



****EMBARGOED UNTIL OCT. 3 AT 10AM EDT****

Seniors' Opinions About Medicare Rx

October 2012





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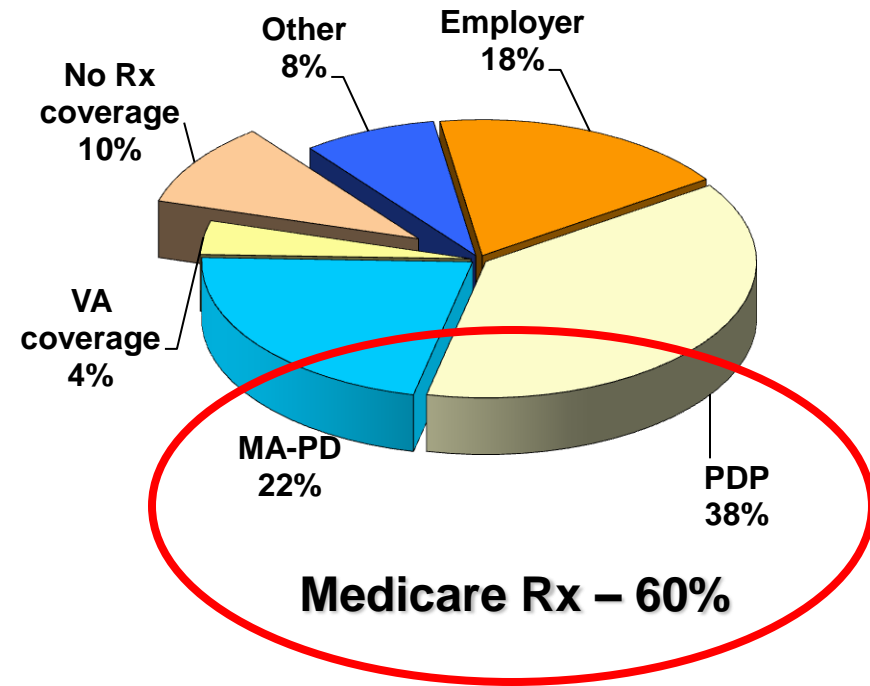
METHOD

Method

Nationally representative telephone sample of 2,363 seniors 65+ conducted August 31-September 10, 2012. The margin of error (MOE) for the full sample is ± 2.0 percentage points (pps). We discuss the following groups in this report:

- **Medicare Rx coverage (both PDP and MA-PD plans)** (N=819 MOE is ± 3.4 pps.)
- **Medicare PDP (stand-alone) plans** (N=427 MOE is ± 4.7 pps.)
- **Medicare Advantage (MA-PD) plans** (N=392 MOE is ± 4.9 pps.)
- **Dual eligibles** (N=240 MOE is ± 6.3 pps.)
- **Low income <\$15K** (N=375 MOE is ± 5.1 pps.)
- **Take 6+ prescriptions** (N=643 MOE is ± 3.9 pps.)
- **Have disability** (N=655 MOE is ± 3.8 pps.)
- **Have chronic condition** (N=1,625 MOE ± 2.4 pps)

Primary Rx Coverage: All Seniors *90% have Rx coverage—10% do not.*



The primary focus of this report is on seniors who have **Medicare Rx coverage**, in both PDP stand-alone and Medicare Advantage plans.

*Percentages throughout this report may not sum to 100 due to rounding.

Tracking is based on identical questions asked 10 times since the program started in 2006.

	Mar. 2006	Sept. 2006	Jan. 2007	Sept. 2007	Sept. 2008	Mar. 2009	Oct. 2009	Aug. 2010	Oct. 2011	Sept. 2012
Interview dates	March 15 to 20	September 1 to 7	January 5 to 9	September 8 to 16	September 16 to 22	March 19 to 25	October 16 to 25	August 26 to 29	October 3 to 6	Aug. 31 to Sept. 10
Research firm	KRC Research	KRC Research	KRC Research	KRC Research	KRC Research	KRC Research	KRC Research	KRC Research	KRC Research	KRC Research
Sample	Seniors 65 and older enrolled in Medicare	Seniors 65 and older enrolled in Medicare	Seniors 65 and older enrolled in Medicare	Seniors 65 and older enrolled in Medicare	Seniors 65 and older enrolled in Medicare	Seniors 65 and older enrolled in Medicare	Seniors 65 and older enrolled in Medicare	Seniors 65 and older enrolled in Medicare	Seniors 65 and older enrolled in Medicare	Seniors 65 and older enrolled in Medicare
# of interviews	896	802	1,003	1,001	1,007	1,063	945	1,243	992	2,363
MOE total sample	±3.3 pps	±3.5 pps	±3.1 pps	±3.1 pps	±3.1 pps	±3 pps	±3.2 pps	±2.8 pps	±3.1 pps	±2.0 pps
Key questions	<ul style="list-style-type: none"> • Experience of seniors enrolled in a Medicare Rx plan • Opinions and information needs of those not enrolled 	<ul style="list-style-type: none"> • Satisfaction of enrollees • Aware of upcoming enrollment period and coverage gap • Likelihood to change plans 	<ul style="list-style-type: none"> • Satisfaction of enrollees • Attitudes and outcomes from the second enrollment period 	<ul style="list-style-type: none"> • Satisfaction of enrollees • Aware of low-income subsidy • Likelihood to change plans 	<ul style="list-style-type: none"> • Satisfaction of enrollees • Advice to other seniors • Likelihood to change plans 	<ul style="list-style-type: none"> • Satisfaction of enrollees • Rating of benefit features 	<ul style="list-style-type: none"> • Satisfaction of enrollees • Aware of coverage gap • Opinions of coverage gap proposal 	<ul style="list-style-type: none"> • Satisfaction of enrollees • Aware of and opinions about coverage gap • Intent to compare plans during annual enrollment 	<ul style="list-style-type: none"> • Satisfaction of enrollees and reasons • Rating of benefit features • Intent to compare plans • Recent news about Medicare Rx 	<ul style="list-style-type: none"> • Satisfaction of enrollees and reasons • Rating of benefit features • Intent to compare plans • Recent news about Medicare Rx



Snapshot of Seniors With Medicare Rx Plans

Gender	%
Male	42
Female	58
Age	
65-74	52
75+	48
Ethnicity	
Caucasian	81
African-American	6
Hispanic/Latino(a)	7
Asian/Pacific Islander	3
American Indian/Native	1
Take prescriptions daily	90
Spend over \$30 p/month on premium	42
Spend over \$50 p/month out-of-pocket	34

Region	%
Northeast	19
Midwest	21
South	36
West	24
Population density	
Large city	21
Suburban area	24
Small town	32
Rural area	20
Have disability	29
Have chronic condition	71
Have difficulty paying for prescriptions	9
Take more than 10 Rx	7

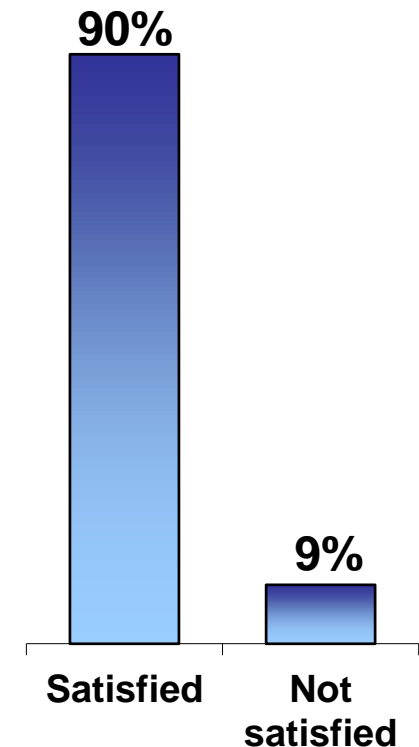


EXECUTIVE SUMMARY

Executive Summary

- Most seniors report being satisfied with their Medicare prescription drug plan because it works well and is meeting their expectations. This year, satisfaction is at peak levels.
- Nearly all who have received prescriptions through their plan say they're satisfied and the plan works well. Those saying their plan works very well has grown 11 points since the program launched in 2006.
- Nearly all say they understand how to use their plan and describe it as convenient and without hassle.
- Having Medicare prescription drug coverage gives seniors peace of mind, and most feel fortunate and better off with their coverage. Those expressing frustration has decreased over the year by 8 points.
- Medicare Rx provides a clear safety net—without it, 8 in 10 seniors say they would face higher costs and 6 in 10 would not be able to fill all their prescriptions.
- Most with an Rx plan advise people who are enrolling in Medicare for the first time to sign up. Among those who have already enrolled, only about 1 in 3 expect to shop around for a new plan this year, mainly because they are satisfied with their current plan.
- Most have not yet heard news about open enrollment this year, and many are not aware of plan comparison tools.

Satisfaction with Medicare Rx





DETAILED FINDINGS

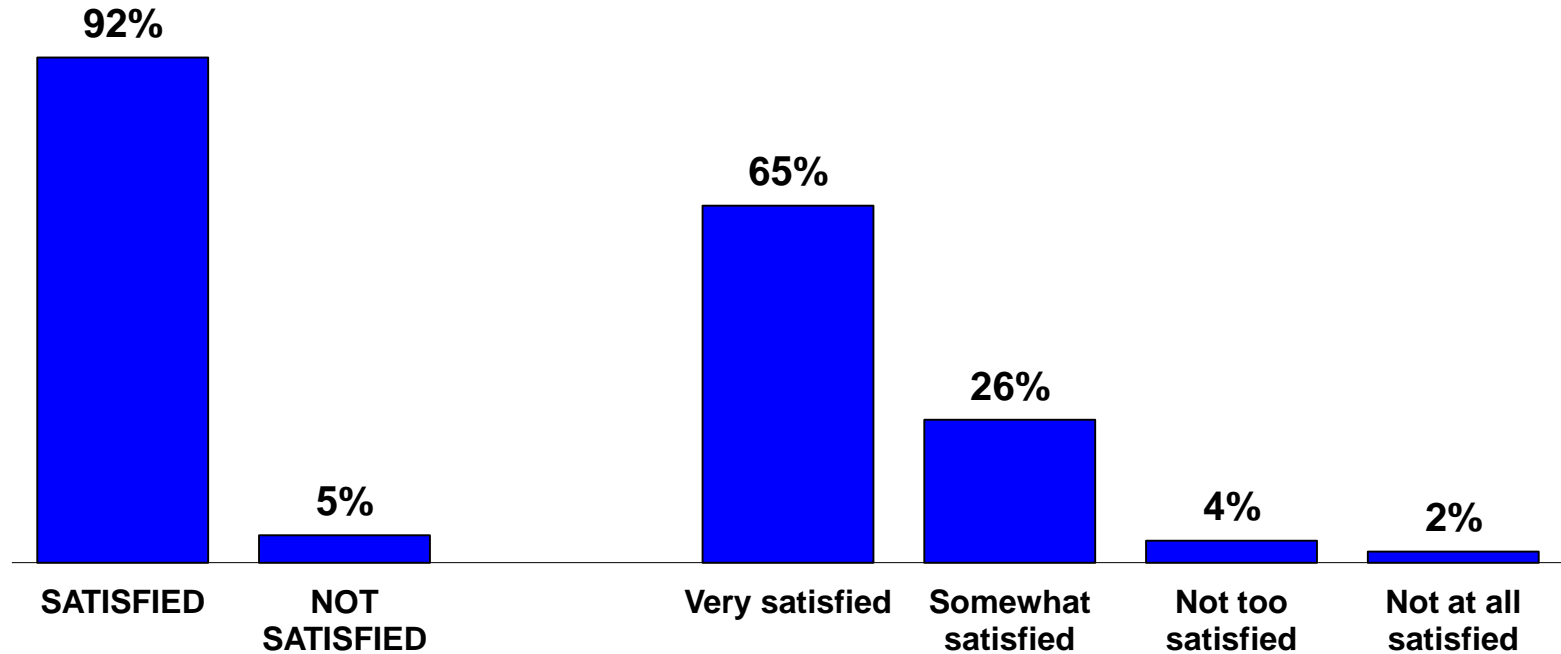


Satisfaction

The Medicare program remains very popular among seniors.

Over 9 in 10 are satisfied and nearly 2 in 3 are very satisfied.

Satisfaction with Medicare Health Care Coverage

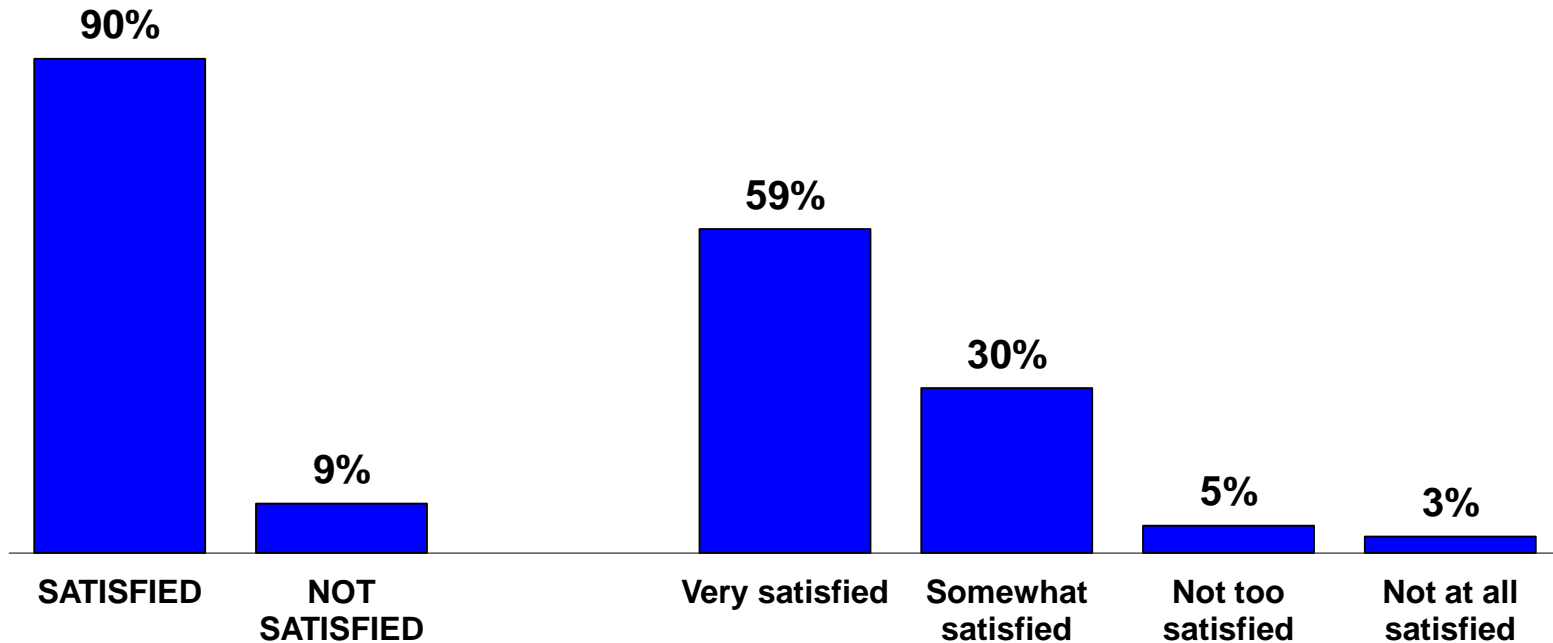


Overall, how satisfied are you with your Medicare health care coverage these days?

