



Seniors' Opinions About Medicare Rx: Fifth Year Update

September 2010





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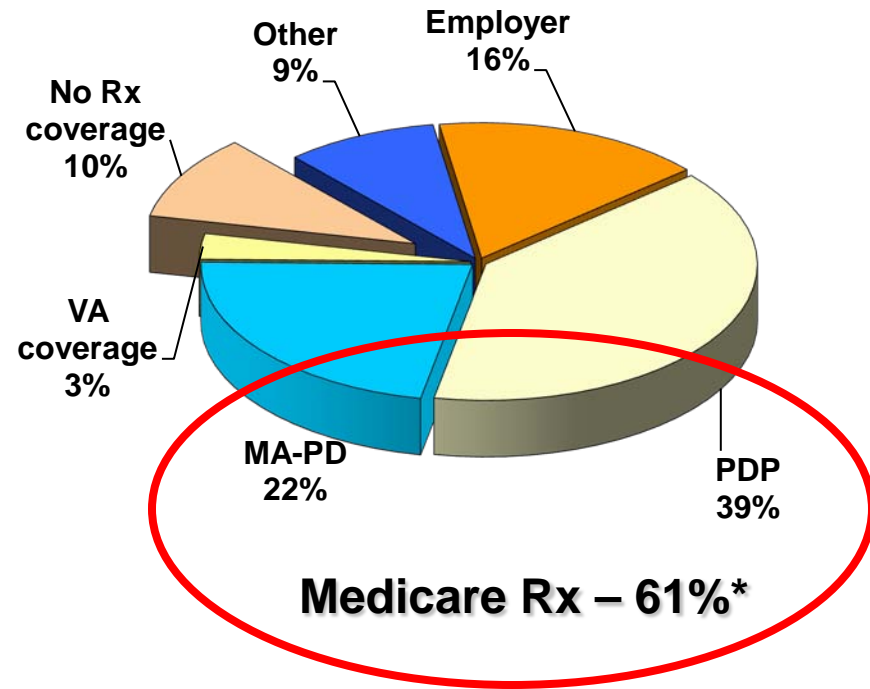
METHOD

Method

Nationally representative telephone sample of 1,243 seniors 65+ conducted August 26-29, 2010. The margin of error (MOE) for the full sample is ± 2.8 percentage points (pps). We discuss the following groups in this report:

- **Medicare Rx coverage (both stand-alone and Advantage)** (N=401 MOE is ± 5.0 pps.)
- **Medicare stand-alone plan** (N=222 MOE is ± 6.7 pps.)
- **Medicare Advantage plan** (N=179 MOE is ± 7.5 pps.)
- **Dual eligibles** (N=113 MOE is ± 9.4 pps.)
- **Income <\$15K** (N=209 MOE is ± 6.9 pps.)
- **Take 6+ prescriptions** (N=349 MOE is ± 5.4 pps.)
- **Have disability** (N=267 MOE is ± 6.1 pps.)

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



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

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

Snapshot of Seniors Interviewed

Gender	%
Male	40
Female	60
Age	
65-74	51
75+	49
Ethnicity	
Caucasian	83
African-American	8
Hispanic/Latino(a)	5
Asian/Pacific Islander	<1
American Indian/Native	<1
Take prescriptions daily	90
Have Rx coverage	90
Spend over \$30 p/month on premium	43

Region	%
Northeast	17
Midwest	24
South	38
West	22
Population density	
Large city	20
Suburban area	24
Small town	35
Rural area	19
Have disability	35
Have difficulty paying for prescriptions	14
Spend over \$50 p/month out-of-pocket	44
Take more than 10 Rx	7



Tracking is based on identical questions asked 8 times

	Mar. 2006	Sept. 2006	Jan. 2007	Sept. 2007	Sept. 2008	Mar. 2009	Oct. 2009	Aug. 2010
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
Research firm	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
Number of telephone interviews	896	802	1,003	1,001	1,007	1,063	945	1,243
Margin of error for total sample	±3.3 percentage points	±3.5 percentage points	±3.1 percentage points	±3.1 percentage points	±3.1 percentage points	±3 percentage points	±3.2 percentage points	±2.8 percentage points
Objectives	<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 • Awareness 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 • Awareness 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 benefits and attitudes 	<ul style="list-style-type: none"> • Satisfaction of enrollees • Awareness of coverage gap • Opinions of coverage gap proposal 	<ul style="list-style-type: none"> • Satisfaction of enrollees • Awareness of and opinions about coverage gap • Intent to compare plans during annual enrollment

