

AMERICAN VIEWPOINT

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New Survey Finds High Level of Satisfaction with Medigap Coverage

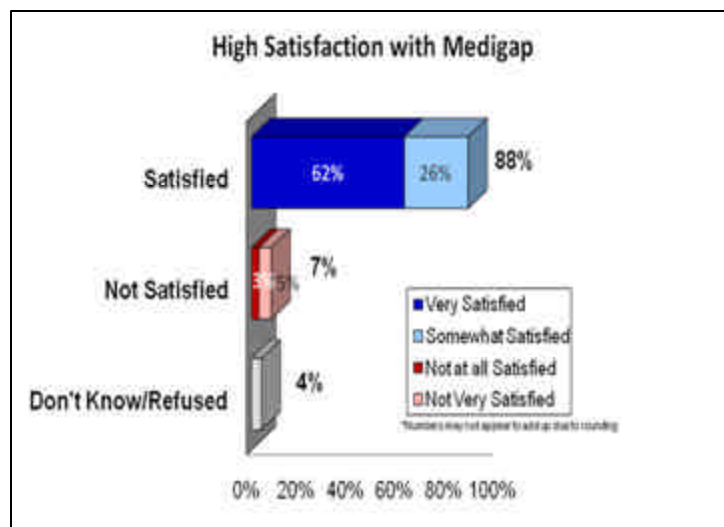
A March 2009 survey¹ of Medicare beneficiaries with Medicare Supplemental coverage finds that the vast majority of Medigap policyholders are satisfied with their Medigap coverage. Medigap supplemental policies are designed to exchange the complex coinsurance and deductible requirements found under traditional Medicare with predictable monthly premiums.

The survey found that most Medigap policyholders:

- Report that they are very satisfied with their Medigap coverage and would recommend such coverage to friends and family;
- Would not support changes that would add higher deductibles or other out-of-pocket costs to their Medigap policies in exchange for lower premiums;
- Say that Medigap is a good value; and
- Would strongly oppose congressional action that would require an annual deductible or increase their out-of-pocket costs.

Most Medigap policyholders are satisfied

- The survey found overwhelming satisfaction with Medigap coverage. In all, eighty-eight percent are satisfied and sixty-two percent are very satisfied. Additionally, satisfaction scores are high regardless of the geographic region, age, gender, income level, amount of education or health status of the surveyed beneficiaries.
- Nearly nine out of ten beneficiaries with Medigap coverage (eighty-seven percent) would recommend Medigap to a friend or relative when they enroll in Medicare.
- If they could no longer afford to purchase Medigap insurance, their main concerns would be dealing with medical bills and Medicare; the possibility of high out-of-pocket costs due to illness or other health care expenses; and the loss of financial security and peace of mind.



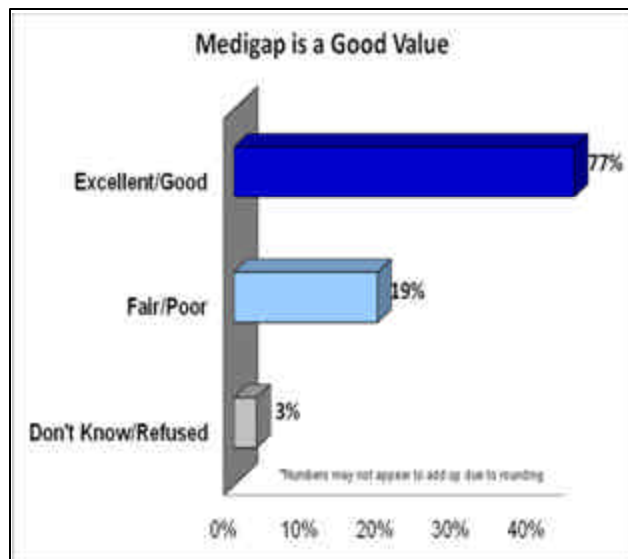
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2009 Medigap Satisfaction Survey

Beneficiaries do not want higher deductibles or other out-of-pocket expenses

- Beneficiaries with Medigap are unwilling to pay higher deductibles or other out-of-pocket expenses in order to reduce their premiums. Sixty-nine percent reported that they would not swap deductibles or co-payments for lower premiums.
- Medigap provides beneficiaries with stable and predictable monthly premiums that take the place of traditional Medicare's confusing cost-sharing (e.g. \$1,068 Part A deductible, \$256 per hospital day for days 61 – 90; \$135 Part B deductible, 20% Part B coinsurance, etc.).

Beneficiaries say Medigap provides good value

- Policyholders say that Medigap provides good value for the money. Seventy-seven percent reported that their Medigap policy is an excellent or good value.
- Respondents say the things they like the most about their Medigap policies are that it allows them to see the doctor of their choice, provides financial security and peace of mind, makes it easier to deal with medical bills and paperwork, and limits their out-of-pocket costs for health care.



Medigap policyholders would oppose congressional action to require an annual deductible or increase out-of-pocket costs

- Sixty-eight percent of survey respondents would oppose congressional action that would require enrollees to pay an annual deductible and other out-of-pocket costs for services covered by Medigap policies.

Sponsors of the survey and technical details.

ⁱ AHIP and the Blue Cross and Blue Shield Association commissioned American Viewpoint, Inc., to conduct a national survey of Medigap policyholders. In all, 500 telephone interviews with Medicare enrollees who have self-purchased Medigap plans were conducted between March 16 and 22, 2009. The sample was drawn from a targeted Survey Sampling database of those ages 65 and older and respondents were randomly selected. All survey findings are estimates because they are based on a sample of persons rather than the entire population. The margin of error for N=500 is $\pm 4.5\%$ at a 95% confidence level.