attracted to you enroll in your plan? How did you make the decision to enroll?

- When you decided to enroll, what type of information was provided to you? Was it helpful? Why or why not?

- Did you feel confident that you understood the details of your plan? If not, what was unclear? What, if anything, did you wish you knew about your plan before enrolling?

- If you had questions during the enrollment process, where did you go for answers?

- Now, I would like for you to think about your more recent experiences with your plan. Tell me a little bit about what that has been like. Positive? Negative?

- Will you remain enrolled in your current plan or would you choose another health plan option if you had the choice? Why?

SECTION 3: DISCUSSION OF HOW MSA PLANS WORK

As I mentioned earlier, I'd like to discuss a specific kind of Medicare plan, called a Medicare Medical Savings Account or Medicare MSA plan.

- Have you ever heard of a Medicare MSA plan?

    - PROBE (IF YES): What have you heard? Where did you hear about them? Did you ever consider joining one of these plans? Why or why not?

- Have you ever heard of health savings accounts? High deductible health plans?

- I'd like to give you some information about what these plans are and how they work.

{Hand out MSA fact sheet and give participants some time to read it over.}

- So what do you think of these MSA plans?

    - PROBE: What do you consider attractive about these plans? Unattractive?

- Based on what you know so far, would you be interested in learning more about these plans? Do you think you would join one of them? Why or why not?

- Tell me how these plans work.

    - PROBE: How are they different from other types of other health plans available for people with Medicare? What are the two parts and how do they work together?

- What questions do you have these plans?

    - ***{Moderator should allow participants to share all of their questions first. If participants do not specifically mention these topics, ask:}*** What about

preventive benefits, like mammograms – do have questions about whether those are covered? Other services like dental or vision benefits? Any questions about managing the plan – such as how the claims work? How expenses are tracked?

- Where would go to answer these questions?

{Moderator should answer participants' questions about the plans.}

- Does the additional information I have given you change how you feel about the plans? Why or why not?

- Based on what you know now, do you think you would want to learn more? Do you think you would join one of them?

SECTION 4: COMPARISON OF MSA PLAN VERSUS MA and MEDIGAP

Let's spend some time comparing these MSA plans to the type of plan you have now.

- If you were going to compare an MSA plan to another Medicare plan what types of things would you look at?

- How important would you say cost is when you are comparing plans? What, if any, other factors do you consider? How important are these factors compared to cost when you are selecting a plan?

- So let's look at the cost of an MSA plan compared to two other types of Medicare health plans – an Medicare Advantage plan, such as a PFFS or HMO, and a Medigap or Medicare supplemental plan. We'll work through this together on the board. What are some of the costs you need to consider when comparing plans?

{Moderator should use board to write out plan costs for a hypothetical Medicare beneficiary with "low" annual health care costs in each of the three options. Then repeat exercise with a hypothetical beneficiary with "high" annual health care costs.

For example: A "low-cost" beneficiary might have 2 PCP visits ($300), 2 specialist visits ($500), 1 eye doctor visit ($200), laboratory tests ($300). Medical costs = $1,300
2 generic prescriptions ($250). Drugs costs = $250

	MSA plan	***PFFS (Today's Option Value)***	***Medigap***
Plan Premium	*$0 x 12 = $0*	*$30 x 12 = $360*	*$200 x 12 = $2,400*
Medical Costs: (Copays, etc.)	*$1300 - $1000 (deposit)= $300*	*PCP: $20 x 2 = $40* *Spec: $30 x 2 = $60* *Vision: $30* *Lab: $0*	*Vision: $200* *Other: $0*

Drug Costs:	*$250*	*$250*	*$250*
TOTAL:	***$550***	***$740***	***$2,850***

- Based on what you know now, do you think you would want to learn more? Do you think you would join one of them?

SECTION 5: PROS and CONS

Now I'd like to have you work together in pairs. I'd like you to work with your partner to write a list of the pros and cons of your MSA plan.

{Have participants pair off and allow participants approximately 5 minutes to write a list of pros and cons.}

Let's discuss some of the things that you wrote and I'll write them up here on the chart.

- What are some of the advantages of an MSA plan?
- What are some of the disadvantages?
- Looking at this list, which are the most important pros? The most important cons? Why?