Seniors are also very satisfied with the Medicare prescription drug program (Part D).

Over 9 in 10 are satisfied and 6 in 10 are very satisfied.

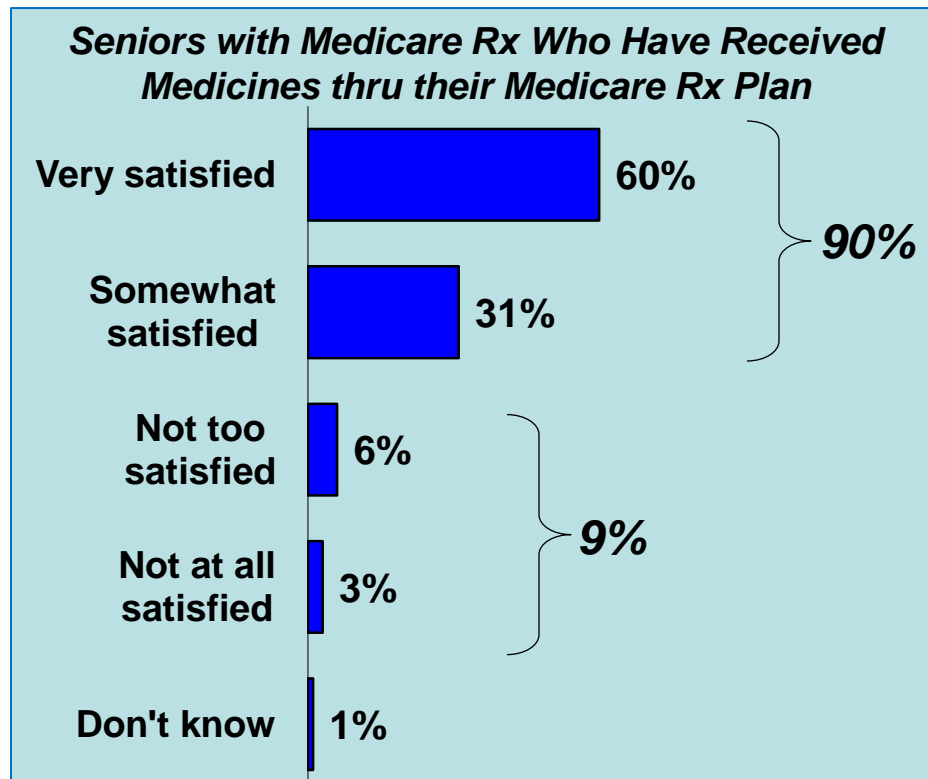
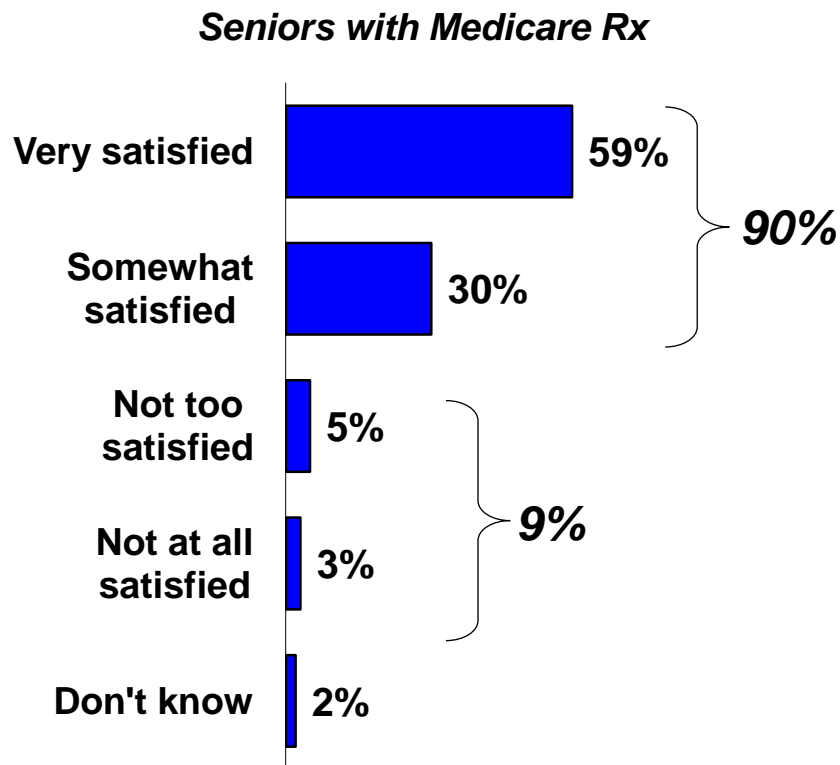
Satisfaction with Medicare Prescription Drug Coverage



Overall, how satisfied are you with your prescription drug coverage?

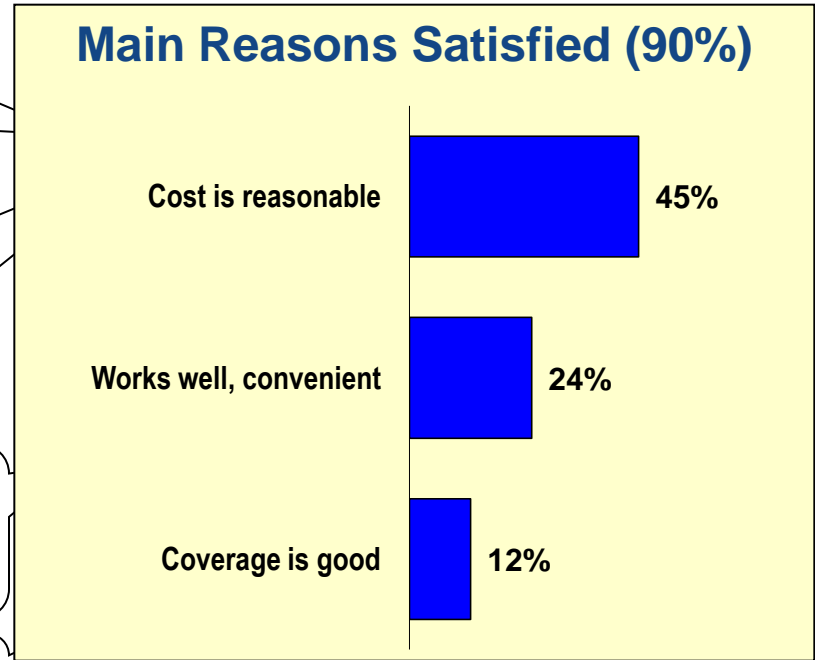
Nine in ten of those who have received medicines through their Medicare prescription drug plan are satisfied.

Overall, how satisfied are you with your prescription drug coverage?



Base: N=698 Medicare Rx enrollees who received medicines through plan

Primary Reasons for Satisfaction with Medicare Rx (Unaided)



"I think the prices from my Medicare program are very reasonable."

"They are always willing to pay for my prescriptions and that is what I want because I need help to pay for them."

"Because I can get my prescription drugs when I need them."

"I don't have to pay a lot out of pocket."

"The amount that I have to pay out of pocket is reasonable. Very convenient; I get it through the pharmacy, not the mail."

"I don't have any problems with them. Everything is working the way it's supposed to, they cover what they said they would."

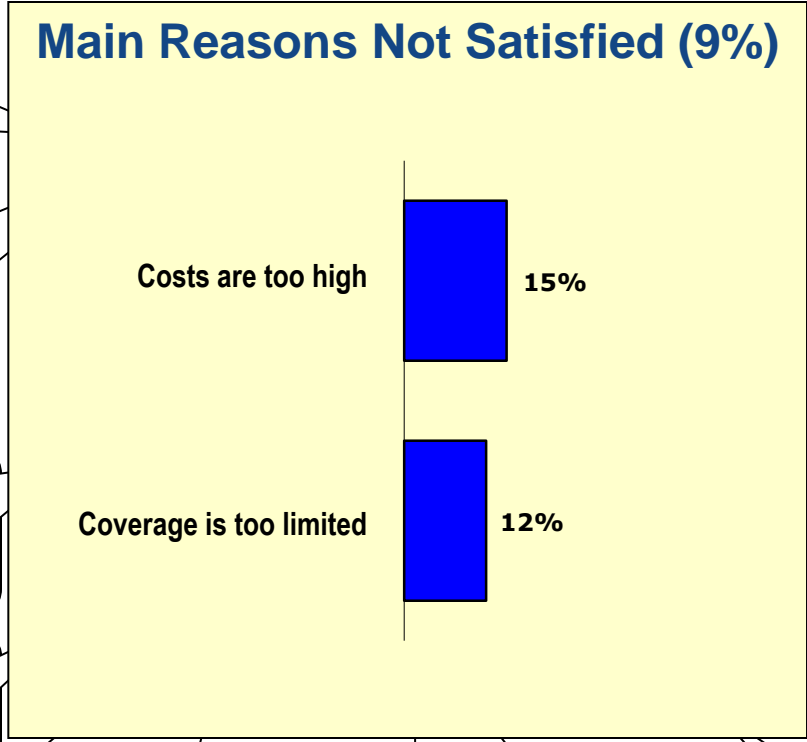
"I have a good pharmacy that delivers and I only have a small co-pay."

"Never had a problem with them paying."

"I get reasonable coverage. I enjoy it. Doesn't cost a lot (co-pay)."

"I am getting exactly what I paid for and they treat me well."

Primary Reasons Not Satisfied with Medicare Rx (Unaided)



"My particular meds...[don't] come in generic and it's a little expensive."

"If you take an Rx that is not on the list you pay through the nose, if the Rx is not on their list, if no generic, you are stuck."

"Well I wish the deductible wasn't as expensive as it is."

"I would be satisfied if the cost was lower."

"They don't pay enough for the medicine, too much coming out of pocket."

"I think that for what we pay for Medicare we should get more help. I think they should give us more coverage on things than they do."

"Doesn't cover as well as it could have."

My coverage is so restricted."

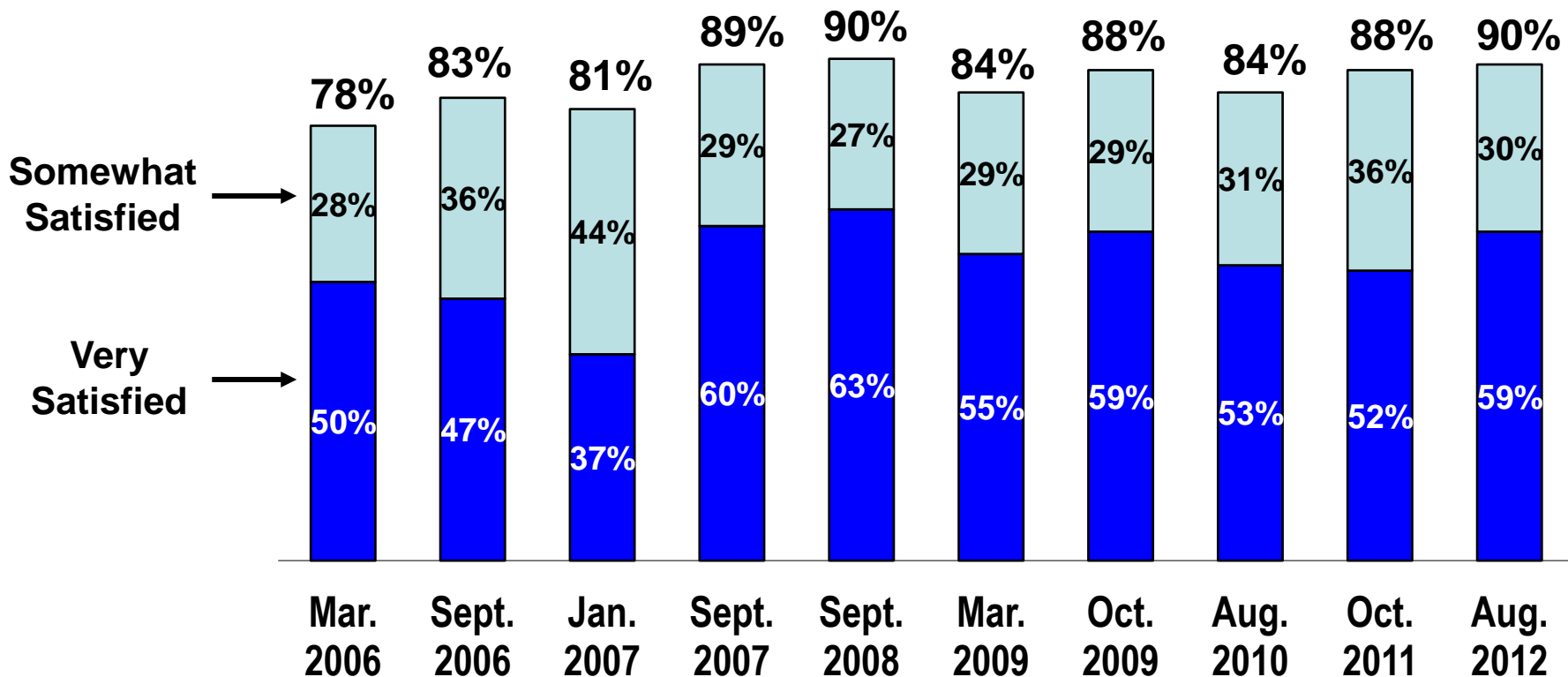
"Because of the coverage gap and I don't believe the donut hole should exist."

"I feel that there's always an increase."

More than 8 in 10 seniors have reported satisfaction with their Rx coverage since Fall 2006.

Since Fall 2007, more than half have reported being very satisfied.