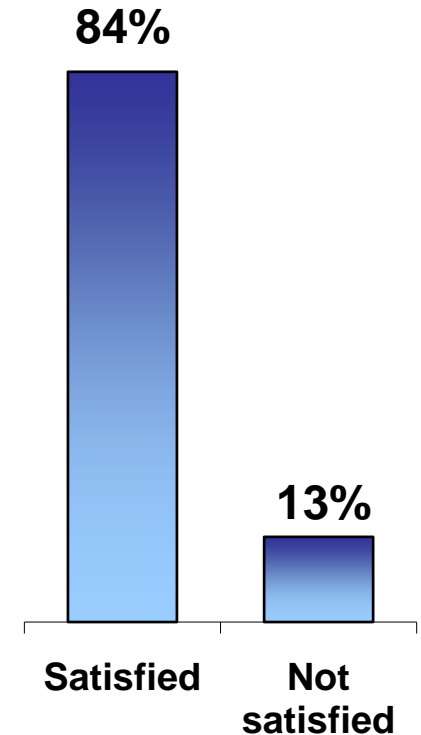


EXECUTIVE SUMMARY

Executive Summary

- Customer satisfaction with Medicare Rx remains high, with over 8 in 10 satisfied with their current coverage. More than half are very satisfied.
- Seniors continue to applaud the program, with 9 in 10 reporting their plan works well, is convenient, gives them peace of mind, and they feel fortunate to have their coverage. Large majorities continue to say their plan offers good value and they would recommend the program to their peers.
- Most Medicare Rx coverage recipients have heard about the coverage gap, or “donut hole” – up slightly from 2009. However, fewer than half have heard about measures to gradually close the gap.
 - Despite low knowledge, support for measures to close the gap is strong, as more than 6 in 10 seniors favor the 50% discount on brand-name drugs in 2011, the gradual elimination of the gap by 2020, and the \$250 tax-free check.

Satisfaction with Medicare Rx



Executive Summary

- Nearly 7 in 10 are aware of the coverage gap, but many are not aware of provisions in the new health reform bill to gradually reduce the gap. Once beneficiaries with Rx plans learn about these measures, support is very strong.
 - Only 2 in 10 are aware that, starting in 2011, people who reach the coverage gap will get a 50% discount on brand-name drugs.

	Aware	Favor
This year, people who reach the donut hole and have to pay for their drugs out of pocket will get a one-time tax-free \$250 check from Medicare.	46%	63%
Every year after 2011, people who reach the Rx drug donut hole will pay less for their Rx drugs until the donut hole is eliminated in 2020.	27%	79%
Next year, in 2011, people who reach the Rx donut hole will get a 50% discount on brand-name drugs.	20%	82%