SECTION 6: LIKELIHOOD OF FUTURE MSA ENROLLMENT

- Overall, how satisfied would you say you are with your current plan?
- In general, what has satisfied you the most about your current plan? What, if anything, has dissatisfied you?
- Based on what you know so far, how likely do you think you would be to enroll in a Medicare Medical Savings Account Plan? Why? How likely are you to look for more information about these plans? Why?
- What, if anything, would make you more likely to enroll in an MSA plan?

CLOSING

Before we end, I'd like to give you chance to share any additional thoughts or comments about these Medicare MSA plans. Is there anything else you would like to add that you didn't have a chance to say during our discussion today, or something that we didn't talk about that you wish we had?

Thank you very much for participating in this discussion today. We appreciate your time.

First Name _____

1. **Tell me a little bit about your Medicare coverage. (For example, the type of coverage, name of plan, or other insurance in addition to Medicare.)**

2. **What two factors are most important to you when deciding which health plan to join?**

   1.

   2.

3. **How satisfied are you with your current Medicare plan? Please circle:**

1	2	3	4	5
(Very Dissatisfied)				(Very Satisfied)

4. **Why did you give your plan this rating?**

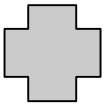
Medicare Medical Savings Account Plans

Medicare now gives private insurance companies the option to offer a consumer-directed Medicare Advantage Plan, called a Medicare Medical Savings Account (MSA) Plan. This type of plan combines a high-deductible health insurance plan with a medical savings account that you can use to pay for your health care costs. Medicare MSA Plans give you freedom to control your health care dollars and provide you with important coverage against catastrophic health care costs.

Medicare MSA plans are made up of two parts:

HEALTH PLAN

The first part of a Medicare MSA Plan is a special type of high-deductible Medicare Advantage Plan. The plan will only cover your costs once you meet a high yearly deductible, which varies by plan.



SAVINGS ACCOUNT

The second part of a Medicare MSA Plan is a special type of savings account. The Medicare Advantage Plan deposits money into your account. You can choose to use money from this savings account to pay your health care costs before you meet the deductible.

How does the high-deductible Medicare Advantage Plan work?

In an MSA plan, you get your Medicare-covered health care through a high-deductible Medicare Advantage Plan. This plan will only pay for Medicare-covered services once you have reached your deductible. Before you meet the deductible, you are responsible for paying the bill for any Medicare-covered services. You have the option of using the funds in your medical savings account to pay these bills. Once you meet the plan's deductible, the plan pays for all Medicare Part A and Part B covered services. The plan doesn't cover Medicare Part D prescription drugs. If you join a Medicare MSA Plan, you can also join a Medicare Prescription Drug Plan to add drug coverage.

You won't have to pay a monthly premium for this plan because it's a high-deductible type of plan. However, you will have to continue to pay the Medicare Part B premium.

How does the Medical Savings Account work?

When you join a Medicare MSA plan, the plan sets up a special savings account with the bank selected by the plan. The plan deposits funds into the special savings account. Only the plan can make deposits into your special account—you can't deposit your own money.

You can use the money in your account to pay for any medical expenses, but only Medicare-covered Part A and Part B services count toward your deductible. Also, if you use the money in your account for expenses other than qualified medical expenses, you must pay taxes on these amounts and there may be additional penalties.

If you use all of the money in your account and haven't met your deductible, you must pay for all of your medical expenses out-of-pocket until you reach your deductible. After you reach your deductible, your plan will cover all of the costs of your Medicare-covered services.

Any money left in your account at the end of the year will remain in your account. If you stay with the Medicare MSA Plan the following year, the new deposit will be added to the amount leftover from the previous year.

Medicare MSA Plans Available in Your Area

Anthem Blue Cross SmartSaver Plan I

Monthly Premium:	$0 (you must continue to pay the Part B premium)
Annual Deductible:	$2,750
Annual Deposit:	$1,000
Coverage Information:	Before you reach your deductible, you are responsible for paying all of your costs for Medicare-covered services. After you reach your deductible, the plan will pay 100% for all Medicare Part A and Part B covered services. The plan does not cover Part D prescription drugs. You can get drug coverage by purchasing a separate Part D prescription drug plan.

CMS Evaluation of MSA Plans Under the Medicare Program

DRAFT Focus Group Moderator's Protocol: Primary Care Physicians (PCPs)

Research Locations:
Cincinnati, OH and Lancaster, PA

August – September 2008

Testing materials checklist

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Informed consent forms
Protocol

Procedures for obtaining informed consent

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RESEARCH GOALS

The focus group(s) will focus on the following issues:

- *Physicians' knowledge and understanding of MSA plans:* Have physicians heard of the MSA plans? What is their knowledge level of these plans?