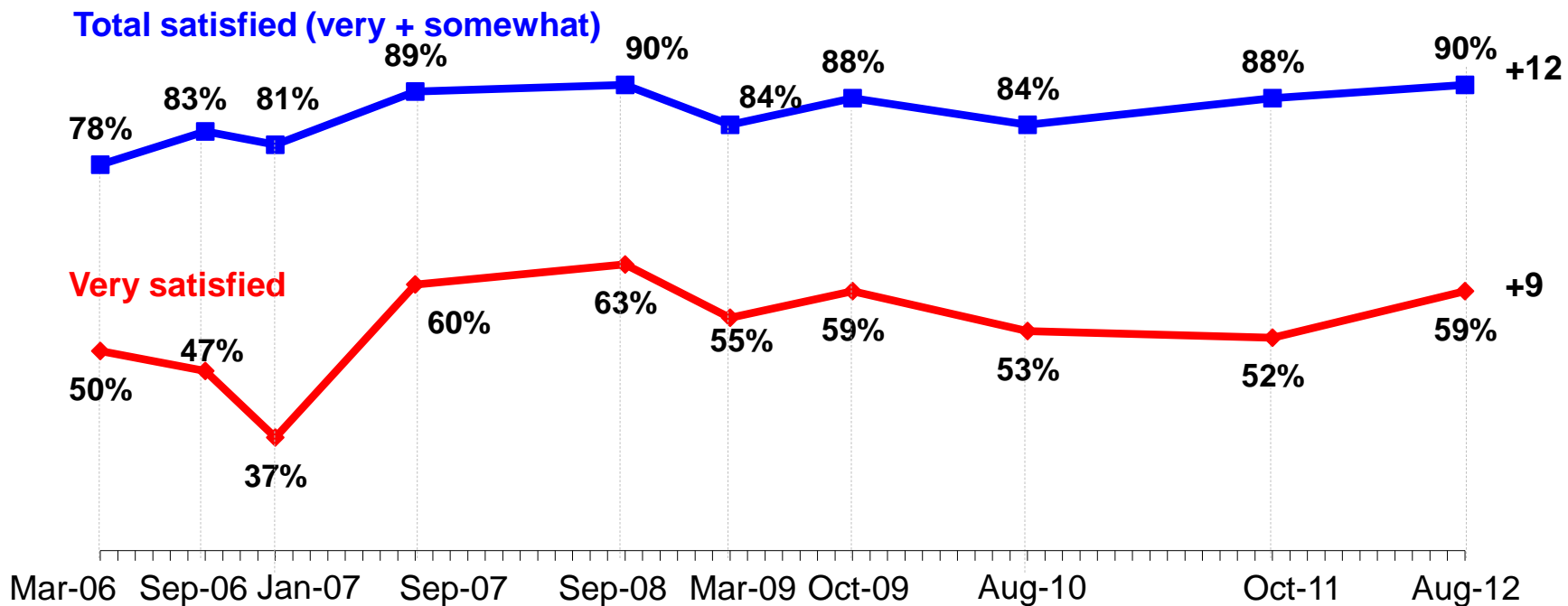
Overall, how satisfied are you with your prescription drug coverage?



Current satisfaction levels are at an all-time high, achieved once in 2008.

Satisfaction is up 6 points since August 2010.

Overall, how satisfied are you with your prescription drug coverage?





Large majorities across all groups are satisfied.

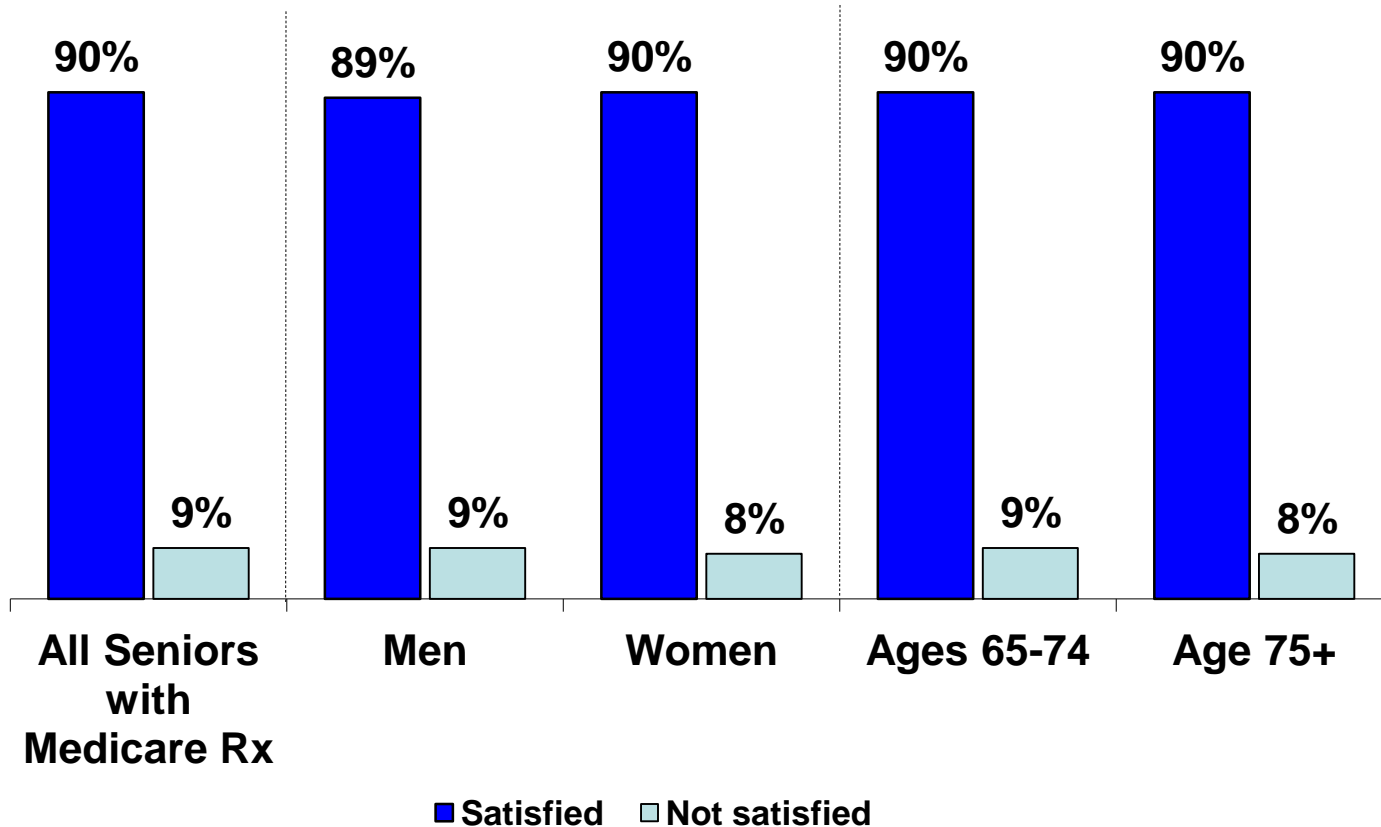
Percent Satisfied with their Medicare Rx Plan

<p>90% or more satisfied:</p>	<ul style="list-style-type: none"> • Have Rx premium cost less than \$30/month (95%) • Receive Medicaid (95%) • Take 6+ prescriptions (95%) • Earn more than \$50,000 (93%) • Take 1-5 prescriptions (92%) • Spend less than \$50 out-of-pocket (92%) • Low income—less than \$15,000 annual income (91%) • Republicans (90%) • Democrats (90%) • Age 75+ (90%) • Ages 65-74 (90%) • Women (90%)
<p>80-89% satisfied:</p>	<ul style="list-style-type: none"> • Men (89%) • Spend more than \$50 out of pocket per month (88%) • Those that make between \$15,000-\$50,000 (88%) • Have Rx premium cost greater than \$50/month (87%) • Have Rx premium cost of \$31-50/month (84%) • Have a disability (83%)



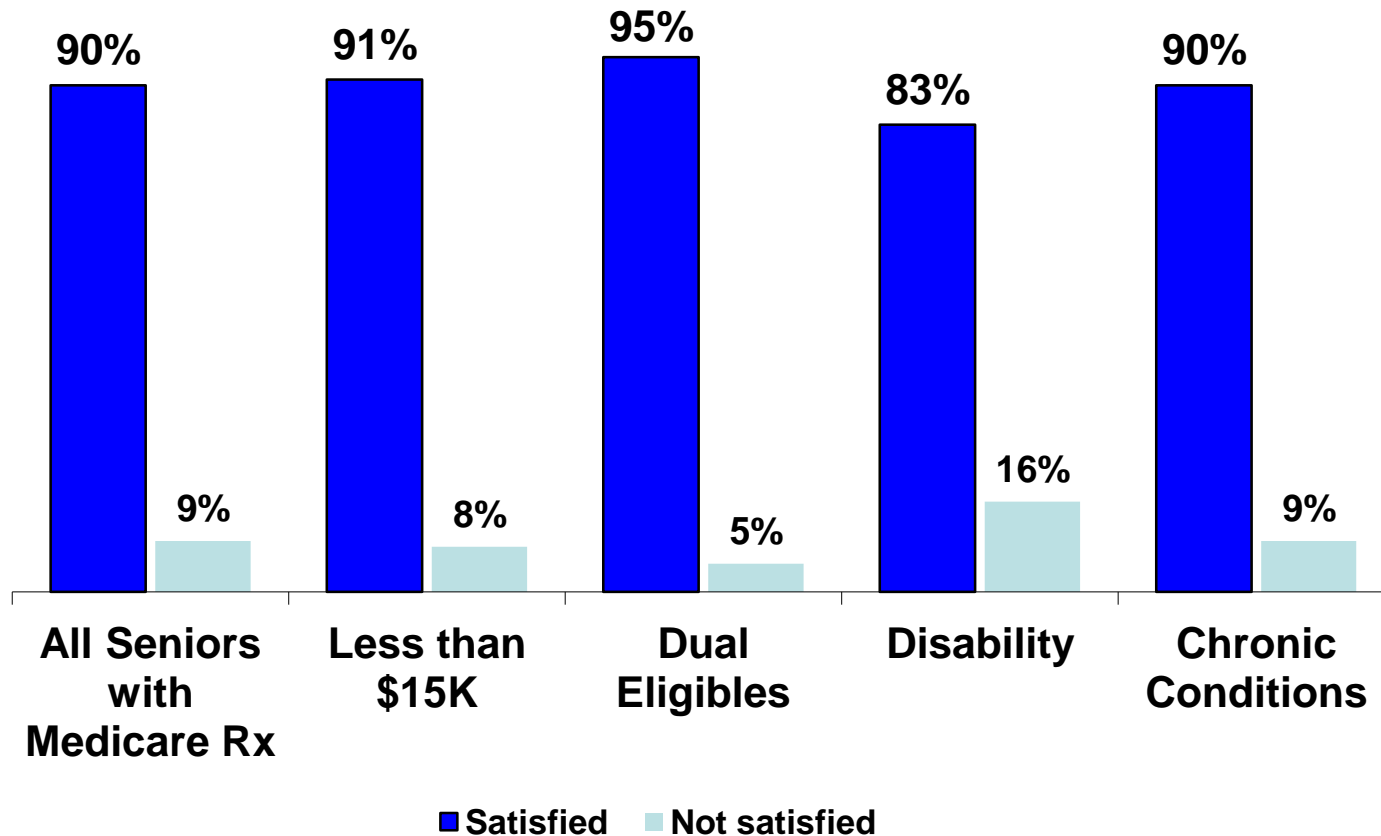
Men and women as well as younger and older seniors are satisfied with their Rx coverage.

Overall, how satisfied are you with your prescription drug coverage?



Dual eligibles, those with low incomes, and those living with chronic conditions and disabilities are also satisfied.

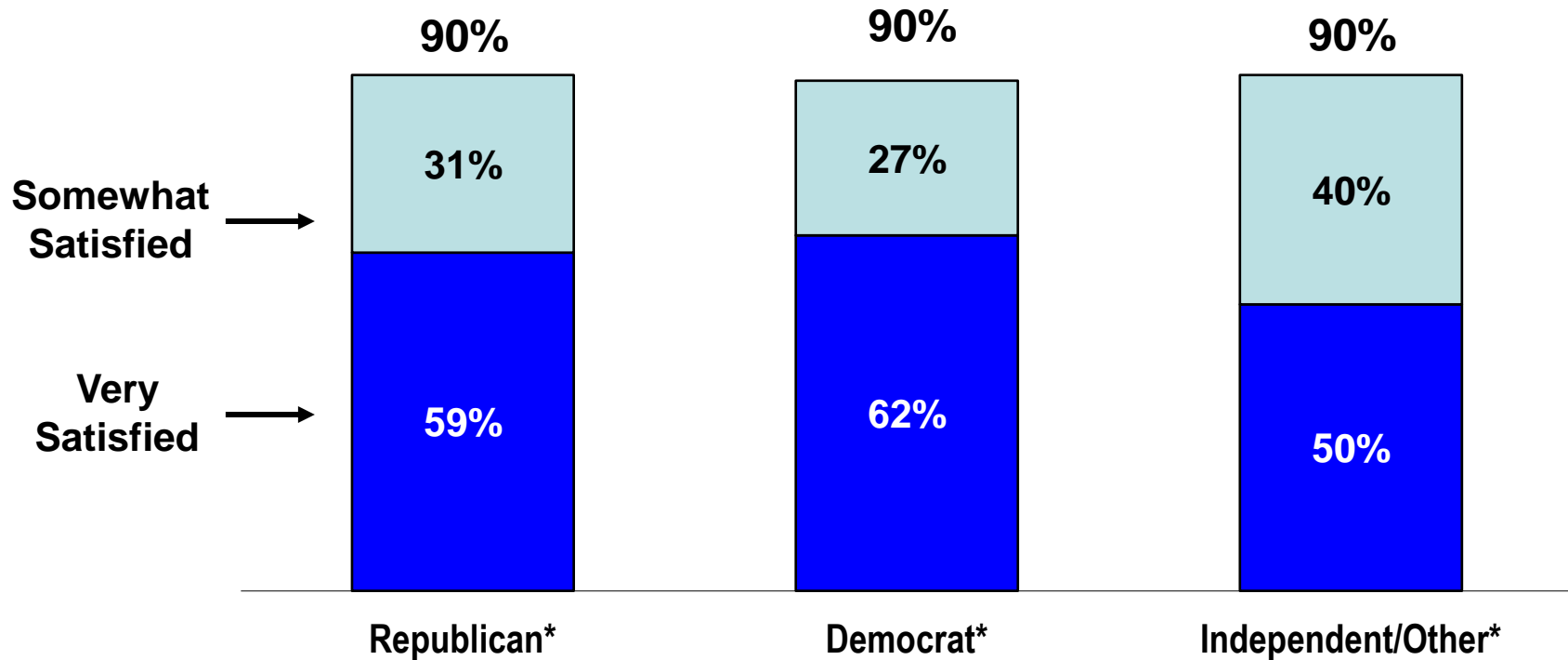
Overall, how satisfied are you with your prescription drug coverage?





