



Health Insurance Decision-Making Near Retirement

Every day about 10,000 baby boomers in the U.S. turn 65. As more Americans approach retirement age and eligibility for Medicare coverage, many face difficult decisions about their health insurance and its associated costs. In October 2018, the University of Michigan National Poll on Healthy Aging asked a national sample of adults age 50–64 about their current and future plans for their health insurance coverage, medical care, and employment.

Affording Health Insurance

One in four poll respondents (27%) had little or no confidence in being able to afford the cost of their health insurance over the next year. Almost half (45%) had little or no confidence in being able to afford the cost of their health insurance when they retire. Adults age 60–64 (63%) were more likely than those age 50–59 (52%) to be confident about being able to afford the cost of health insurance in retirement.

In the last year, 11% of adults age 50–64 reported thinking about going without health insurance, and an additional 5% decided to go without health insurance. Hispanics were more likely (22%) than non-Hispanic Whites (11%) and Blacks (4%) to think about going without or go without health insurance.

Planning for Changes in Health Insurance

Among poll respondents, 66% had employer-sponsored health insurance, 22% had government-sponsored health care coverage (such as Medicaid, Medicare, VA, or military coverage), 8% had individual private insurance including exchange



CONFIDENCE AFFORDING

HEALTH INSURANCE

AMONG ADULTS AGE 50-64



27%

are **not confident** they can afford health insurance

over the next year

45%

are **not confident** they can afford health insurance

when they retire



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DECISIONS ABOUT WORK AND RETIREMENT RELATED TO HEALTH INSURANCE

14%

kept a job
specifically to have
health insurance
through employer

11%

delayed/considered
delaying retirement
to have health insurance
through employer



plans, and 4% were uninsured. When this poll was conducted in October 2018, 12% of respondents had already made or were planning to make a change to their health insurance plan for 2019. An additional 11% were thinking about potentially making a change to their health insurance plan. About three in four (78%) reported they were not making a change to their health insurance for 2019.

In the past year, one in three adults age 50–64 (32%) said they had reviewed information about different health insurance options. Among those who were planning a change in their health insurance, the most common sources of information used were an employer (47%), the internet (31%), a health insurance company (29%), state or federal government resources (20%), a health insurance advocate, counselor, or expert (15%), or family or friends (7%).

Navigating Health Insurance

Most adults age 50–64 (79%) reported being very confident or moderately confident in their ability to understand health insurance terminology, while one in five (21%) reported being slightly confident or not confident at all. One in four (24%) reported they had little or no confidence in their ability to find out what is covered before they receive a health care service. In addition, 29% expressed little or no confidence in being able to find out their out-of-pocket costs before receiving a health care service.

Decision-Making about Timing of Medical Procedures

In the past year, 13% of adults age 50–64 did not get medical care because of how much it would cost. Five percent reported having a medical procedure in 2018 in case it was not covered the next year. For those who were planning to make a change to their health insurance plan or already had, 15% were postponing medical procedures until their plan changed. Among those age 60–64, 8% said they were waiting to get medical procedures until they had Medicare. Among all respondents age 50–64 who reported waiting to get a medical procedure, the most common reasons for waiting were so the procedure would be covered by insurance, so the cost would be lower, and to be able to go to a specific doctor.

Decisions about Employment and Timing of Retirement

Poll respondents also reported making decisions about the timing of their retirement based on considerations related to their health insurance. In the past year, 14% reported keeping a job specifically to have health insurance through their employer and 11% delayed or considered delaying retirement specifically to have employer-sponsored health insurance. Overall, one in five adults age 50–64 (19%) either kept a job, considered delaying retirement, or delayed retirement to keep their employer-sponsored health insurance.

Concerns about Possible Policy Changes

Half of those age 50–64 (50%) said they closely follow news about possible changes to the Affordable Care Act (ACA), Medicare, or Medicaid. Those who were age 60–64 and those retired or not working were more likely to follow the news closely than those who were age 50–59 or working.

Most poll respondents (68%) were very or somewhat concerned about potential changes to their health insurance coverage due to changes in federal policies. Those age 60–64 were more likely to express concerns (71%) than those age 50–59 (66%). Adults with household incomes of less than \$60,000 (76%) were more likely to express concerns about potential changes to their health insurance due to changes in federal policies than those with household incomes of \$60,000 or more (63%).

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Implications

Adults in their 50s and 60s face complex decisions about their health insurance and retirement. In this poll, about one in five adults age 50–64 either made a change or considered a change to their health insurance plan. Overall, nearly one in five also kept a job, considered delaying retirement, or delayed retirement to maintain employer-sponsored health insurance.