- *Physicians' experiences with patients with MSA plans:* Have physicians treated patients with MSA plans? Are patients asking questions about these plans? Have the physicians encountered any barriers treating patients with these plans? How does these experiences differ with patients with other Medicare plans?

- *Determine perceived impact of MSA plans:* What impact have MSA plans had on PCPs? (Or what impact do they expect they would have?) What impact have MSA plans had on their patients? (Or what impact do they expect they would have?) How likely are PCPs to recommend these plans to their patients?

TIMELINE FOR INTERVIEWS (2 HOURS TOTAL)

Topic	Time in minutes
Welcome and overview	5
Warm-up	20
SECTION 1: Discussion of how MSA plans work	20
SECTION 2: Experiences with MSA plans	20
SECTION 3: Impact of MSA plans	30
Closing	10
TOTAL TIME	1 hour 45 minutes

WELCOME AND OVERVIEW

Welcome

- Thank you for agreeing to participate in today's focus group.
- My name is {NAME} and I'll be talking with you today.
- I work for a company called L&M Policy Research/American Institutes for Research. My company conducts research on various health related topics. (If notetaker is in focus group room:) I'd also like to introduce {NAME} who also works for L&M/AIR and is here to take notes.

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- Today, we're going to discuss your experiences with patients who may have the MSA, or a similar Health Savings Account (HSA) plan. The information you provide to us today is very important to CMS.

Ground rules

I'd like to begin by setting some ground rules for this session.

- As you may have noticed, this session is being videotaped. The tapes will be used for analysis only and possibly shared with other team members.
- Everything said here is considered confidential. To help insure confidentiality, we will only be using your first names. And nothing that you say will affect your Medicare coverage in any way.
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- If you need a quick break, the restrooms are ____.

Does anybody have any questions about ground rules or logistics for this session?

WARM-UP

Introductions

- Just to get acquainted, let me tell you a bit about myself.
- I'd like to now ask each of you to introduce yourselves. Please tell the group a bit about
    - where you practice,
    - how long you have been practicing medicine
    - the types of patients you see, and
    - how many patients (that you are aware of) are enrolled in Medicare Advantage plans.

SECTION 1: DISCUSSION OF HOW MSA PLANS WORK

As mentioned earlier, the goal of this project is to evaluate the Medical Savings Account plans under the Medicare program. As a reminder, the MSA plans are those that involve a high deductible plan paired with a savings account. These accounts are similar to the Health Savings Accounts which are offered by many health insurance companies.

I'd like to give you some brief information about the MSA plans. You may already be familiar with some of this information.

{Hand out MSA fact sheet and give participants some time to read it over.}

- Tell me how these plans work.
    - PROBE: If you had to explain the MSA plan to a patient in your own words, how would you do so?
- What questions do you have about these plans?
    - ***{Moderator should allow participants to share all of their questions first. If participants do not specifically mention these topics, ask:}*** What about preventive benefits, like mammograms – do have questions about whether those are covered? Other services like dental or vision benefits? Any questions about managing the plan – such as how the claims work? How expenses are tracked?

SECTION 2: EXPERIENCES WITH MSA PLANS

Now I would like discuss, more specifically, your experiences with patients who have these plans.

- Do you know if any of your patients are enrolled in either the Medicare MSA plan specifically or any type of HSA plan?
    - How do you know which patients have MSA or HSAs?

- How would you describe or characterize patients who are enrolled in these plans?
    - How, if at all, are these individuals different from other Medicare beneficiaries you see?
    - How are these patients different from other non-Medicare patients?

- Have your Medicare patients ever asked you questions about these plans?
    - If you had to explain the MSA plan to a patient in your own words, how would you do so?
    - Do beneficiaries ask more, less, or the same amount of questions about MSA plans as compared to other Medicare health plan options?

- Do you spend more time discussing their health plans with MSA enrollees as compared to other patients?

- Have patients been satisfied with their plans? Can you tell me a bit about what you have heard about why beneficiaries are satisfied or not satisfied?
    - How does beneficiary satisfaction compare to other Medicare Advantage plans?