DETAILED FINDINGS

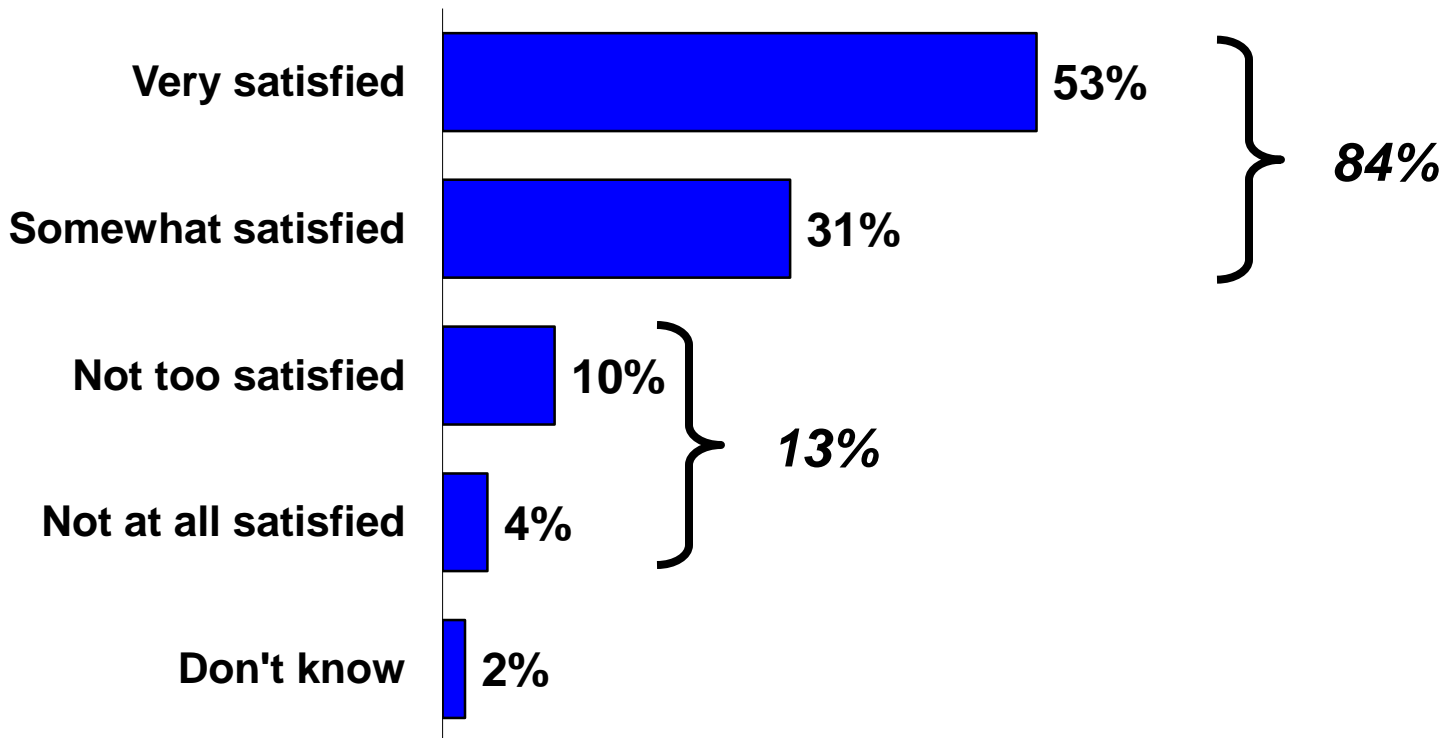


Satisfaction

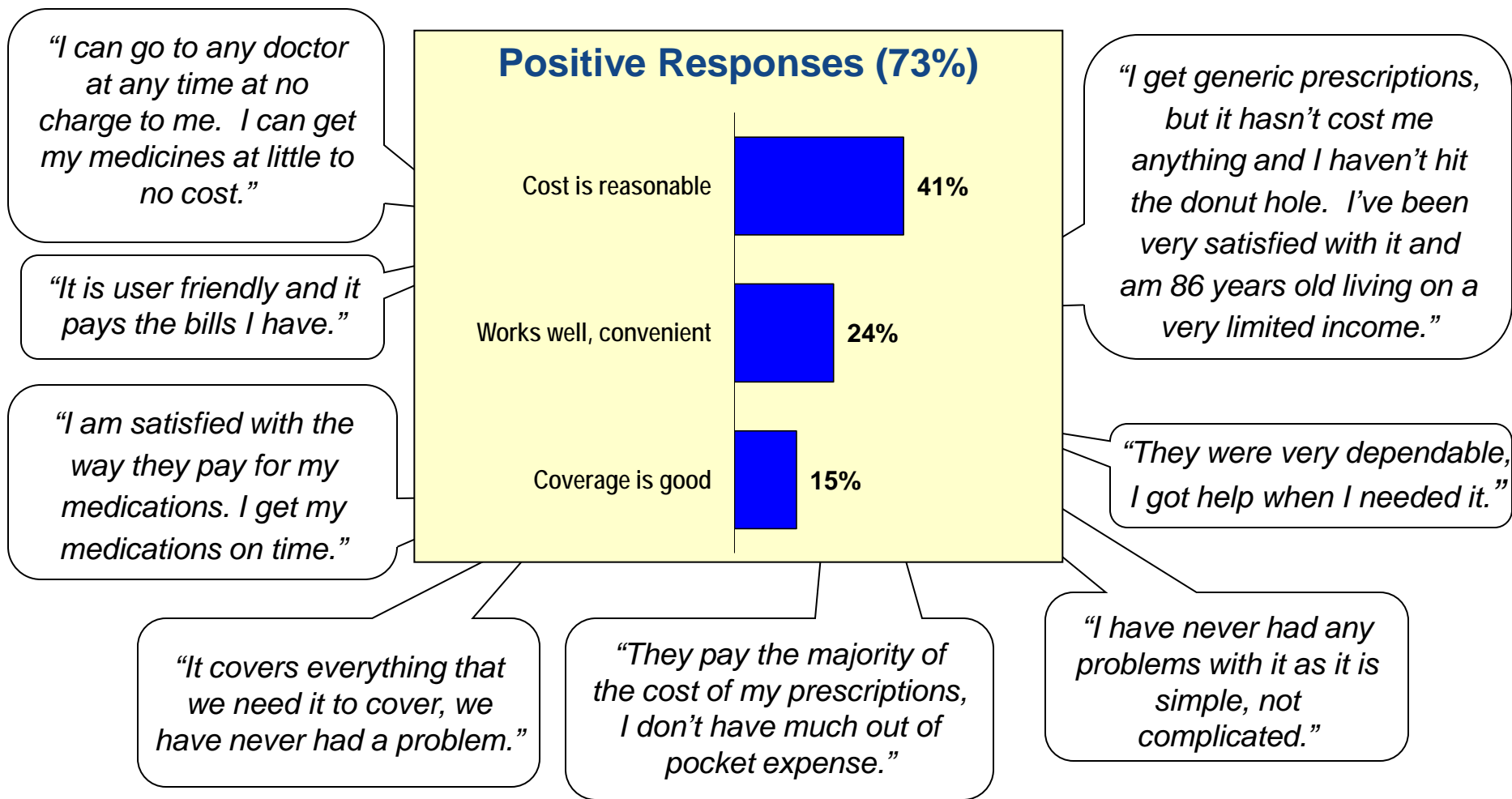
Seniors remain satisfied with their Medicare prescription drug coverage.

Over 8 in 10 are satisfied with the program.

