

**ISSUE BRIEF**

**FINANCIAL NAVIGATION SERVICES:  
ENHANCING OLDER ADULTS' ACCESS TO  
HEALTHCARE AND SOCIAL SERVICES**

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## Executive summary

As the cost of healthcare continues to rise, many patients have become unable to afford the out-of-pocket expenses associated with their care. Financial toxicity—a term describing the unfavorable effects of out-of-pocket healthcare costs on patients' well-being—impacts Americans of all ages. This includes millions of seniors, many of whom were financially secure before they became ill. Patients who are unable to afford the cost of their healthcare often choose between paying for their treatment and other basics, like food and housing.

Financial toxicity can have a big impact on patients' physical, emotional, and financial well-being, so some healthcare providers and other organizations offer financial navigation services to help patients identify sources of financial support that reduce their healthcare costs and provide assistance with housing, food, utilities, and other basic needs.<sup>1,2</sup> Recognizing the importance of financial navigation, in 2021, the federal government directed funds to increase training for financial navigators who assist certain patient populations.

This issue brief provides an overview of how financial navigation helps patients reduce out-of-pocket healthcare costs and afford other basic necessities. It also addresses the critical need for Medicare beneficiaries to access these services.



## Financial navigation in the healthcare setting

Financial navigation refers to services that guide patients through the complex healthcare landscape and help them access needed treatments by reducing financial barriers. Financial navigation can include educating patients about their insurance coverage, helping patients understand anticipated out-of-pocket costs, and connecting patients with support programs. Financial navigation goals include:

- Discussing the cost of treatment with patients and families and understanding their financial needs.
- Helping eligible patients obtain insurance coverage through Medicare, Medicaid, and marketplace exchanges.
- Helping eligible patients understand if needed treatments are covered under their prescription drug plans.
- Helping patients identify financial support from non-government sources.

Financial navigation services are designed to facilitate access to care for patients, help determine if they are eligible for support from an array of sources, and assist them in applying for support. Navigators can help patients find support from an array of important programs, including:

- Medicare savings programs
- Medicare Extra Help program (also known as the Low Income Subsidy)
- Medicaid
- Exchange plans
- State Pharmaceutical Assistance Programs
- 340B program
- Pharmaceutical manufacturer programs
- Charitable foundations
- Community-based resources
- Patient organizations

Financial navigators work with patients and their families to explore all potential sources of financial support so that out-of-pocket treatments costs do not create insurmountable barriers between patients and the care they need. They can also help patients find support for non-health related expenses so that patients do not need to choose between paying for care and covering other basic costs.

## Availability of financial navigation services is critically important for older adults

Burdens associated with out-of-pocket costs have also been documented for many conditions, such as cancer, multiple sclerosis, hemophilia, and hepatitis C.<sup>3,4,5</sup>

A review of 45 studies on financial hardship showed that:

- 62 percent of cancer survivors reported being in debt because of their treatment
- about 50 percent of survivors reported experiencing some form of financial distress
- about 45 percent of survivors did not adhere to recommended prescription medication because of cost.<sup>6</sup>

Kaiser Family Foundation data also showed concerns among Americans who reported problems paying household medical bills in the past 12 months.



**41%**

**reported they chose not to fill a prescription.<sup>7</sup>**



**38%**

**reported choosing a less expensive treatment than the one their doctor recommended.**



**32%**

**reported skipping doses of medication or cutting pills in half.**

Financial navigators can help these patients determine if there are ways to reduce their out-of-pocket healthcare costs so that they don't need to make these difficult decisions.



## Accessing financial navigation services

Patients can access financial navigation education and support by initiating their own search for these services and information. In some situations, healthcare providers and hospital staff may provide patients with financial navigation support as part of routine care.

### Patient-initiated financial navigation

The internet is the main gateway to patient-initiated financial navigation information and resources. Some resources are “one-way” in the sense that they offer information without counseling or other interactions with a financial navigator. Other resources allow patients to connect with a navigator or other professional who can answer questions and provide support that is tailored to a patient’s specific needs. Some organizations only offer financial navigation and information that is related to the Medicare program, whereas others provide information on additional support for food assistance, housing, and other non-health-related programs.

Whether or not internet-based financial navigation resources facilitate direct contact with a financial navigator, access to these resources requires computer literacy, internet access, and the ability to conduct internet searches that lead to websites containing information that is relevant to an individual’s specific needs. Some older adults and those with disabilities may not have this expertise or ability, and those who do may find themselves vulnerable to online scams as they attempt to secure financial support. Compounding these challenges, research demonstrates that many older adults are poorly situated at the intersection of health literacy and financial literacy.<sup>8,9</sup> These concerns underscore the need to ensure that older adults have adequate access to high-quality, secure financial navigation services that are tailored to their individual health and social needs.

### Government resources

**Medicare:** Patients can visit the [Medicare website](#) to compare out-of-pocket costs for Original Medicare and Medicare Advantage plans and they can also get estimates for out-of-pocket prescription costs under Part D drug plans. Although these tools are available free of charge to anyone with internet access, patients are only able to change plans during open enrollment, and they do not help beneficiaries find non-federal insurance or resources for specific medications or treatments.