- How easy or difficult is it to get reimbursed by payers of these plans?
    - How, if at all, does payment from these plans differ from payment from other MA plans?

SECTION 3: IMPACT OF MSA PLANS

We would like to talk about the impact of these plans on your patients, and you. If you do not have any patients with the MSA or HSA plan, please discuss what you think the expected or potential impact of these plans may be.

A. Patients

Let's start with some thoughts from those of you who have patients enrolled in the MSA plan or some type of HAS. What have been your experiences with these?

- For everyone, in general, how do you think the MSA or HSA plan might affect your patients or the patients of other primary care physicians? Please tell me a bit more about this.

- How, if at all, have (or could) patients change their behaviors after joining an MSA plan?

- In your experience, have (could) these plans affected a patient's decisions about care? In other words, how, if at all, did joining this plan influence the type of services the patient requests?
    - PROBE**:** Did (can) it cause a patient to decline a recommended treatment or test? How does (can) this differ from decisions made by patients with other Medicare Advantage (MA) plans, such as a PPO or a fee-for-service plan?

- Does (can) the MSA make it easier/harder to get your patients the care that they need? If so, how, and if not, why?

- In your opinion, how has (or could) having an MSA plan affect the quality of care received by patients? If so, in what way?

- How, if at all, does (can) the MSA plan affect the cost of care?
    - Are treatments more or less expensive?
    - Are patients making treatment decisions based on cost? If so, can you tell me a bit more about that – how so?

- How, if at all, do you think MSA plans (can) encourage patients to take a more active role in making decisions about their health care? If so, how and if not, why?

- How, if at all, do (can) the quality, cost, patient engagement, and access differ in MSA enrollees as compared to other MA plan enrollees that you may treat?

- If a patient asked you whether you would recommend the MSA, would you recommend this type of plan? Why or why not?

B. Physicians

Let's talk just a bit about the possible impact of MSAs on you and other primary care physicians.

- How, if at all, has (can) the MSA affect you or other primary care physicians?

- How, if at all, do you think the MSA might affect you or physicians *financially*? What about specialists?

- How, if at all, has (can) the MSA affect your relationship or potential *relationship with a patient*? If so, please tell me more about that.

- How, if at all, has (can) the MSA *compare* with other MA plans in financial impact on physicians, in the patient relationship with physicians, or in patient access to care?

C. MSA Demonstration Plan Transparency Requirement

As you may or may not know, one type of MSA plan, the MSA demonstration plan, requires the insurance company to provide ratings on the physicians who participate in the plan and to provide information on the cost of treatments. This may become a requirement for all MSA plans.

- How, if at all, do you think these requirements could affect your patients, you, or other physicians like you? ***Probe for details.***
- Do you think this requirement would affect physician participation in this Medicare plan? If so, how? ***Probe for details.***
- Do you think this requirement would make patients more or less likely to enroll in the MSA plan? ***Probe for details.***

CLOSING

Before we end, I'd like to give you chance to share any additional thoughts or comments about the information we talked about today. Is there anything else you would like to add that you didn't have a chance to say during our discussion today, or something that we didn't talk about that you wish we had?

Thank you very much for participating in this discussion today. We appreciate your time.

{Interviewer should hand the incentive and incentive receipt form to each participant.}

CMS Evaluation of MSA Plans Under the Medicare Program

DRAFT Focus Group Moderator's Protocol: State Health Insurance Assistance Program (SHIP) Staff/Counselors

Research Locations: Sonoma, CA and Cincinnati, OH
August – September 2008

Materials checklist

Verify audio and video recording equipment
Laptop for note-taking
Moderator clock
Pens and notepads in each testing room
Informed consent forms
Incentives and incentive receipt forms (internal recruits only)
Moderator guide
Flip chart, easel and markers

Procedures for obtaining informed consent

As focus group respondents arrive, greeter should have them read and sign the informed consent form (if not enough time, focus group moderator should do this prior to starting). Give each person an unsigned copy of the form to keep.

RESEARCH GOALS

The dyad will focus on the following issues:

- *Counselors experiences with these plans:* What kind of training have counselors received about MSA plans? What are their experiences in counseling beneficiaries about the plans?

- *Expected impact of MSA plans:* How do counselors expect MSA plans to affect beneficiaries behaviors, costs, and doctor relationships?

- *Determine overall reaction to MSA plans:* Do counselors generally recommend these plans? To whom? How would they improve these plans?