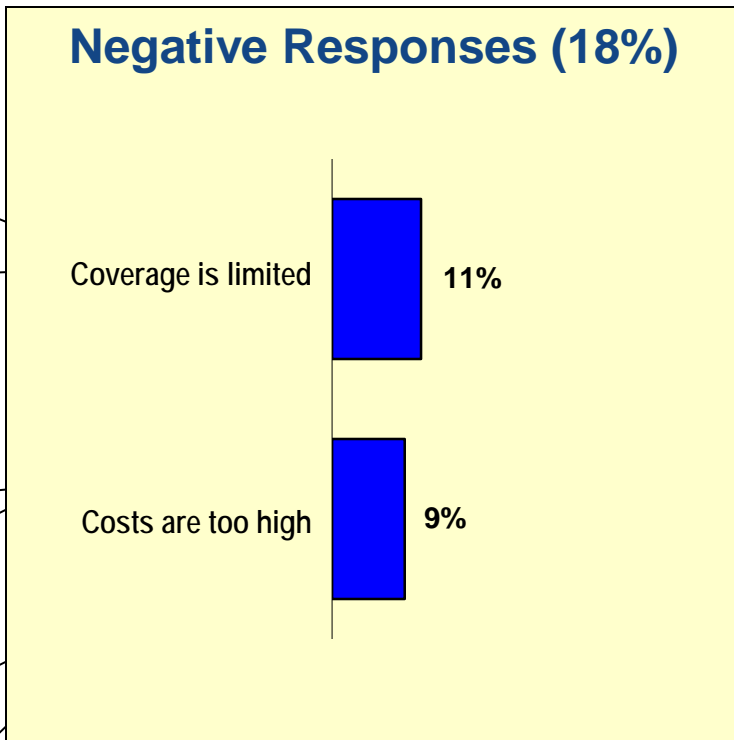
Overall, how satisfied are you with your prescription drug coverage?



Primary Reasons for Satisfaction with Medicare Rx (Unaided)



Primary Reasons Not Satisfied with Medicare Rx (Unaided)



"I don't think that they cover enough. With medications as high as they are, I really do not think that they cover enough."

"My premiums are \$44 a month and I could buy it for less than that on my own."

"Because some of the prescription medicine that I have to take is so expensive as compared to others that I take. It costs so much more than what Medicare pays."

"I don't like how much I have to pay and I can't get a generic on one of my prescriptions."

"Because of both the price of medicines going up as well as the donut hole, I have to pay the full amount. Medicare raised its premium cost."

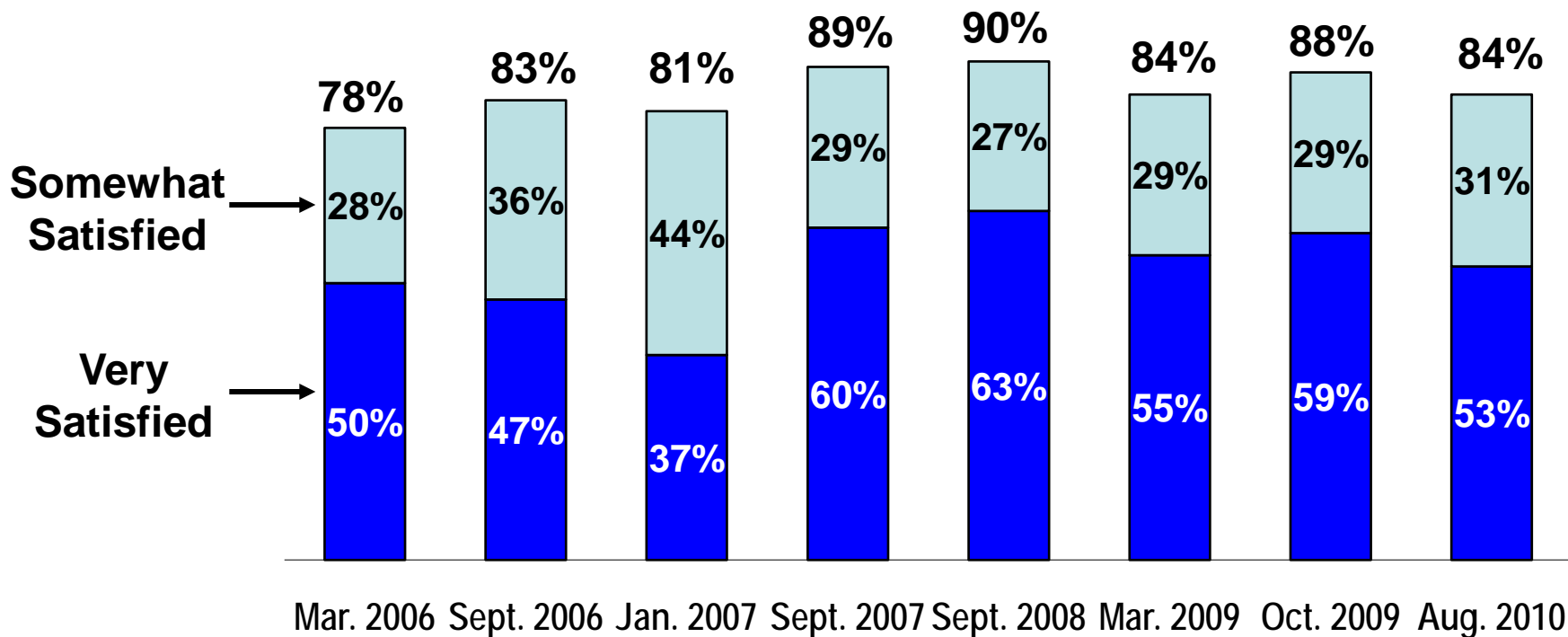
"It seems like I have to pay more and more out of pocket.."

"It doesn't pay very much and only covers a percentage. They only pay so much and then you drop into the donut hole."

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

Since Fall 2007, more than half report being very satisfied with their coverage.