The ACA's insurance coverage expansion was intended, in part, to reduce "job lock" and allow individuals to change or leave their job without concern about becoming uninsured. In addition to other coverage options, the ACA created health insurance exchanges, in which people can purchase individual health insurance plans and in some cases receive financial assistance. However, data from this poll suggest that many adults age 50–64 still worry about maintaining employer-sponsored health insurance and keeping a job for that reason.

There was no observed association between income or education and retirement decisions, suggesting adults from a variety of socioeconomic backgrounds may be putting off retirement to maintain their health insurance coverage.

While a majority of poll respondents had employer-sponsored health insurance, 8% of adults age 50–64 reported having an individual private insurance plan, such as an exchange plan. This suggests that only a minority of adults age 50–64 are using this option for health insurance in the period around retirement. It is possible that this may be due to concerns about the affordability of exchange plans and their associated out-of-pocket costs now and in the future. Half were not confident they would be able to afford the cost of their health insurance and out-of-pocket costs when they retire.

Many adults approaching retirement may be worried about what their current health insurance plan will cover. Some delayed medical procedures until their health insurance changed or they obtained Medicare, reporting they were waiting for the procedure to be covered by insurance, for the cost to be lower, or to be able to go to a specific doctor. Nearly one in eight did not get the medical care they needed in the past year because of how much it would cost.

A majority of adults age 50–64 also expressed concerns about potential changes to their health insurance coverage due to changes in federal policies. While federal legislative efforts to change the ACA and other health insurance reforms largely failed in 2018, data from this poll suggest that many adults age 50–64 still worry about other potential changes to their health insurance options, such as those carried out by the executive or judicial branches.

Regardless of potential federal policy changes, patients and their health care providers should discuss the out-of-pocket costs of health care, such as medical procedures, tests, or medications. Such discussions can help inform decisions about their health insurance options and the timing, choice, and appropriateness of health care services.

Data Source and Methods

This National Poll on Healthy Aging report presents findings from a nationally representative household survey conducted exclusively by Ipsos Public Affairs, LLC (“Ipsos”), for the University of Michigan’s Institute for Healthcare Policy and Innovation. National Poll on Healthy Aging surveys are conducted using the Ipsos KnowledgePanel®, the largest national, probability-based panel in the U.S. Surveys are fielded two to three times a year with a sample of approximately 2,000 KnowledgePanel® members age 50–80.

This survey was administered online in October 2018 to a randomly selected, stratified group of older adults age 50–64 (n=1,028). Respondents were selected from the Ipsos web-enabled KnowledgePanel®, which closely resembles the U.S. population. The sample was subsequently weighted to reflect population figures from the U.S. Census Bureau.

The completion rate was 62% among panel members contacted to participate. The margin of error is ±1 to 3 percentage points for questions asked of the full sample, and higher among subgroups.

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National Poll on Healthy Aging Team

Preeti Malani, MD, MSJ, MS
Director

Erica Solway, PhD, MPH, MSW
Associate Director

Renuka Tipirneni, MD, MSc
Faculty Collaborator

Dianne Singer, MPH
Production Manager

Jeffrey Kullgren, MD, MS, MPH
Associate Director

Matthias Kirch, MS
Data Analyst

The Regents of the University of Michigan

Jordan B. Acker, Huntington Woods
Michael J. Behm, Grand Blanc
Mark J. Bernstein, Ann Arbor
Paul W. Brown, Ann Arbor
Shauna Ryder Diggs, Grosse Pointe
Denise Ilitch, Bingham Farms
Ron Weiser, Ann Arbor
Katherine E. White, Ann Arbor
Mark S. Schlissel (ex officio)

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Confidence Affording Health Insurance at Retirement Among Adults Age 50–64: Supplemental Data

	Confident (very confident/moderately confident)	Not Confident (slightly confident/not at all confident)
Age		
50–59	52%	48%
60–64	63%	37%
Gender		
Male	61%	39%
Female	50%	50%
Annual Household Income		
<\$60,000	46%	54%
>\$60,000	61%	39%
Employment Status		
Employed	54%	46%
Retired	71%	29%
Not working	49%	51%
Education		
High school or less	51%	49%
Some college	54%	46%
Bachelor’s degree or higher	62%	38%
Race/ethnicity		
Other non-Hispanic	69%	31%
Black	65%	35%
Hispanic	56%	44%
White	52%	48%
Health Status		
Excellent/Very good	62%	38%
Good	54%	46%
Fair/Poor	42%	58%

Margin of error is ±3 to 10 percentage points. Data are presented as row percents.