TIMELINE FOR INTERVIEWS (90 MINUTES TOTAL)

Topic	Time in minutes
Welcome and overview	5
Warm-up	10
SECTION 1: Experiences with MSA Plans	25
SECTION 2: CMS Support	10
SECTION 3: Impact of MSA Plans	20
SECTION 4: MSA Plan Improvements	10
Closing	5
TOTAL TIME	1 hour 25 minutes

WELCOME AND OVERVIEW

Welcome

- Thank you for agreeing to participate in today's group.
- My name is {NAME} and I'll be talking with you today.
- I work for a company called L&M Policy Research/American Institutes for Research. My company conducts research on various health related topics. (If note taker is in focus group room:) I'd also like to introduce {NAME} who also works for L&M/AIR and is here to take notes.

Background—explain purpose of the focus group

- Our discussion today is part of a project sponsored by the Centers for Medicare & Medicare Services, which is part of the U.S. Department of Health and Human Services and is the agency that runs the Medicare program.
- You may be familiar with CMS – the Centers for Medicare and Medicaid Services. We are conducting an evaluation of Medical Savings Account (MSA) plans for CMS. MSA plans are a type of Medicare Advantage plan that combines a high-deductible health plan with a medical savings account. Enrollees of Medicare MSA plans can initially use their savings account to help pay for health care, and then will have coverage through a high-deductible insurance plan once they reach their deductible. For Medicare beneficiaries, the MSA deposit can be used for any health care expense, but only Medicare Part A and Part B count towards the deductible. Additionally, MSAs must cover all of the Part A and B services.
- As part of our evaluation, we are conducting interviews with physicians, Medicare beneficiaries, insurance companies who offer the MSA plans, insurance brokers, and State Health Insurance Assistance Program staff. In this interview, we would like to discuss your experiences with Medicare beneficiaries who may have an MSA, or may have asked you about an MSA plan.

Ground rules

I'd like to begin by setting some ground rules for this session.

- As you may have noticed, this session is being videotaped. The tapes will be used for analysis only and possibly shared with other team members.
- Everything said here is considered confidential. To help insure confidentiality, we will only be using your first names.
- Please set your pagers and cell phones to "vibrate."
- Because we're recording, please try to speak in a voice at least as loud as the one I'm using now and please don't have any side conversations. This helps us make sure that the tape is picking up the discussion.
- We'll need to move along – we have a lot to talk about and want to hear from everyone. There won't be enough time for full discussions of every topic. So please understand that when I ask that we move to a new topic or speaker, I don't mean to be rude.

Finally, a couple of housekeeping issues:

- Our discussion will last for about 90 minutes. To maximize discussion time, there will be no formal breaks.
- If you need a quick break, the restrooms are ____.

Does anybody have any questions about ground rules or logistics for this session?

WARM-UP

Introductions

- Just to get acquainted, let me tell you a bit about myself.
- I'd like to now ask each of you to introduce yourselves. Please tell us a bit about:
    - how long you have been working as a SHIP counselor/staff member
    - how often you interact with Medicare beneficiaries
    - the SHIP program in your area

SECTION 1: EXPERIENCES WITH MSA PLANS

As mentioned earlier, the goal of this project is to evaluate the Medical Savings Account plans under the Medicare program. As a reminder, the MSA plans are those that involve a high deductible plan paired with a medical savings account. These accounts are similar to the Health Savings Accounts which are offered by many health insurance companies.

We are talking with SHIP counselors here in {PLACE} because this is an area where there are relatively more beneficiaries enrolled in the MSA plans compared to other areas of the country.

Overall, there are relatively few beneficiaries enrolled, totaling about 3,500 total, so don't be surprised if this program is not entirely familiar to you, or many of your beneficiaries.

I would like to begin by asking you about whether you have any experience with these plans or talking with beneficiaries about these plans

A. Training

- Before today or being asked to participate in these groups, had you ever heard about the MSA option?
    - If YES, how did you hear about it? From whom?
    - If NO, have you ever heard or know anything about health savings accounts or HSAs?

- How, if at all, did you learn about the MSA plans and how they work?
    - Was training provided? What did the training consist of? How, if at all, did this training differ from other Medicare plans?
    - Has it been more or less difficult for you/counselors to understand the MSA plan as compared to other Medicare plans?
    - What questions do you/counselors still have about the plans?