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

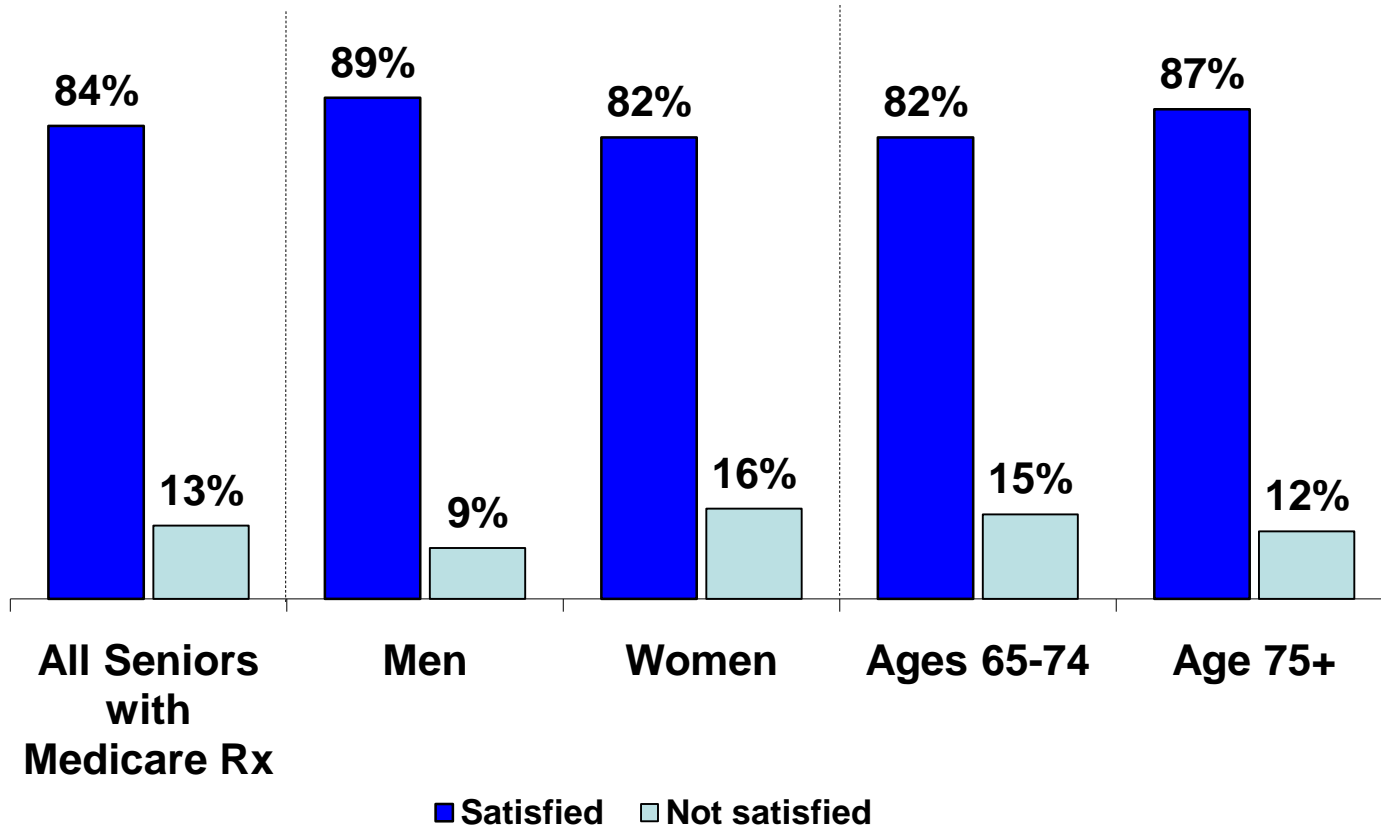


Majorities across all groups are satisfied.

<i>Percent Satisfied with their Medicare Rx Plan</i>	
90% or more satisfied:	<ul style="list-style-type: none"> • Plan does <u>not</u> have coverage gap (95%) • Have Rx premium cost less than \$30/month (94%) • Receive extra help from Medicaid (93%) • Lowered spending on prescription drugs (93%) • Spend less than \$50 out-of-pocket (91%)
80-89% satisfied:	<ul style="list-style-type: none"> • Men (89%) • Earn more than \$50,000 (88%) • Age 75+ (87%) • Take 1-5 prescriptions (87%) • Democrats (87%) • Low income; less than \$15,000 (86%) • Republicans (85%) • Have a disability (83%) • Women (82%) • Ages 65-74 (82%) • Take 6+ prescriptions (82%) • Those that make between \$15,000-\$50,000 (81%) • Spend more than \$50 out of pocket per month (80%)
Less than 80% satisfied:	<ul style="list-style-type: none"> • Hit coverage gap (71%) • Spend \$31-50 Rx premium cost per month (66%)