Across political party lines, nine in ten seniors are satisfied with their prescription drug coverage.

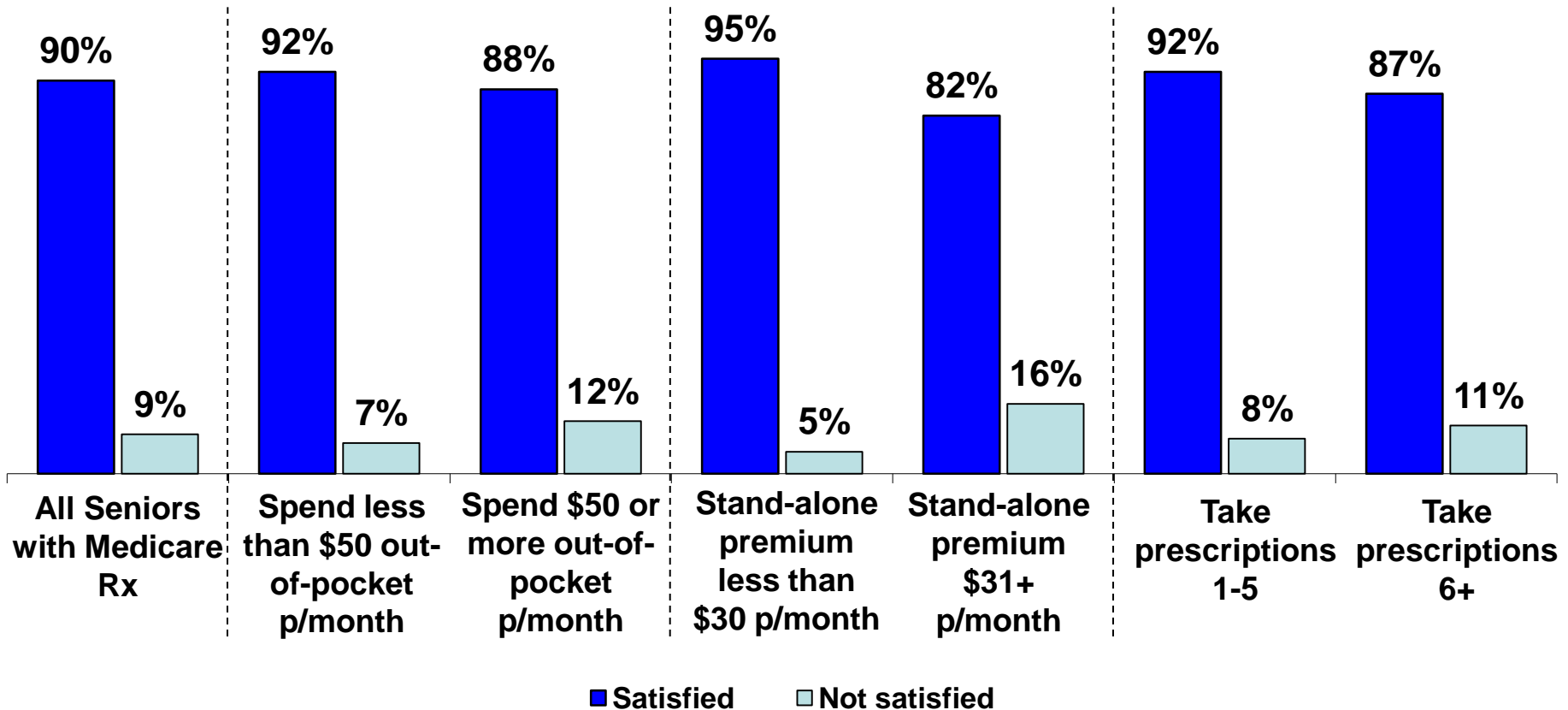
Overall, how satisfied are you with your prescription drug coverage?



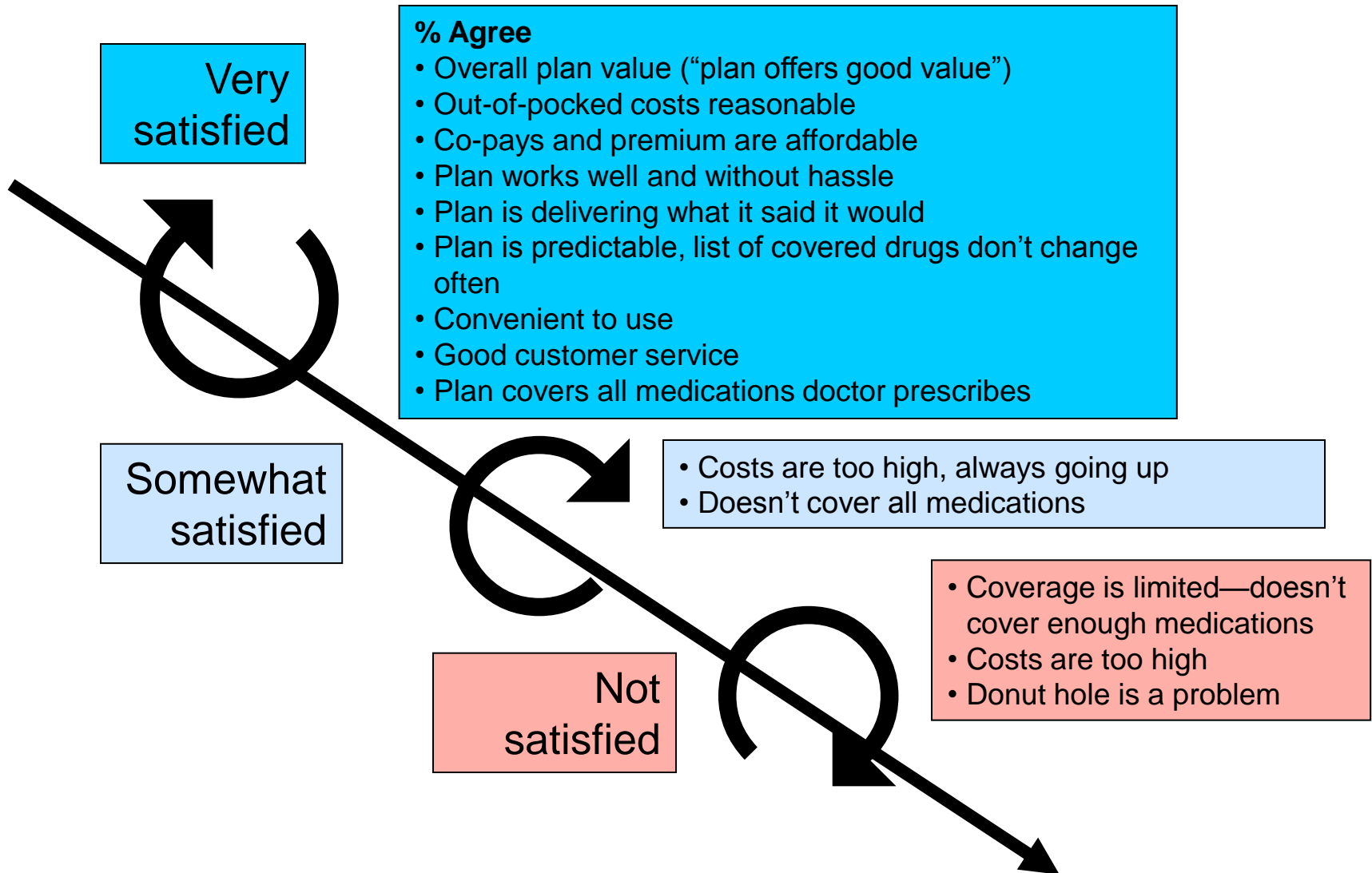
*Generally speaking, do you think of yourself as a Republican, a Democrat, an independent, or something else?

Satisfaction is *highest* among seniors with the lowest monthly premiums and out-of-pocket costs.

Overall, how satisfied are you with your prescription drug coverage?



Drivers of Plan Satisfaction



When plan satisfaction levels are high, the desire to switch plans is low.

Drivers of Plan Satisfaction

- Overall plan value (“plan offers good value” (86% agree)
- Out-of-pocket costs reasonable (83% agree)
- Co-pays (86%) and premium (85%) are affordable
- Plan works well and without hassle (90%)
- Plan is delivering what it said it would (86%)
- Plan is predictable, list of covered drugs don’t change often (82%)
- Convenient to use (94% agree)
- Good customer service (89% agree)
- Plan covers all medications doctor prescribes (79%)

Drivers of Plan Switching

- Not completely satisfied (9% not satisfied)
- Plan doesn’t offer good value (10% disagree)
- Out-of-pocket costs are not reasonable (14% disagree)
- Co-pays and premium are not affordable (10% and 9%)
- Plan is not predictable—formulary changes too often (10%)
- Plan doesn’t cover all my medications (17% Disagree)
- Plan doesn’t work well, is a hassle (8%)
- Poor customer service (5%)
- Plan isn’t delivering what it said it would (7%)
- Don’t understand how my plan works (7%)



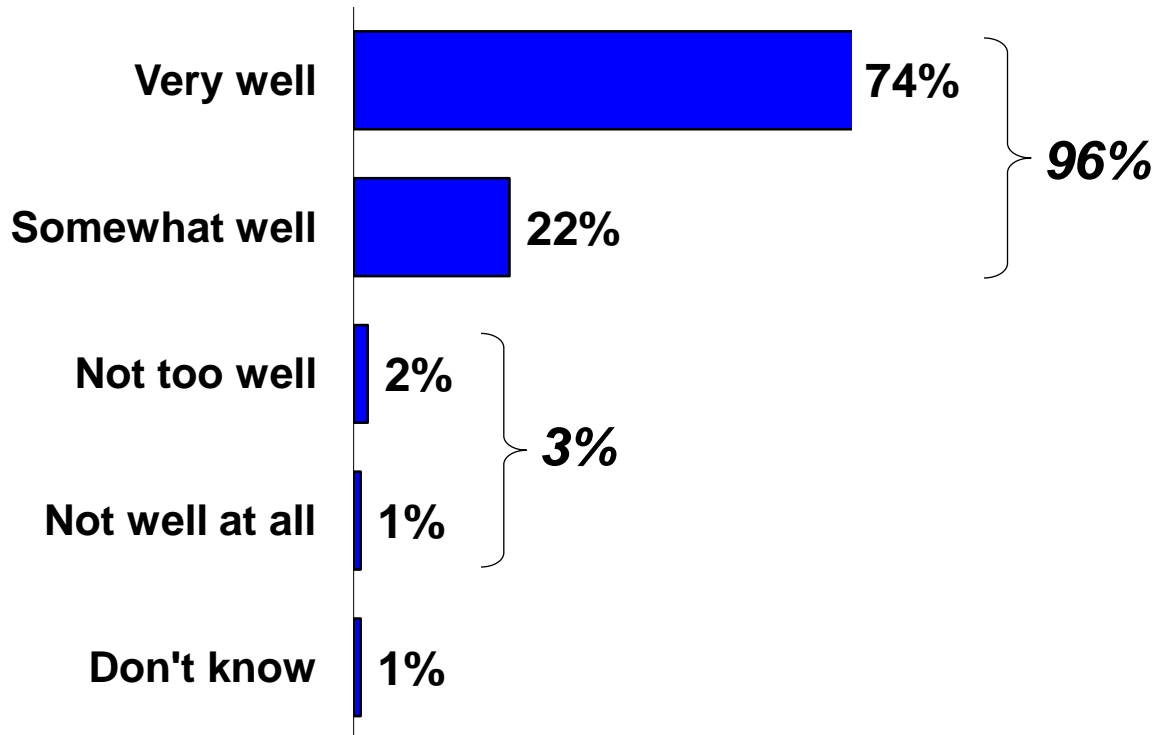
How Medicare Rx Works

Nearly all who are enrolled in Medicare Rx and have received medicines say their plan works well.

Nearly 3 in 4 say their plan works very well.

IF RECEIVED MEDS: How well has your prescription drug plan worked for you?

Have you received any medicines through your Medicare prescription drug plan?
81% Received meds
17% Have not

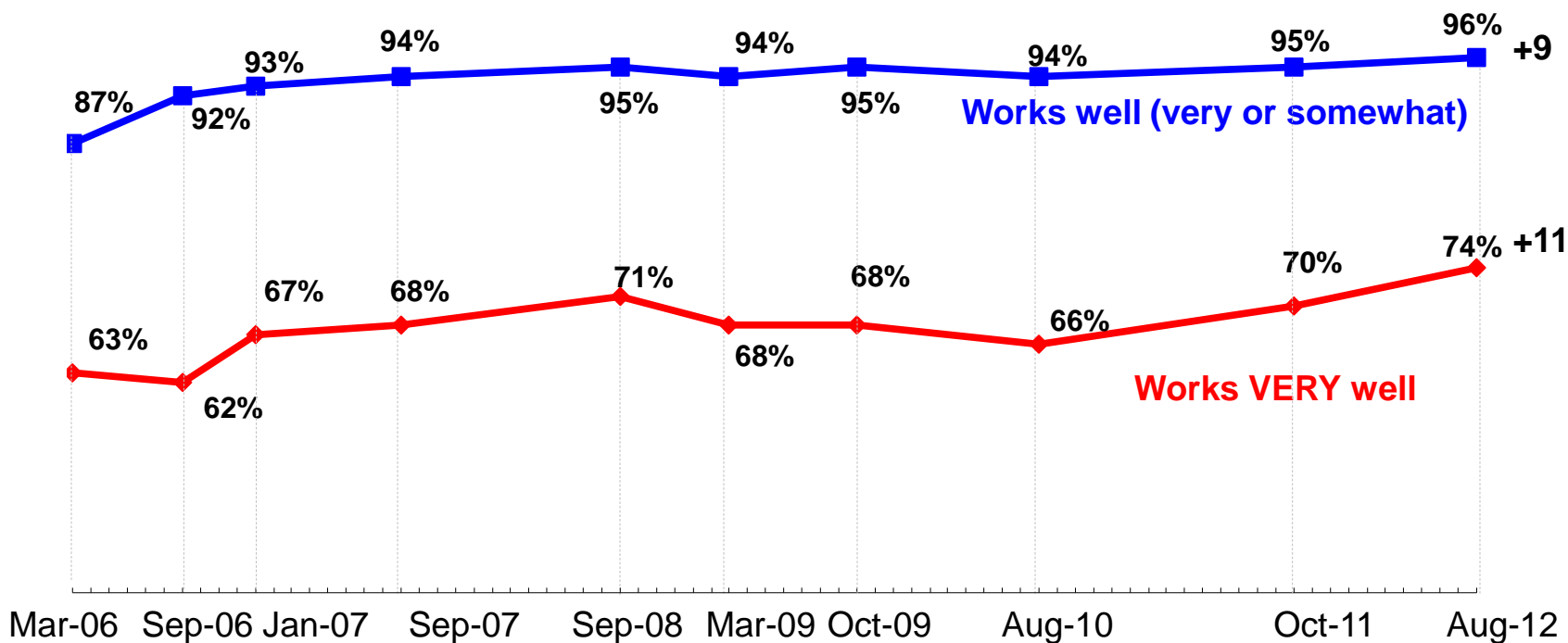


IF RECEIVED MEDICINES THROUGH PLAN: How well has your prescription drug plan worked for you—has it worked very well, somewhat well, not too well, or not well at all?