B. Counseling Beneficiaries

- How often have you counseled beneficiaries who were considering an MSA plan or were enrolled in one?
    - PROBE: When helping a beneficiary compare plans, do you typically include MSA plans in the comparison or do you stick with more common plan types, such as HMOs and Medigap plans?
    - PROBE: Have you been contacted by beneficiaries specifically about MSA plans? Why did the beneficiary contact the SHIP? What type of help do you typically provide to these beneficiaries?
- In your own words, how do you explain MSA plans to beneficiaries?
    - PROBE: What features or aspects of the plan do you think beneficiaries should consider and compare?
- What types of questions do beneficiaries considering an MSA plan or enrolled in one ask? What about the MSA plan do they find confusing or difficult to understand?
    - PROBE: Do you feel that the beneficiaries you counsel regarding MSAs seem to understand how the plan works?
    - PROBE: Do beneficiaries ask more, less, or the same amount of questions about MSA plans as compared to other health plan options?
    - PROBE: Do you spend more or less time discussing the MSA plan with enrollees compared to beneficiaries with other health plan options?
- What if any questions do beneficiaries have regarding prescription drug coverage and the MSA? What options have you provided to beneficiaries considering MSAs with regard to prescription drug coverage?
- Of those beneficiaries that were considering the MSA plan, did they end up enrolling? What were their reasons for enrolling (or not enrolling)?
    - PROBE: (If enrolled): Did you assist the beneficiaries with the enrollment process? (If no, probe if agent/broker did the enrolling).
    - PROBE: What, if anything, was confusing or difficult in enrolling in the MSA plan?

- How would you describe or characterize beneficiaries who are enrolled in these plans? How, if at all, are these individuals different from other Medicare beneficiaries you counsel?

- Have beneficiaries been satisfied with their plans? Why or why not? How does this satisfaction compare to other Medicare Advantage plans?

- What problems, if any, have beneficiaries reported about the plans?

- Have you counseling any MSA enrollees that wanted to disenroll from the MSA plan? If yes, why were the reasons behind the enrollees disenrolling?

- I'd like to ask your opinion of the MSA plans as compared to the other plans offered to Medicare beneficiaries. In general, how do you think these plans compare to other health plan options?
    - Are these plans more or less favorable than other options? Please describe this comparison.
    - If a beneficiary did ask, would you recommend this type of plan? Why or why not?
    - Are there particular types of beneficiaries you think would be more suited for the plans? If so, what type of beneficiary?

SECTION 2: CMS SUPPORT

Now, I would like to discuss the support CMS has provided to you to assist you in educating beneficiaries/counselors about this plan.

- What type of support has CMS provided? How has the support been provided? How have you been able to access this support?

- What materials, if any, has CMS provided to assist you in educating beneficiaries? Please tell me about these materials.
    - PROBE: Have these materials been helpful to you? Why or why not? How have you used these materials?

- What additional materials and/or support could CMS provide to you to educate beneficiaries/counselors about the MSA plan?

SECTION 3: IMPACT OF MSA PLANS

Let's talk about the impact you think these plans might have.

- In general, how do you think the MSA plan might affect beneficiaries? Please tell me a bit more about this.
    - PROBE: How, if at all, have (or could) beneficiaries change their behaviors after joining an MSA plan?
- In your experience, have (could) these plans affected a beneficiary's decision about care?
    - PROBE: Did (can) it cause a beneficiary to decline a recommended treatment or test? How does (can) this differ from decisions made by patients with other Medicare Advantage plans, such as a PPO or a fee-for-service plan?
- Does (can) the MSA make it easier/harder to get your beneficiaries the care that they need? If so, how, and if not, why?
- In your opinion, how has (or could) having an MSA plan affect the quality of care received by beneficiaries? If so, in what way?
- How, if at all, does (can) the MSA plan affect the cost of care?
    - Are treatments more or less expensive?
    - Are beneficiaries making treatment decisions based on cost? If so, can you tell me a bit more about that – how so?
- How, if at all, do you think MSA plans (can) encourage beneficiaries to take a more active role in making decisions about their health care? If so, how and if not, why?
- How, if at all, do (can) the quality, cost, patient involvement, and access differ in MSA enrollees as compared to other MA plan enrollees that you may treat?
- Do you think that the MSA plan affects the time or effort needed for beneficiaries to keep track of paperwork/claims? Please tell me a bit more about this.
- Can you describe any additional impact or expected impact you think the MSA plan may have on beneficiaries?