**Social Security Administration:** The [Extra Help](#) program assists very low-income Medicare beneficiaries—including people with disabilities who are eligible for Medicare—to afford their prescription medications. Although some people are enrolled automatically in this program, others need to apply to the program themselves. The Extra Help program is administered by the Social Security Administration, and people can either [apply](#) online or call a toll-free number to get assistance with the application process.

**State Health Insurance Assistance Programs (SHIPs):** [SHIPs](#) are federally funded, state-managed organizations that operate in all 50 states to provide local, in-depth, and objective insurance counseling and assistance to Medicare-eligible individuals, their families, and caregivers. SHIPs help Medicare beneficiaries understand their health insurance benefits, bills, and rights. Trained staff and volunteer counselors provide in-person and telephone assistance on a wide array of Medicare-related topics.

## Advocacy resources

**National Council on Aging (NCOA):** [NCOA's website](#) offers extensive financial navigation resources and guidance for older adults, including tools to estimate out-of-pocket costs under various Medicare Advantage and Part D drug plans, as well as educational materials. NCOA provides information on [financial assistance](#) programs that are available in each state, including programs that address both health and non-health-related support. NCOA also offers educational materials on [financial planning](#), and it maintains a formal relationship with a non-profit financial advising company that offers free financial counseling.

**Medicare Rights Center:** The Medicare Rights Center offers [counseling and advocacy](#) services related to Medicare benefits, making Medicare enrollment decisions, coordinating Medicare with other insurance, appealing denials of care, and determining eligibility for Medicare cost-saving programs, like the Extra Help program.

**National Association of Area Agencies on Aging:** The [National Association of Area Agencies on Aging](#) are a network of 622 local Area Agencies on Aging that develop, coordinate, and deliver services for the aging population across the country. Area agencies have an important role in providing Medicare counseling for older adults because 60 percent of area agencies service as local SHIP offices. These agencies also help with transportation, food, home health care, and other services.

## Disease specific organizations

Many organizations that advocate on behalf of patients with specific health conditions offer information on strategies to afford treatment, and some offer navigation services for other basic needs. Examples include:

[American Cancer Society](#)

[Triage Cancer](#)

[American Liver Foundation](#)

[Multiple Sclerosis Association of America](#)

[Parkinson's Foundation](#)

## Provider-initiated financial navigation

Although most doctor's offices do not provide financial navigation services for their patients, some healthcare providers routinely and proactively offer these services. Physician practices that support patients with cancer are the most common setting for office-based financial navigation services. In these provider settings, a financial navigator or financial navigation team works with patients and their families proactively to determine the risk of financial toxicity and to identify feasible strategies to help patients access needed treatment.

Patient-initiated strategies to secure financial navigation services may not yield resources that are relevant to an older adult's specific health condition or situation. In many oncology settings however, financial navigation services are provided to patients as part of routine care. Office-based financial navigation services are generally focused on out-of-pocket healthcare expenses, and they may not address other needs such as food and housing.



## Types of professionals that provide financial navigation services

Professionals who deliver financial navigation services can have many job titles including patient access coordinator, patient advocate, patient financial advocate, and patient financial counselor. Financial navigation is a growing field, and several organizations and vendors focus on delivering high-quality training for these professionals.<sup>10,11,12</sup>

## Federal government support for financial navigation training

The federal government supports training for financial navigation in some states, but these resources are not directed at professionals who support the Medicare population.

Consumers in every state can obtain health insurance coverage through health insurance exchanges or marketplaces that are operated either by the state or federal government. The federal government provides [training](#) to people who help consumers enroll in marketplace insurance in states where they are operated by the federal government. These states have federally-facilitated exchanges, and these are called FFE States.

The people who help consumers enroll in a marketplace insurance plan are called assisters. Assisters help consumers compare plans and understand the out-of-pocket costs they may incur under different plan options. In March 2021, the Biden administration made [additional funding](#) available in FFE states for existing assister programs to increase consumer education, outreach, and navigator training to facilitate consumer enrollment in marketplace plans. The administration also plans to make additional investments in the navigator program in advance of the 2022 plan year.

There are clear benefits to investing in FFE navigation programs for people who are eligible for marketplace insurance, but unfortunately these resources do not target Medicare beneficiaries. Beneficiaries need greater access to services that help them with their healthcare costs and help them identify resources to assist with other basic needs.

Federally supported financial navigation for older adults should be encouraged, and these services should not only help economically vulnerable seniors manage health-related expenses, but they should also help them access food, housing, transportation, and other support that promote overall security and well-being.



## Conclusion

There is a growing need for financial navigation services, particularly for Medicare beneficiaries. Patients can seek out their own resources, but the prerequisite computer skills and knowledge needed to begin that search are leaving behind many older adults, economically vulnerable adults, and people with disabilities. These essential services can be the difference between a patient maintaining their health or abandoning treatment because of the out-of-pocket costs. More provider-initiated services or government-funded services are needed, particularly for the growing Medicare population. In the meantime, patients should discuss their financial circumstances with their providers and ask for help if they need it.



The PAN Foundation is an independent, national 501 (c)(3) organization dedicated to helping underinsured people with life-threatening, chronic, and rare diseases get the medications and treatments they need by assisting with their out-of-pocket costs and advocating for improved access and affordability.

[panfoundation.org](http://panfoundation.org)

## Supporting Literature

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