The trend has remained highly positive and consistent since the Fall of 2006.

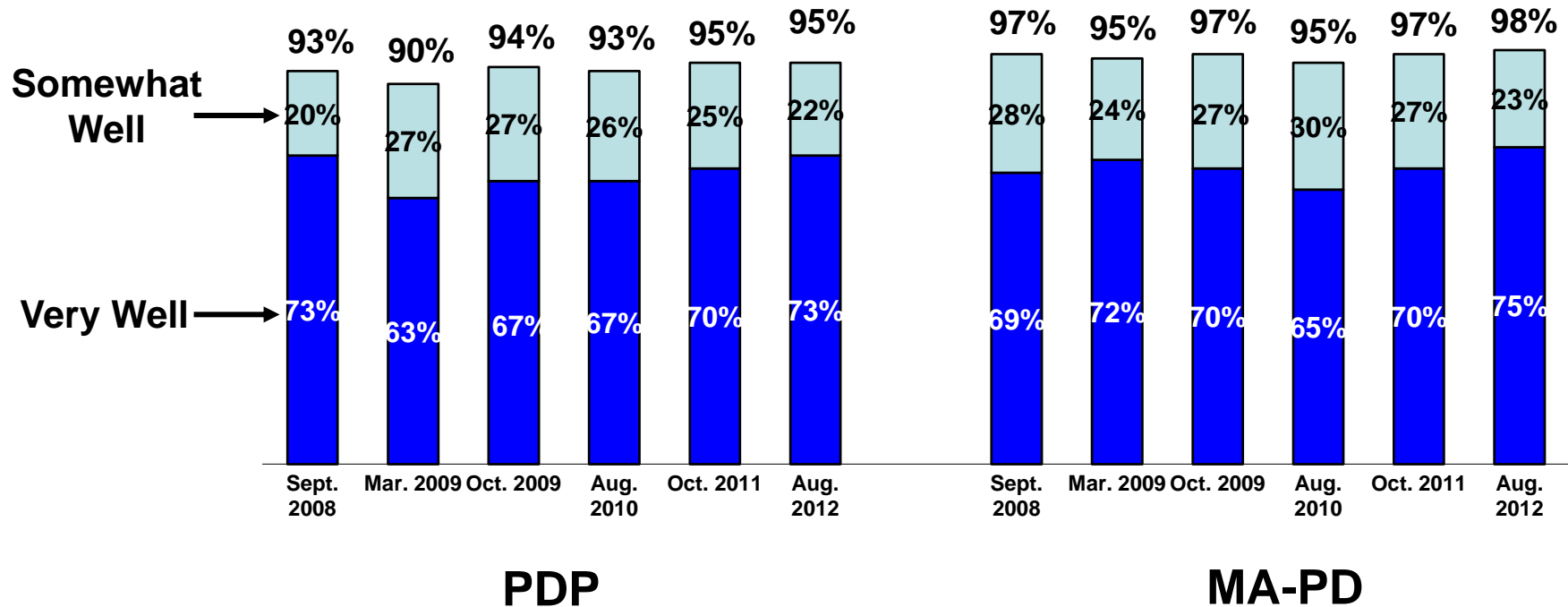
Those saying their Rx plan has works VERY well has increased 11 points since the program started and 8 points since 2010.

IF RECEIVED MEDICINES: How well has your prescription drug plan worked for you?



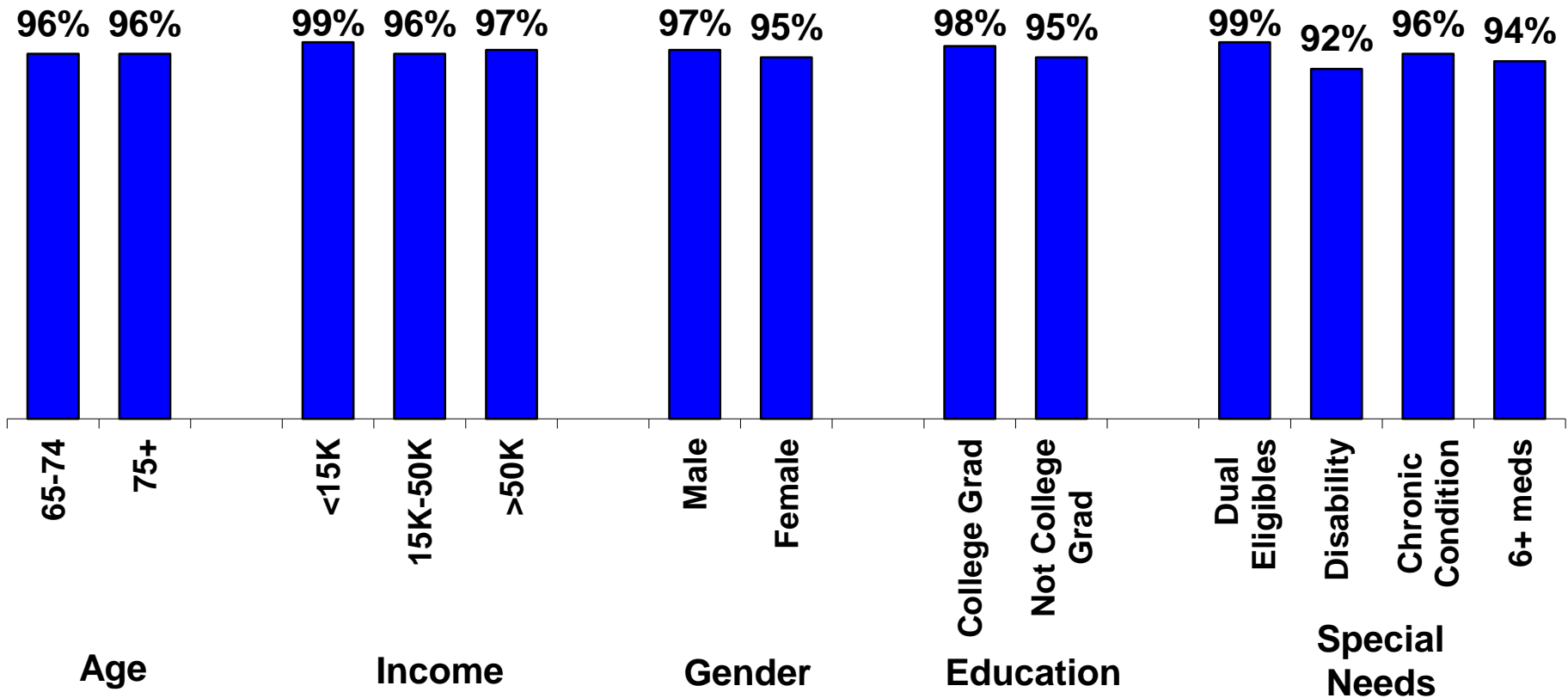
Both those with Original Medicare (PDP) and with Medicare Advantage plans (MA-PD) report their plans work very well.

How well has your prescription drug plan worked for you?

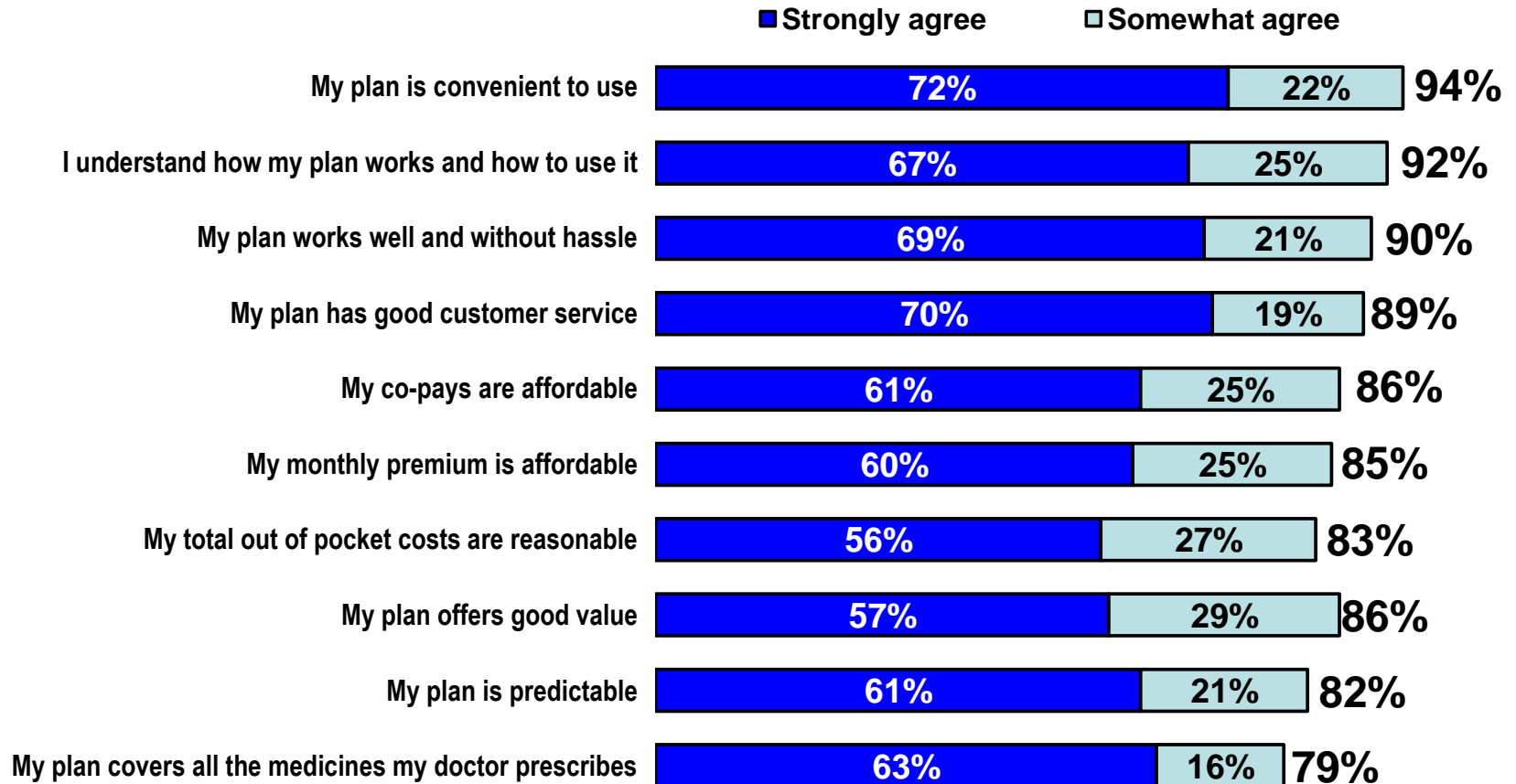


Across demographic groups, seniors report their plans work well.

How well has your prescription drug plan worked for you?
Percent saying plan works well



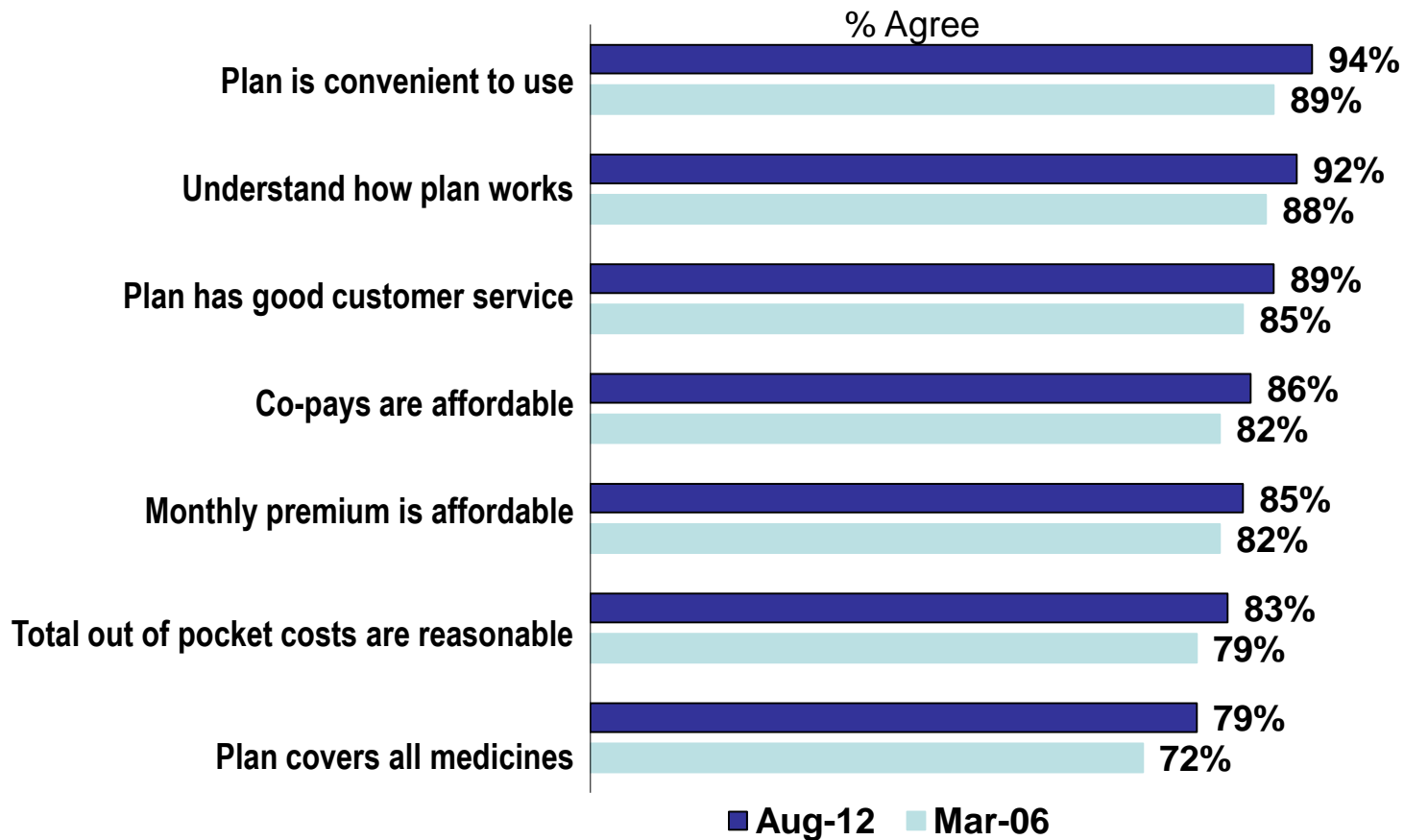
More than 8 in 10 report their plan is predictable, affordable, reasonable, and offers good value.



