Universal Coverage Could Trim Medicare Costs

BY DAMIAN McNAMARA

MIAMI BEACH — Universal health care coverage for all adults aged 51 years and older would curb future increases in Medicare spending for beneficiaries after they reach age 65 years, a study has found.

Medicare savings of $98 billion would offset about half the estimated $197 billion increase in total spending for all 51- to 64-year-old Americans to have coverage, Dr. J. Michael McWilliams said at the annual meeting of the Society of General Internal Medicine.

Near-universal Medicare coverage is associated with increased use of health care services and improved self-reported health, said Dr. McWilliams, of Brigham and Women's Hospital and Harvard University, Boston. He and his colleagues proposed that previously uninsured Medicare beneficiaries would be costlier than enrollees who had previous, continuous health insurance. Among the factors that might contribute to increased Medicare spending are irreversible complications from conditions that would have been treatable prior to age 65, persistently increased health care needs after age 65, and delays in elective procedures during the period without insurance, he said.

The investigators assessed 4,567 participants in the National Institute on Aging Health and Retirement Study, a national sample of community-dwelling adults older than 50 years followed since 1992 (J. Hum. Resour. 1995;30:S7-56). After linking annual Medicare claims to subsequent utilization and spending 1-10 years after age 65, the researchers compared 2,951 beneficiaries with continuous insurance coverage and 1,616 others previously uninsured (continuously or intermittently) from 1996 to 2005.

Overall annual spending was significantly lower for the previously insured group ($3,589 vs. $4,521). "Averaged over the follow-up, we found just over $1,000 spending difference due to significant differences in inpatient spending, such as for cardiovascular disease," he said. Annual Medicare spending was $1,398 less among beneficiaries with cardiovascular disease or diabetes if they were previously insured vs. not previously insured.

The spending differences between groups tended to narrow 7 years after Medicare eligibility, suggesting attenuation in the effects of not having insurance prior to Medicare coverage.

Hospitalization for complications related to cardiovascular disease, diabetes, and joint replacement surgery accounted for about 70% of the spending differences between groups, Dr. McWilliams said.

A statistical method called inverse probability weighting was used to factor in the possibility that a decline in health might lead to uninsured status. ■

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