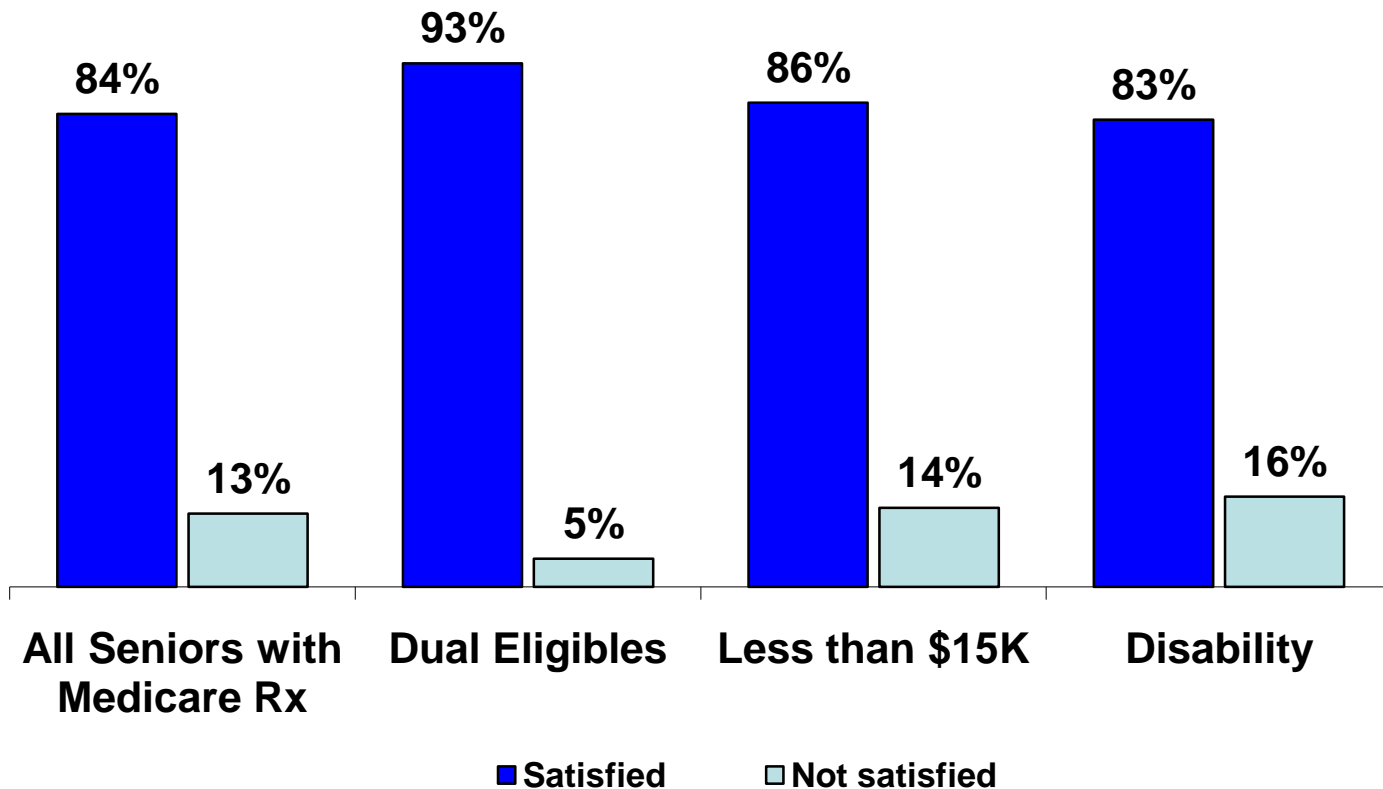
Seniors of both genders and various age brackets are satisfied with their Rx coverage.

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



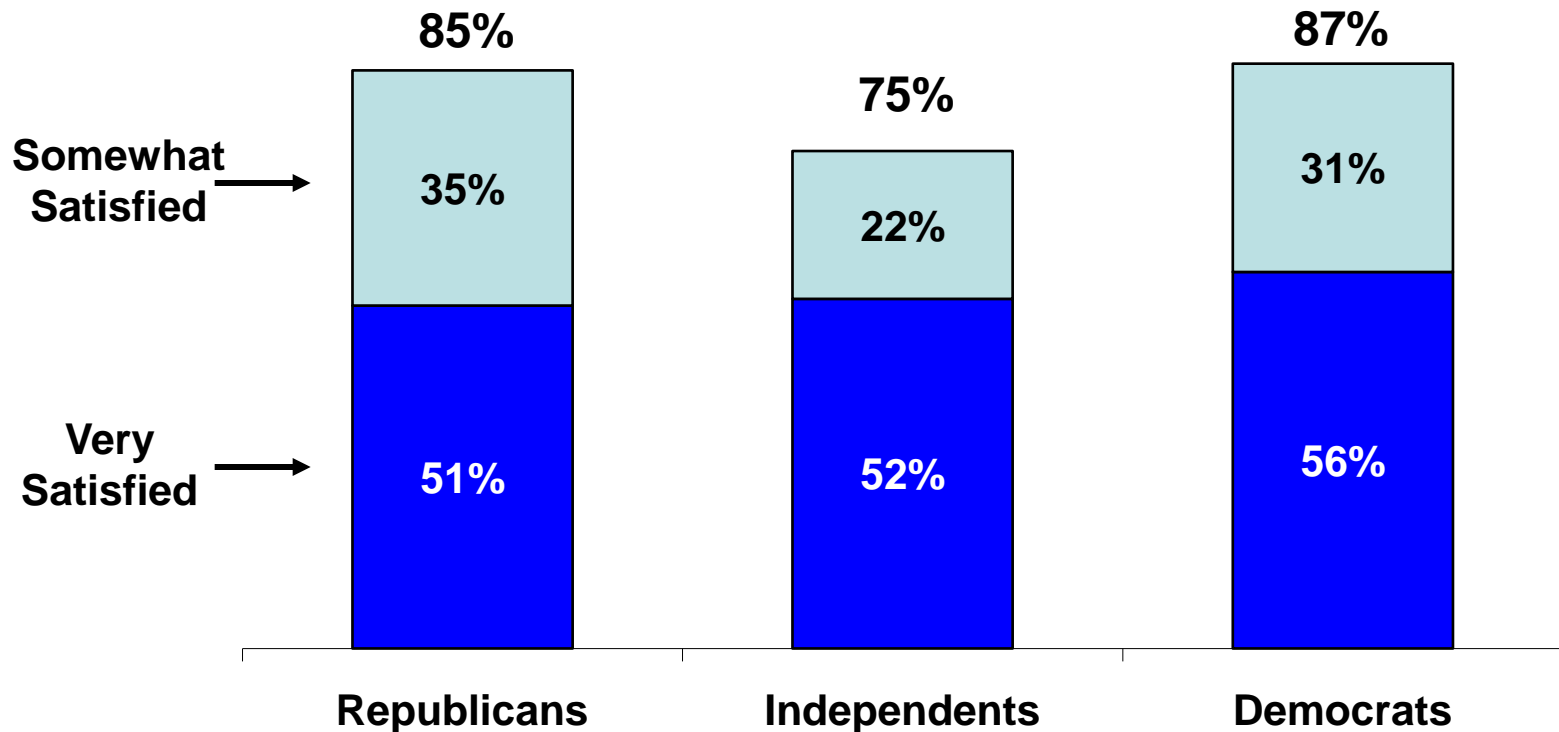
Dual eligibles, those with low incomes, and those living with disabilities remain satisfied.