I'm going to read you some statements that may or may not describe your opinions about your Medicare prescription drug plan. For each one, tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree.

On all indicators of satisfaction, seniors give Medicare Rx higher marks in 2012 than they did when the program started.

Those saying their plan covers all their medicines has grown by 7 points.



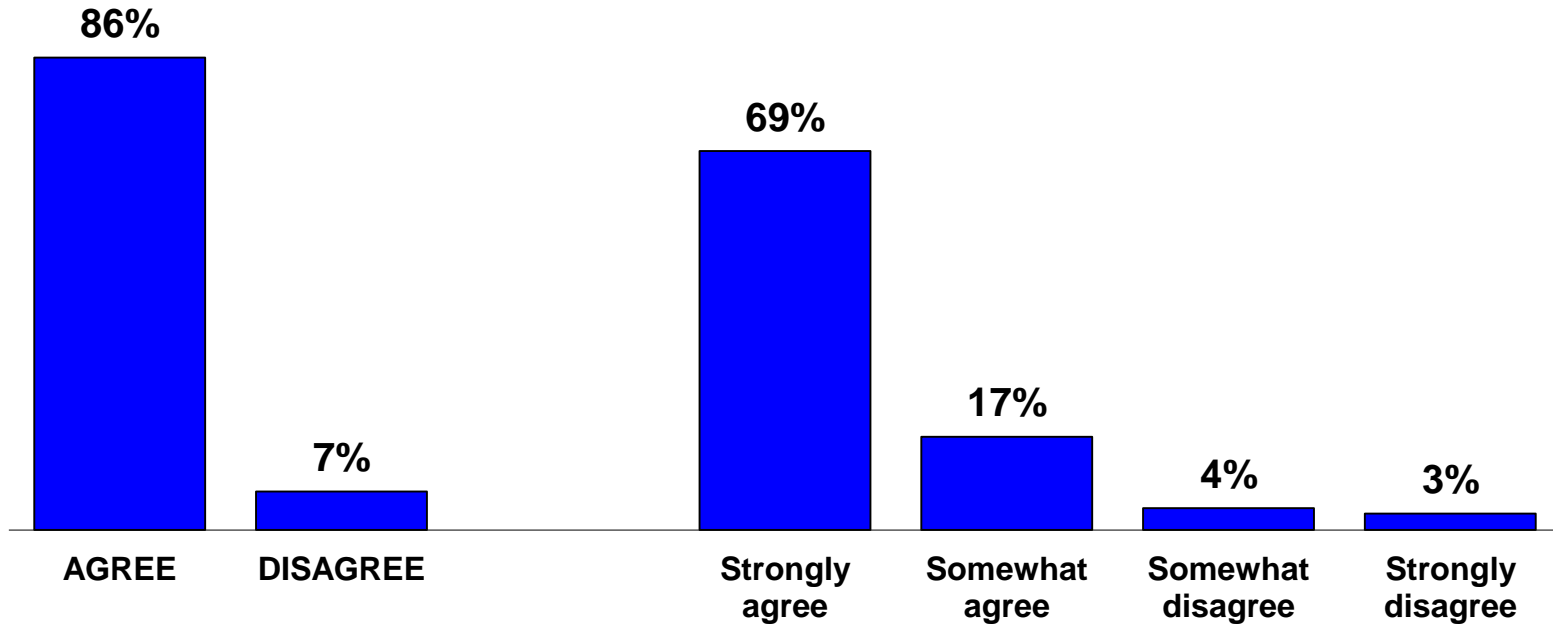
I'm going to read you some statements that may or may not describe your opinions about your Medicare prescription drug plan. For each one, tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree.



Feelings and Expectations

Medicare Rx continues to meet seniors' expectations—nearly 9 in 10 say their drug plan is delivering what it promised when they enrolled.

My Medicare drug plan is delivering what it said it would when I enrolled

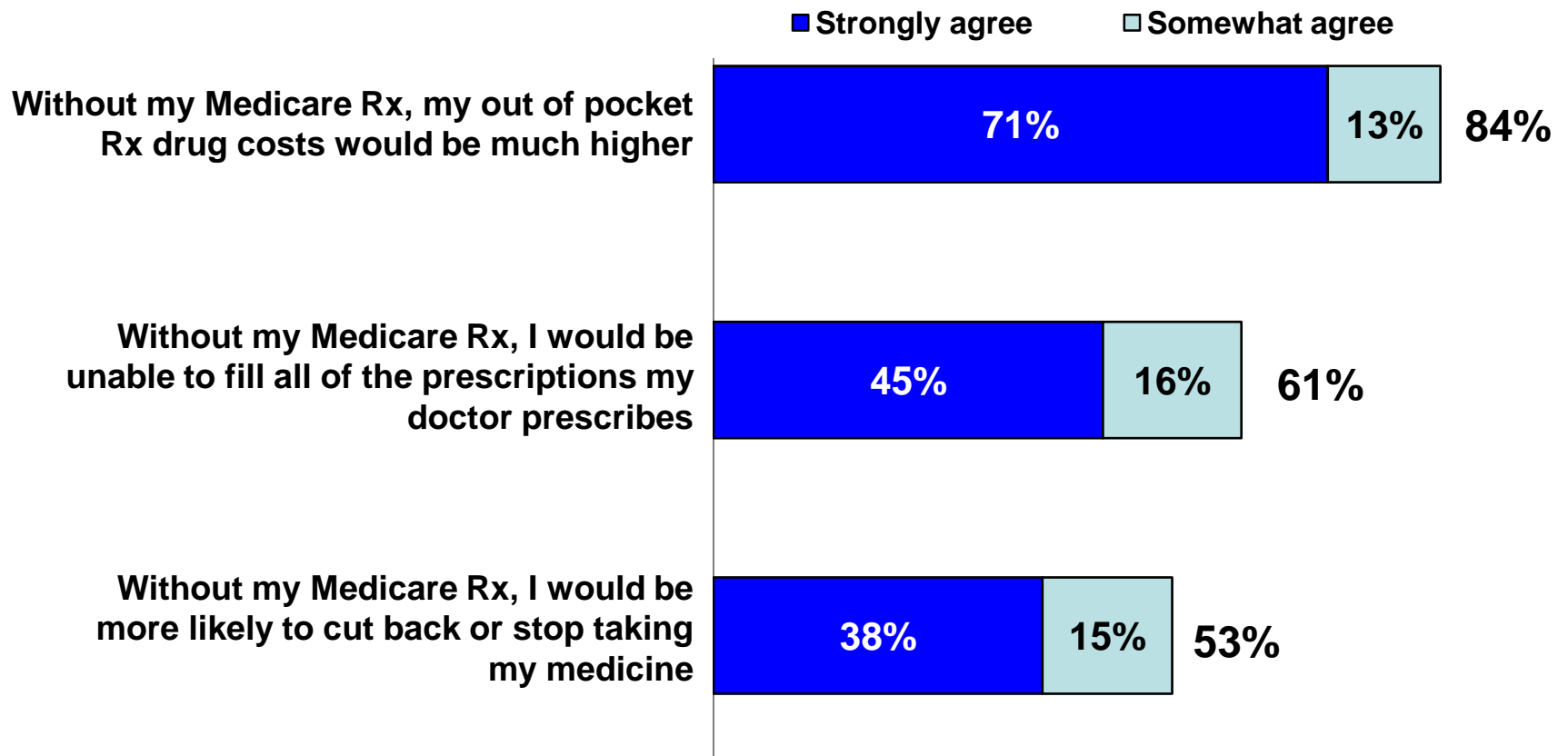


I'm going to read you some statements to hear how you feel now that you have enrolled in a Medicare prescription drug plan. For each one, tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree.

Those feeling *peace of mind* by having Medicare Rx coverage has **increased 16 points** since program start. Those feeling frustrated has **declined 8 points** over the year.

	Mar. 2006	Sept. 2006	Jan. 2007	Sept. 2007	Sept. 2008	Mar. 2009	Oct. 2009	Aug. 2010	Oct. 2011	Aug. 2012
Feel fortunate that I'm covered	N/A	N/A	N/A	96	97	93	95	94	95	95
Feel peace of mind	78	82	83	94	97	91	93	94	95	94
I'm better off now than before I had Medicare Rx	66	69	67	68	78	72	68	66	70	68
Feel frustrated with my coverage	33	35	35	28	22	26	30	27	32	24
Feel nervous about my coverage	28	26	25	19	23	23	27	27	25	25

Seniors rely on Medicare Rx. It provides a **safety net**—without it, 8 in 10 say they would face higher costs and 6 in 10 would not be able to fill all prescriptions. Over half would need to cut back or stop taking medicines.



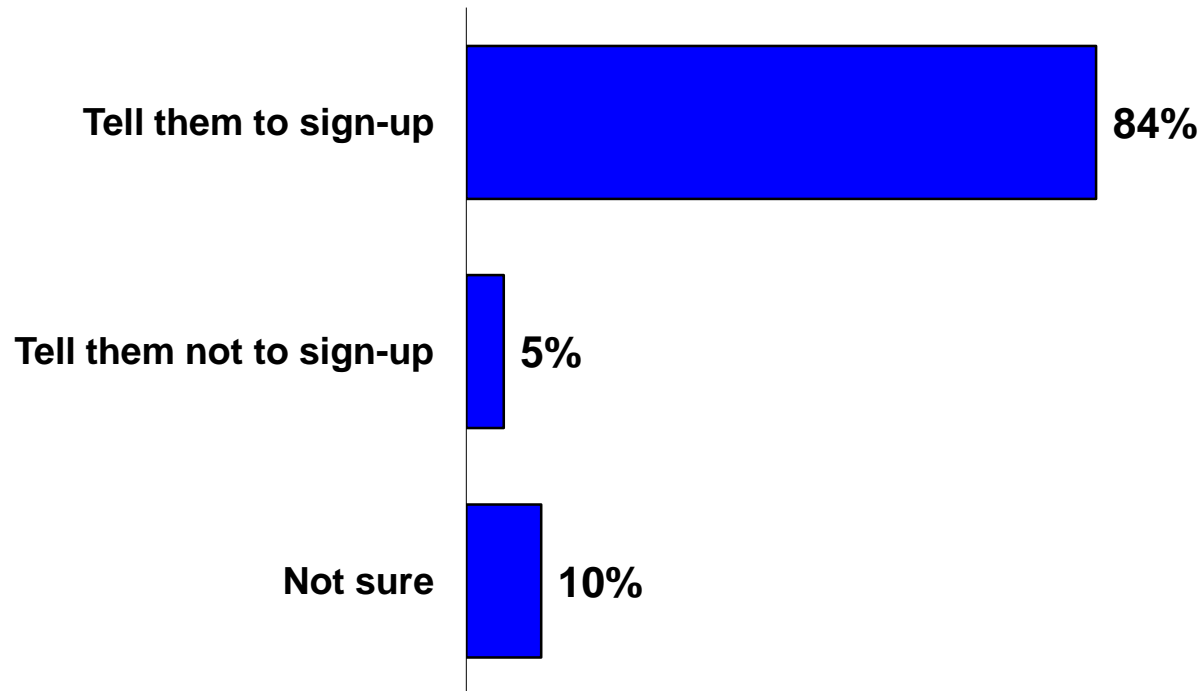
I'm going to read you some statements to hear how you feel now that you have enrolled in a Medicare prescription drug plan. For each one, tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree.



Open Enrollment 2012

More than eight in 10 would recommend Medicare Rx to someone enrolling in Medicare for the first time.

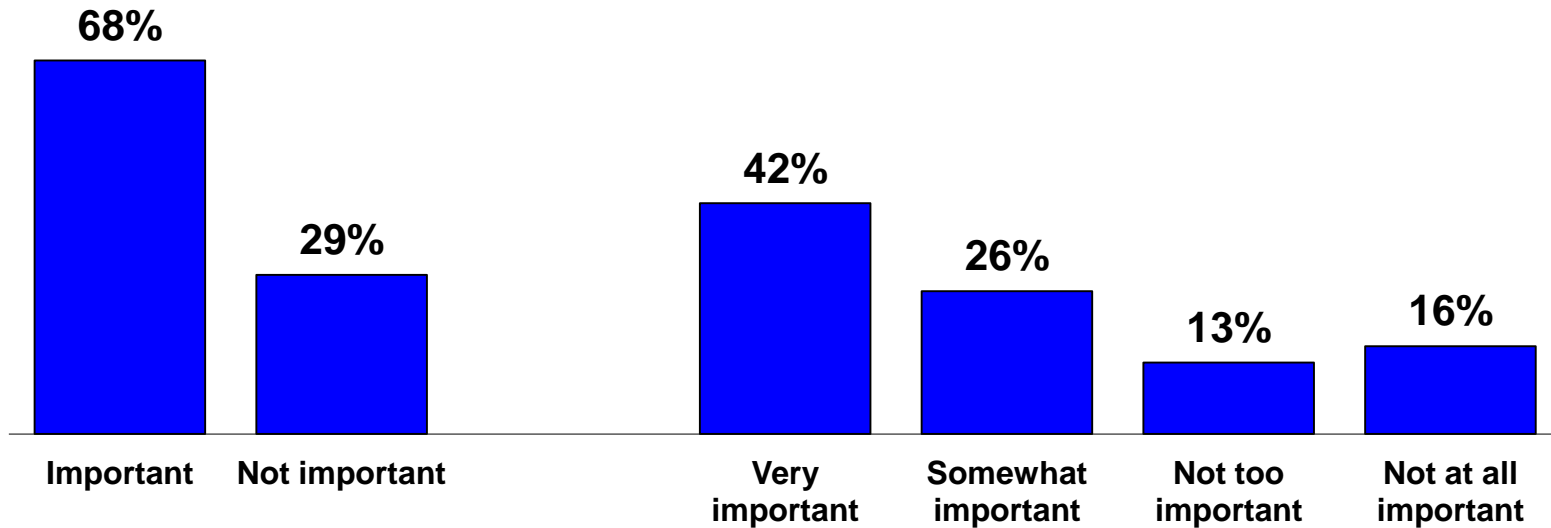
If you were giving advice to someone who is enrolling in Medicare for the first time, would you tell them to sign up for a Medicare prescription drug plan, or not?





Nearly seven in 10 seniors said that having a variety of plans to compare and choose from is important.