SECTION 4: MSA PLAN IMPROVEMENTS

Now I'd like to talk about how MSA plans could be improved.

- What, if anything, would you change about MSA plans? About the enrollment process? Other improvements?

- What do you think are some barriers to enrollment in these types of plans? What, if anything, could be done to overcome these barriers?

- Some people would like to require MSA plans to provide more information to their members, such as information about the costs of different treatment options or ratings of the physicians who participate in the plan. What do you think of this idea? How, if at all, would you use this kind of information in counseling beneficiaries interested in MSA plans?

    - PROBE: Do you think that this would make beneficiaries more or less likely to enroll in the MSA plan?

CLOSING

Before we end, I'd like to give you chance to share any additional thoughts or comments about the information we talked about today. Is there anything else you would like to add that you didn't have a chance to say during our discussion today, or something that we didn't talk about that you wish we had?

Thank you very much for participating in this discussion today. We appreciate your time.

{Interviewer should hand the incentive and incentive receipt form to each participant.}

CMS Evaluation of MSA Plans Under the Medicare Program

DRAFT Focus Group Moderator's Protocol: Insurance Agents and Brokers

Research Locations: Nation-wide via telephone
September 2008

Welcome

- Thank you for agreeing to participate in today's group.
- My name is {NAME} and I'll be talking with you today.
- I work for a company called L&M Policy Research/American Institutes for Research. My company conducts research on various health related topics. (If note taker is in focus group room:) I'd also like to introduce {NAME} who also works for L&M/AIR and is here to take notes.

Background—explain purpose of the focus group

- Our discussion today is part of a project sponsored by the Centers for Medicare & Medicare Services, which is part of the U.S. Department of Health and Human Services and is the agency that runs the Medicare program.
- You may be familiar with CMS – the Centers for Medicare and Medicaid Services. We are conducting an evaluation of Medical Savings Account (MSA) plans for CMS. MSA plans are a type of Medicare Advantage plan that combines a high-deductible health plan with a medical savings account. Enrollees of Medicare MSA plans can initially use their savings account to help pay for health care, and then will have coverage through a high-deductible insurance plan once they reach their deductible. For Medicare beneficiaries, the MSA deposit can be used for any health care expense, but only Medicare Part A and Part B count towards the deductible. Additionally, MSAs must cover all of the Part A and B services.
- As part of our evaluation, we are conducting interviews with physicians, Medicare beneficiaries, insurance companies who offer the MSA plans, insurance brokers, and State Health Insurance Assistance Program staff. In this interview, we would like to discuss your experiences with Medicare beneficiaries who may have an MSA, or may have asked you about an MSA plan.

Ground rules

I'd like to begin by setting some ground rules for this session.

- This session is being audio-taped. The tapes will be used for analysis only and possibly shared with other team members.
- Everything said here is considered confidential. To help insure confidentiality, we will only be using your first names.
- We'll need to move along – we have a lot to talk about and want to hear from everyone. There won't be enough time for full discussions of every topic. So please understand that when I ask that we move to a new topic or speaker, I don't mean to be rude.
- Our discussion will last for about 60 minutes.

Does anybody have any questions about ground rules or logistics for this session?

Introductions

- Just to get acquainted, let me tell you a bit about myself.
- I'd like to now ask each of you to introduce yourselves. Please tell us a bit about:
  - how long you have been working as an insurance agent or broker
  - the types of insurance products you sell to seniors
  - the insurance agency or brokerage you work for

SECTION I: EXPERIENCES WITH MSA PLANS

As mentioned earlier, the goal of this project is to evaluate the Medical Savings Account plans under the Medicare program. As a reminder, the MSA plans are those that involve a high deductible plan paired with a medical savings account. These accounts are similar to the Health Savings Accounts, which are offered by many health insurance companies.

I would like to begin by asking you about your experience with these MSAs or talking with beneficiaries about these plans.

A. Agent's understanding of plans

- Tell me how you first learned about MSAs being offered by Medicare.
  - PROBE: How did you hear about it? From whom?
- How, if at all, did you learn about the MSA plans and how they work?

- What training was provided to you by health plans or other groups? What did the training consist of? How, if at all, did this training differ from other Medicare plans?
- Has it been more or less difficult for you to understand the MSA plan as compared to other Medicare plans?
- What questions do you still have about the plans, if any?