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



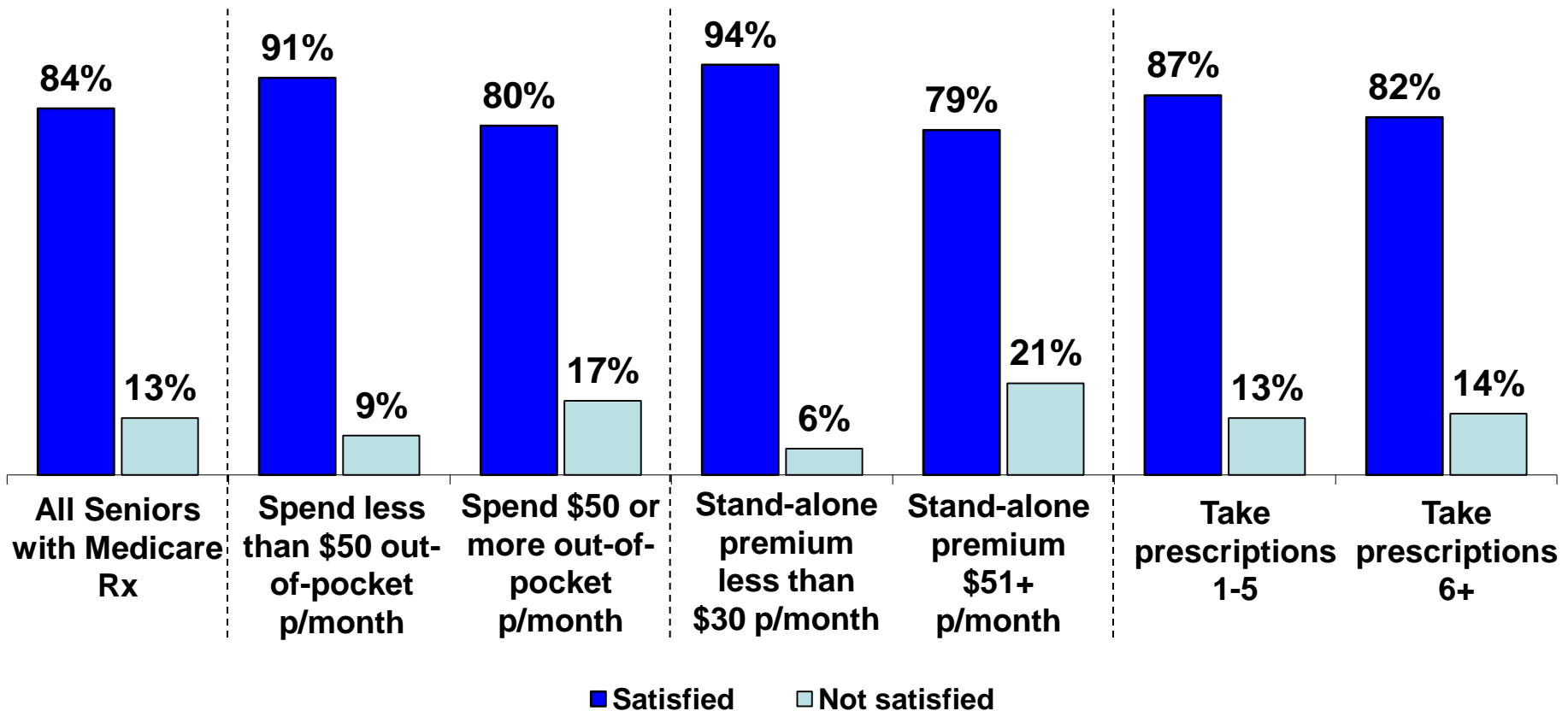
Across political party lines, seniors are satisfied with their prescription drug coverage.