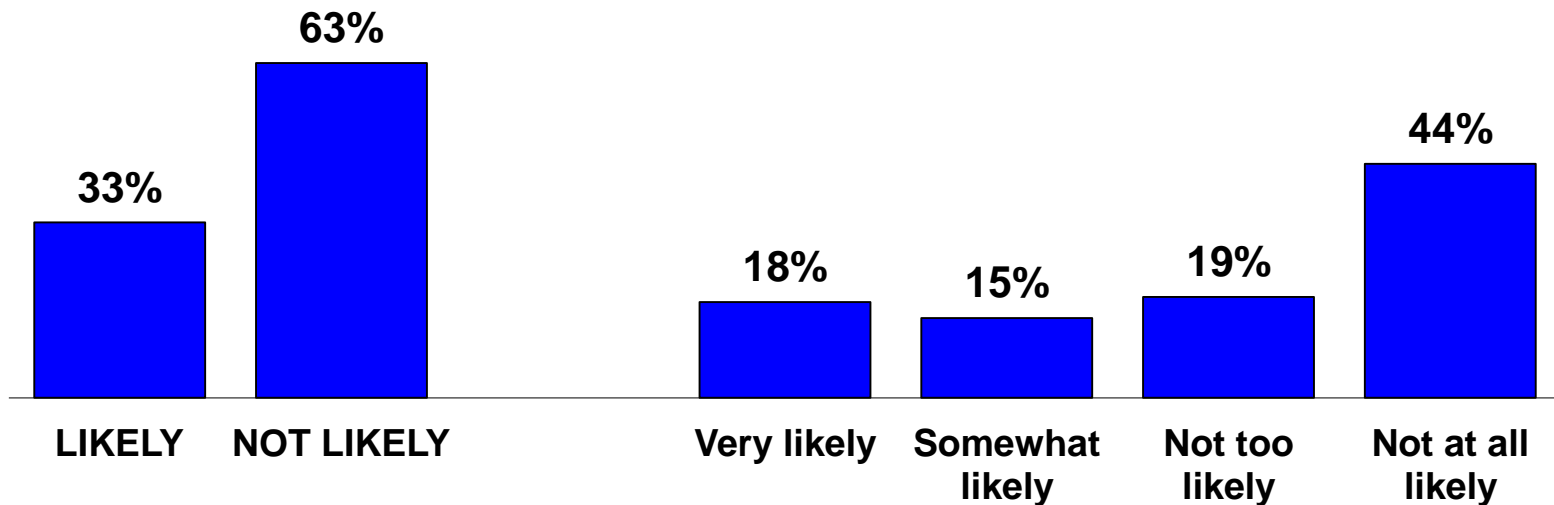
How important is it to you personally to have a variety of plans to compare and choose from - is it very important, somewhat important, not too important or not at all important?



Only one in three seniors with Medicare Rx plans say they're likely to shop around for another plan during open enrollment.

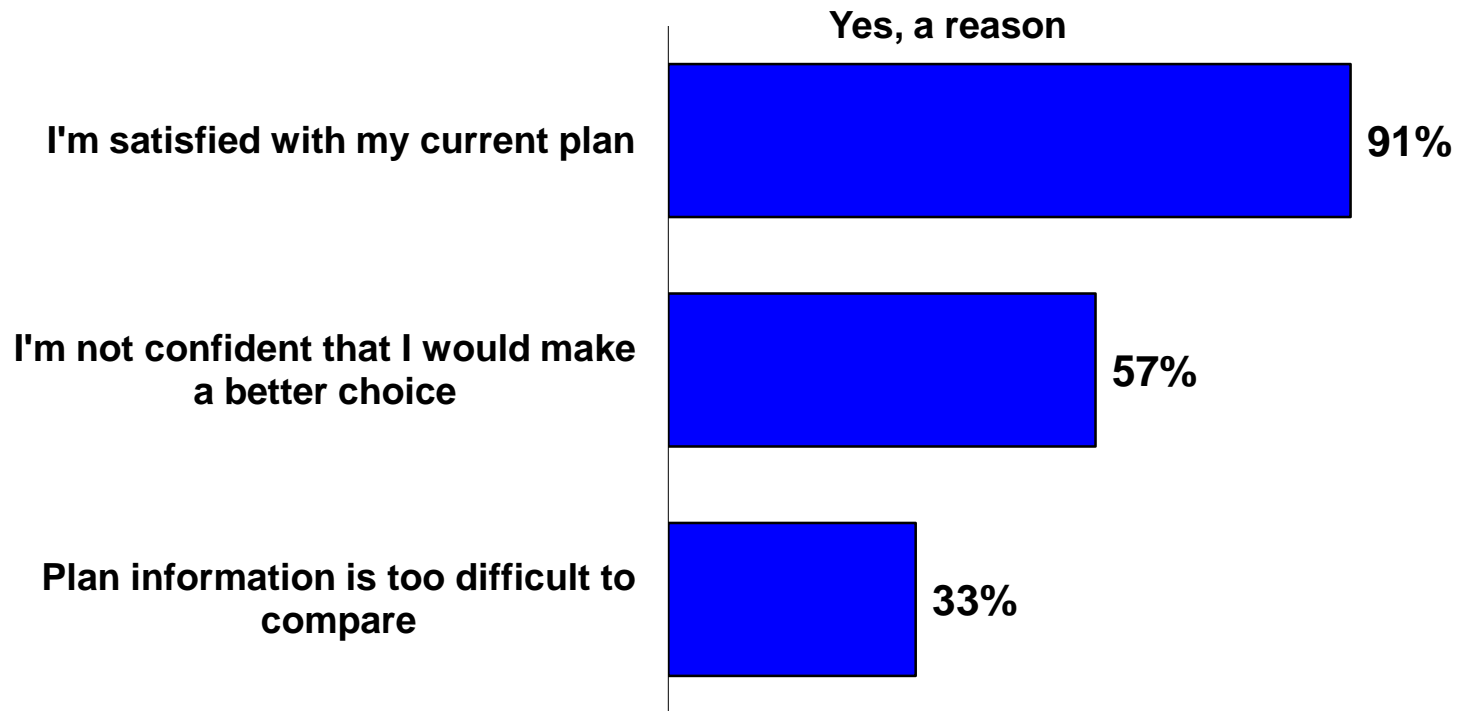
44% say they are not at all likely to comparison shop.

Every year, during open enrollment, you can keep the same Medicare health and prescription drug plan if you are satisfied or you can change your current plan to one that better meets your needs, without any penalty. This year, open enrollment is from October 15th to December 7th. How likely are you to shop around and compare Medicare health or prescription drug plans this year—very likely, somewhat likely, not too likely, or not at all likely?



Most who are not likely to compare plans this year say it is because they are satisfied with their current plan. Some find plan comparisons difficult and worry they might not make a better choice than they already have.

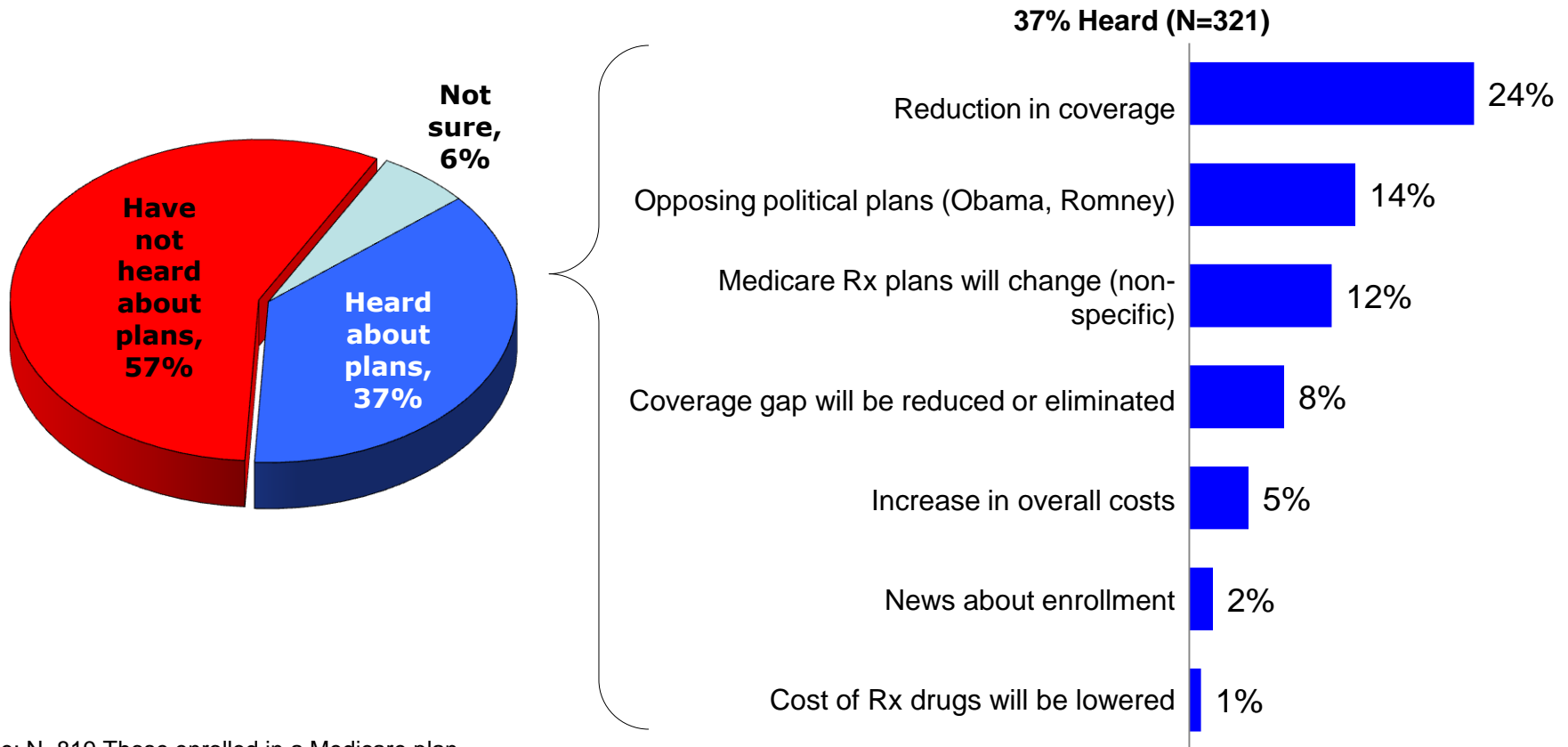
IF NOT TOO OR NOT AT ALL LIKELY TO SHOP AROUND AND COMPARE PLANS: I'm going to read you a list. For each one, tell me if that is a reason you are not likely to shop around and compare plans.



Just 4 in 10 heard something about Medicare Rx plans in the news recently—and only 2% mentioned open enrollment.

Few mentioned Open Enrollment, new benefits, or lowered costs.

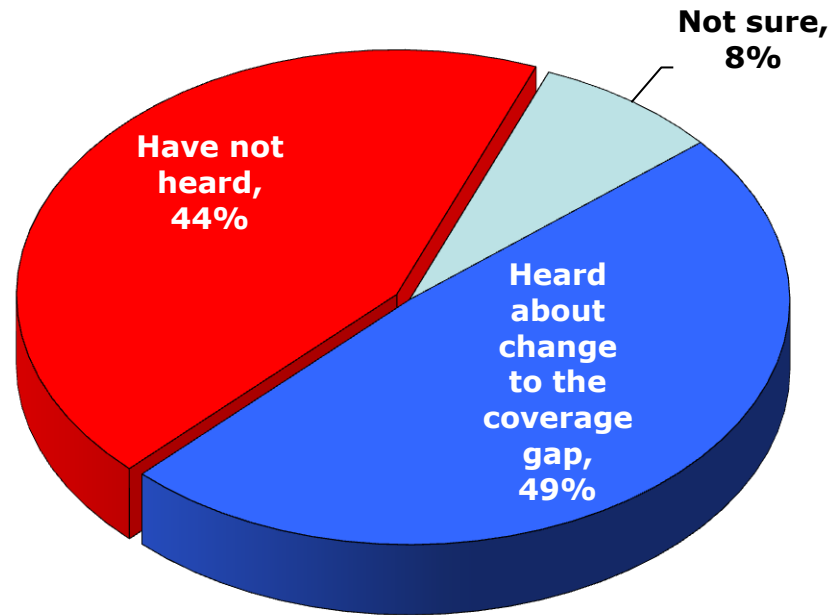
Have you read, seen, or heard anything recently about Medicare prescription drug plans in the news? If so, what is the last thing you read, saw, or heard?



Base: N=819 Those enrolled in a Medicare plan (stand-alone or Medicare Advantage)

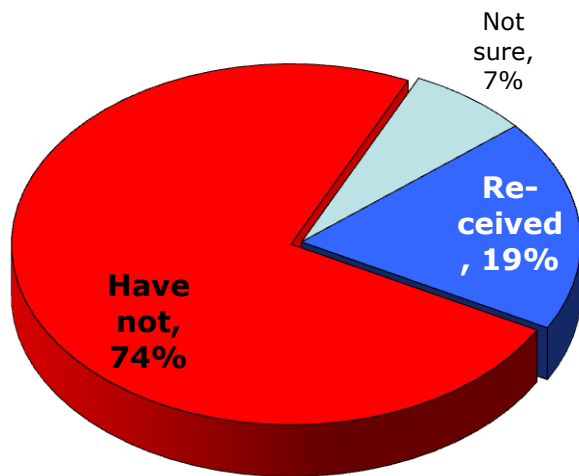
When asked directly, about half said they heard about a change to the coverage gap—but over half are still not aware of this new benefit.

Have you heard anything about a change to the coverage gap in Medicare prescription drug plans, sometimes called the “donut hole”

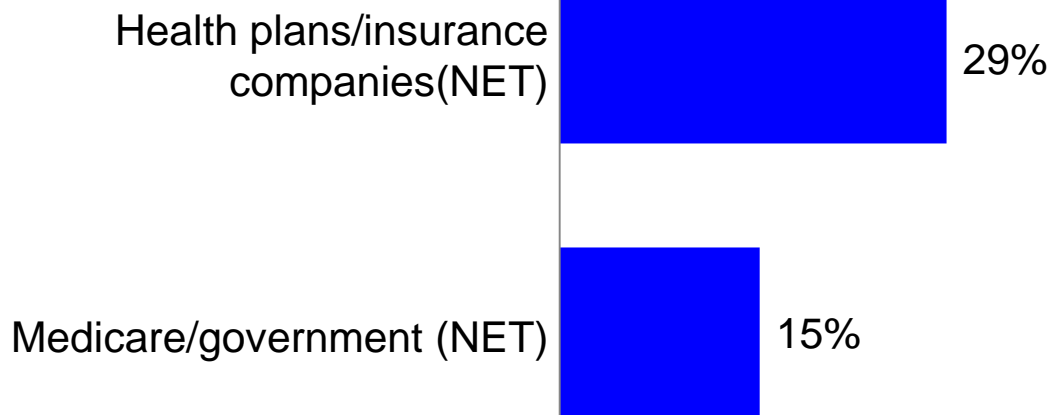


Fewer than 1 in 5 said they received recent information about prescription drug plans.