B. Beneficiaries' understanding of plans

- Tell me how you explain these plans to seniors.
  - PROBE: What features or aspects of the plan do you think seniors should consider and compare?
  - PROBE: What information do you provide about the savings account?
  - PROBE: What do you consider attractive about these plans for seniors? Unattractive?

- What types of questions do seniors considering an MSA plan or enrolled in one ask? What about the MSA plan do they find confusing or difficult to understand? What challenges have you encountered in terms of selling MSA plans?
  - PROBE: Do you feel that seniors that you see seem to understand how MSAs work.
  - PROBE: Do seniors ask more, less, or the same amount of questions about MSAs as compared to other health plan options?
  - PROBE: Do you spend more or less time discussing the MSA plan compared to with other health plan options, such as Medicare Advantage or Medigap?

- What if any questions do beneficiaries have regarding prescription drug coverage and the MSA? What options have you provided to beneficiaries considering MSAs with regard to prescription drug coverage?

- In terms of commissions on MSAs, are the commissions on par with other MA plans? Do you feel that the commissions are adequate given the amount of time spent with the client? What about the commission level for a client re-enrolling in an MSA compared to other MA plans?

C. Beneficiaries' interest in plans

- How much interest is there in MSA plans? Do you see interest increasing, decreasing, or staying the same in the next couple of years?

- How often would you say you have consulted with seniors on MSAs?

- PROBE: Have these seniors come to you specifically about the MSA plan?

- PROBE: Do you tend to target the MSA plans to certain segments of your clients? If so, please describe your marketing strategy.

- PROBE: Are there certain types of people that you think would be more likely to be attracted to MSAs?

- Of those clients that were considering the MSA plan, did they end up enrolling? What were their reasons for enrolling (or not enrolling)?

    - PROBE: What, if anything, was confusing or difficult in enrolling in the MSA plan?

- How would you describe or characterize beneficiaries who are enrolled in these plans? How, if at all, are these individuals different from your other clients?

D. Experiences with the plans

- Have MSA enrollees been satisfied with their plans? Why or why not? How does this satisfaction compare to other Medicare Advantage plans?

- Have your MSA clients come to you with problems or difficulties they are having with their plan? If so, what types of problems/difficulties are they having?

- Have you any MSA enrollees that wanted to disenroll from the MSA plan? If yes, why were the reasons behind the enrollees disenrolling?

SECTION II: IMPACT OF MSA PLANS

Let's talk about the impact you think these plans might have.

- In general, how do you think the MSA plan might affect seniors? Please tell me a bit more about this.

    - PROBE: How, if at all, have (or could) seniors change their behaviors after joining an MSA plan?

    - PROBE: Did (can) it cause a senior to decline a recommended treatment or test? How does (can) this differ from decisions made by patients with other Medicare Advantage plans, such as a PPO or a fee-for-service plan?

- How, if at all, do you think MSA plans (can) encourage seniors to take a more active role in making decisions about their health care? If so, how and if not, why?

- How, if at all, do (can) the quality, cost, patient involvement, and access differ in MSA enrollees as compared to other MA plan enrollees that you may treat?

- Do you think that the MSA plan affects the time or effort needed for beneficiaries to keep track of paperwork/claims? Please tell me a bit more about this.

- Can you describe any additional impact or expected impact you think the MSA plan may have on seniors?

SECTION III: MSA PLAN IMPROVEMENTS

Now I'd like to talk about how MSA plans could be improved.

- What, if anything, would you change about MSA plans? About the enrollment process? Other improvements?

- What do you think are some barriers to enrollment in these types of plans? What, if anything, could be done to overcome these barriers?

- Some people would like to require MSA plans to provide more information to their members, such as information about the costs of different treatment options or ratings of the physicians who participate in the plan. What do you think of this idea? How, if at all, would you use this kind of information in counseling beneficiaries interested in MSA plans?

    - PROBE: Do you think that this would make beneficiaries more or less likely to enroll in the MSA plan?

CLOSING

Before we end, I'd like to give you chance to share any additional thoughts or comments about the information we talked about today. Is there anything else you would like to add that you didn't have a chance to say during our discussion today, or something that we didn't talk about that you wish we had?

Thank you very much for participating in this discussion today. We appreciate your time.