Have you received any information recently about Medicare prescription drug plans?



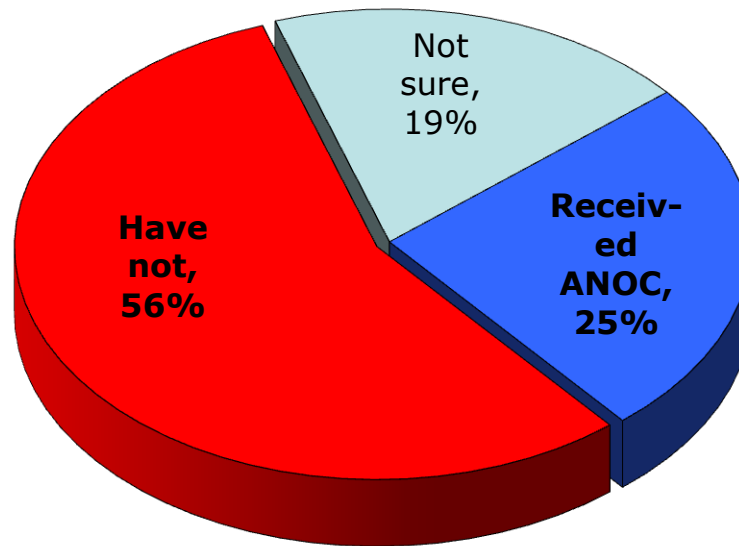
*IF RECEIVED INFORMATION (19%, N=155):
From whom did you receive information?*



Base: N=819 Those enrolled in a Medicare Rx plan (stand-alone or Medicare Advantage)

Only one-quarter reported receiving their Annual Notice of Change from their plan provider at the time of our survey.

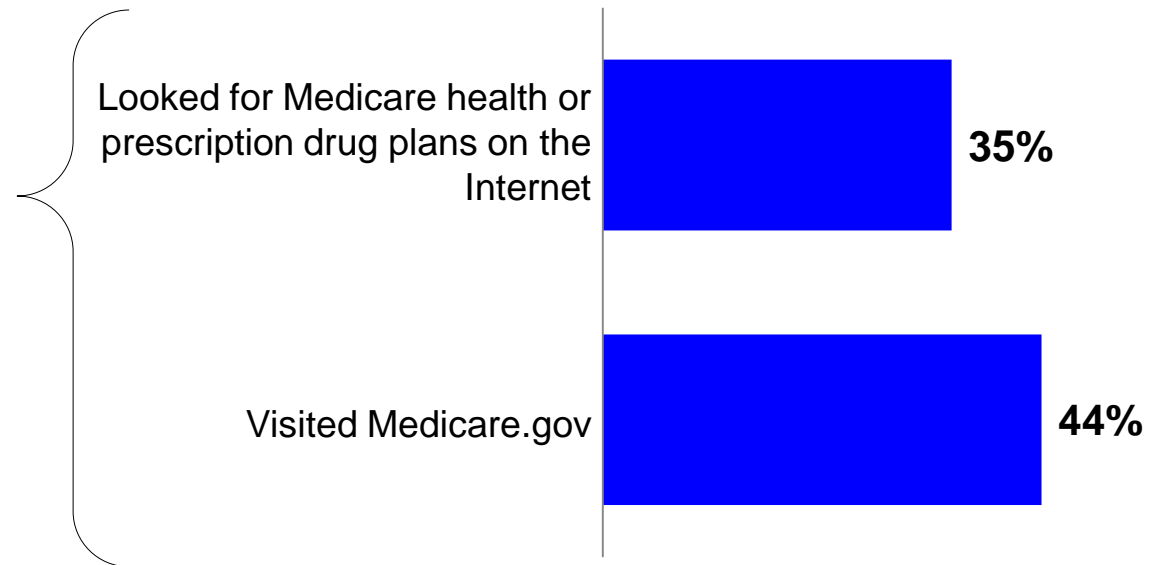
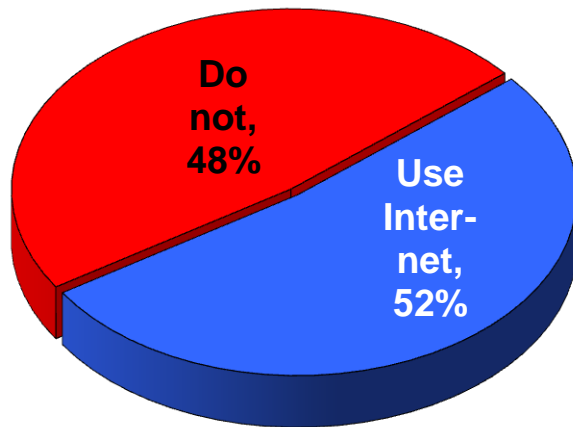
Each year, your health or prescription drug plan can change the premium, the drugs it covers, the deductibles and cost sharing, among other things. Your health or prescription drug plan sends you this information in a document called your Annual Notice of Change. Have you received your Annual Notice of Change from your health or prescription drug plan this year? If you're not sure, just say so.



Internet use among seniors has grown over the past few years. Now, half use the Internet. Four in ten internet users have visited Medicare.gov, and a third have looked for health or prescription drug plans online.

Do you use the Internet?

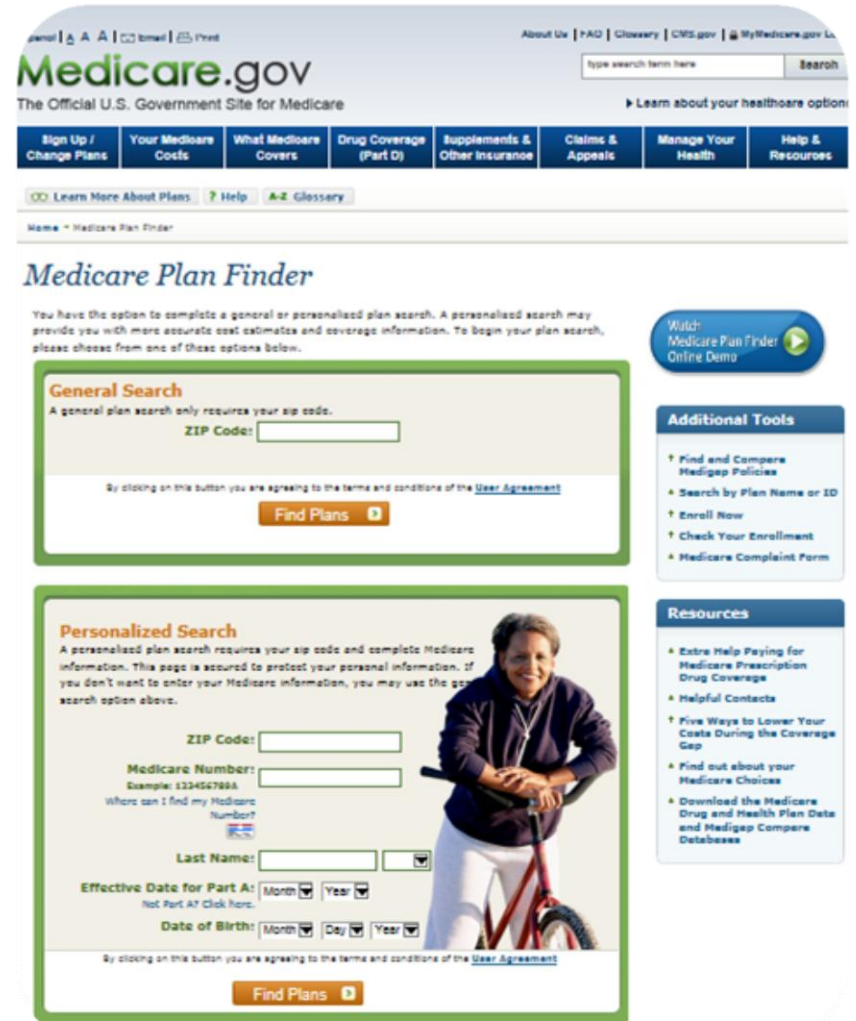
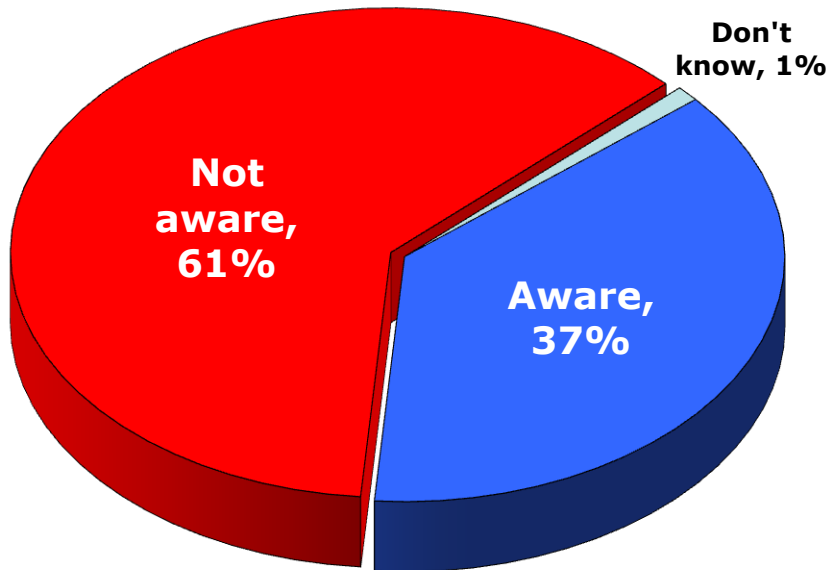
IF USE INTERNET (52%, N=429): And have you ever looked for Medicare health or prescription drug plans on the internet? Have you ever visited Medicare.gov?



Base: N=819 Those enrolled in a Medicare Rx plan (stand-alone or Medicare Advantage)

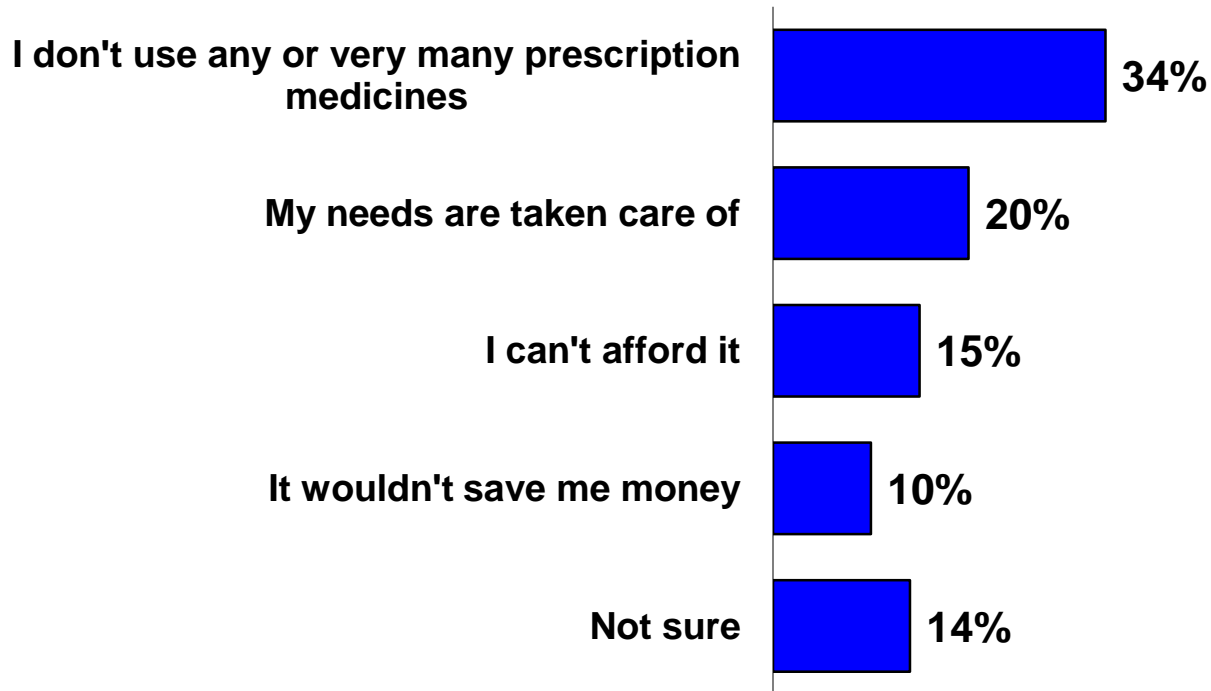
However, 6 in 10 are unaware of the Medicare Plan Finder tool that allows seniors to compare Medicare health and Rx plans.

Did you know that Medicare has a Plan Finder that allows you to compare all Medicare health and prescription drug plans that are available in your area?



Most of those who have not enrolled in Rx coverage say it is because they don't need it.

IF NO RX COVERAGE: You said you are not enrolled in a Medicare prescription drug plan. I'm going to read a list of reasons some seniors give for why they have not enrolled in a Medicare prescription drug plan. When I finish reading the list, I'd like you to tell me which one is the main reason you have not enrolled.





CONCLUSIONS

Conclusion

In 2006, a few months after seniors who enrolled in Medicare Part D had the opportunity to use and experience their new coverage, we conducted our first customer satisfaction survey. Each year since, we have tracked satisfaction.

Originally, most seniors told us they enrolled in a Medicare Part D plan because they didn't have any prescription drug coverage and needed it. They wanted to know they could get and afford the medicines they needed. Amid reports of confusion, seniors saw the new benefit as a step in the right direction.

Nearly 7 years later, 9 in 10 Medicare beneficiaries have prescription drug coverage. Satisfaction among those with Medicare Part D has grown 12 points from 78% to 90%. Most are very satisfied with their coverage and say their plan offers excellent value, reasonable costs, and convenience.

Today, seniors feel peace of mind having Medicare Part D. It is a safety net. Indeed, the data show that Part D is providing health benefits—because without it, 6 in 10 would not be able to get all the medicines their doctor prescribes, and half would not adhere to their doctor's orders.

Each year during open enrollment, seniors have the opportunity to assess their situation, compare plans, and choose one that best meets their needs. This year, most say they will not shop around during open enrollment because they are satisfied. Some, however, find comparing plans difficult. There are opportunities to raise awareness of Medicare's Plan Finder tool and other sources of help.

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