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



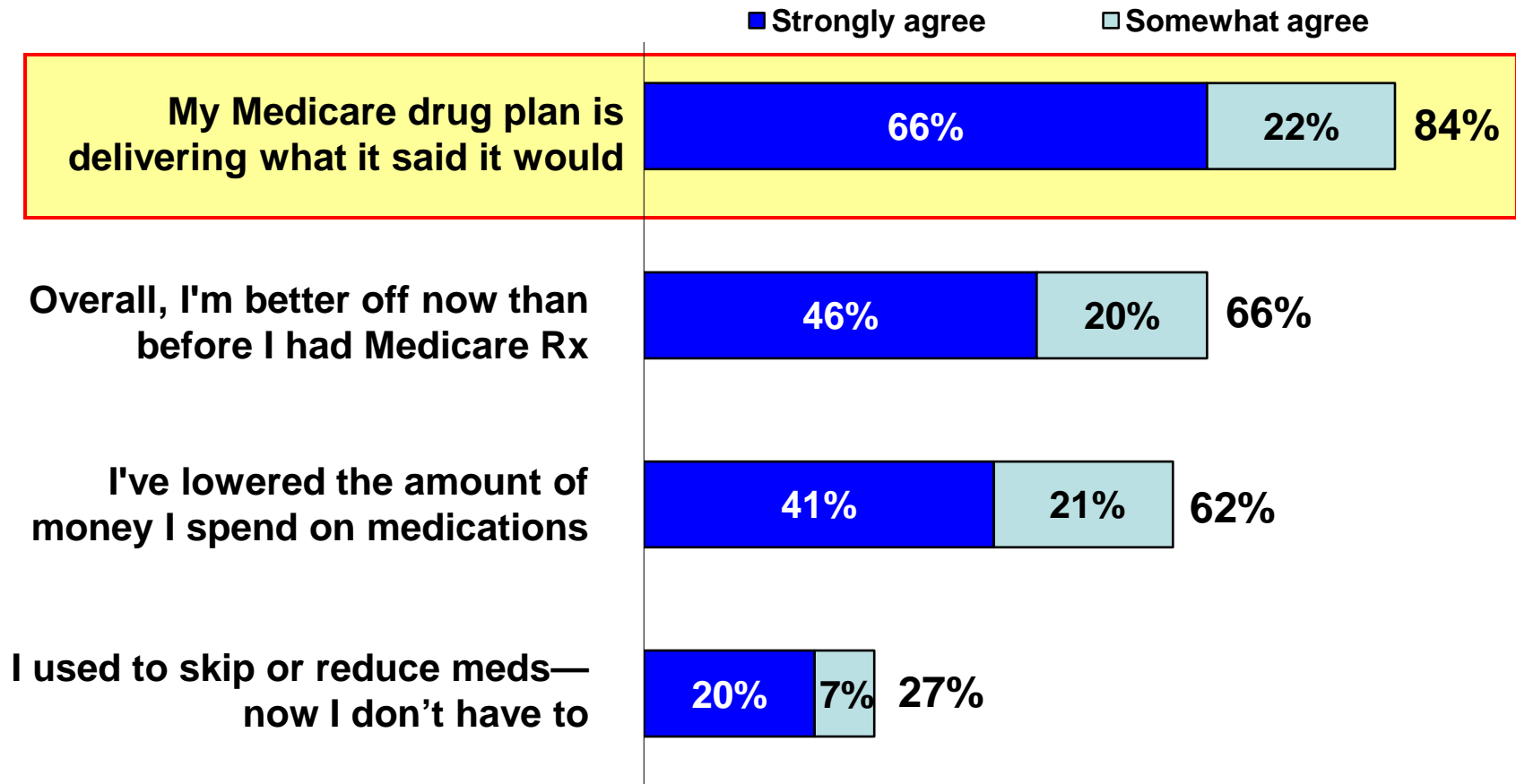
Satisfaction is *highest* among seniors with the lowest monthly premiums and out-of-pocket costs.

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



Medicare Rx continues to meet seniors' expectations.

8 in 10 say their plan is delivering what they expected upon enrollment, and 6 in 10 say they have lowered the amount of money they spend on medications.



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 who say they feel *peace of mind* having Medicare Rx coverage has increased 16 points since program start.

	Mar. 2006	Sept. 2006	Jan. 2007	Sept. 2007	Sept. 2008	Mar. 2009	Oct. 2009	Aug. 2010
Feel fortunate that I'm covered	N/A	N/A	N/A	96	97	93	95	94
Feel peace of mind	78	82	83	94	97	91	93	94
I'm better off than before I had Medicare Rx	66	69	67	68	78	72	68	66
I've lowered costs on Rx medicines	59	61	58	65	71	68	62	62
Feel frustrated with my coverage	33	35	35	28	22	26	30	27
Feel nervous about my coverage	28	26	25	19	23	23	27	27

Drivers of Satisfaction

- Overall affordable plan cost
- Both co-pay and coverage premium are reasonable
- Low cost for prescriptions
- Plan works well—few problems
- Convenient to use—hassle free, it is there when needed
- Good customer service

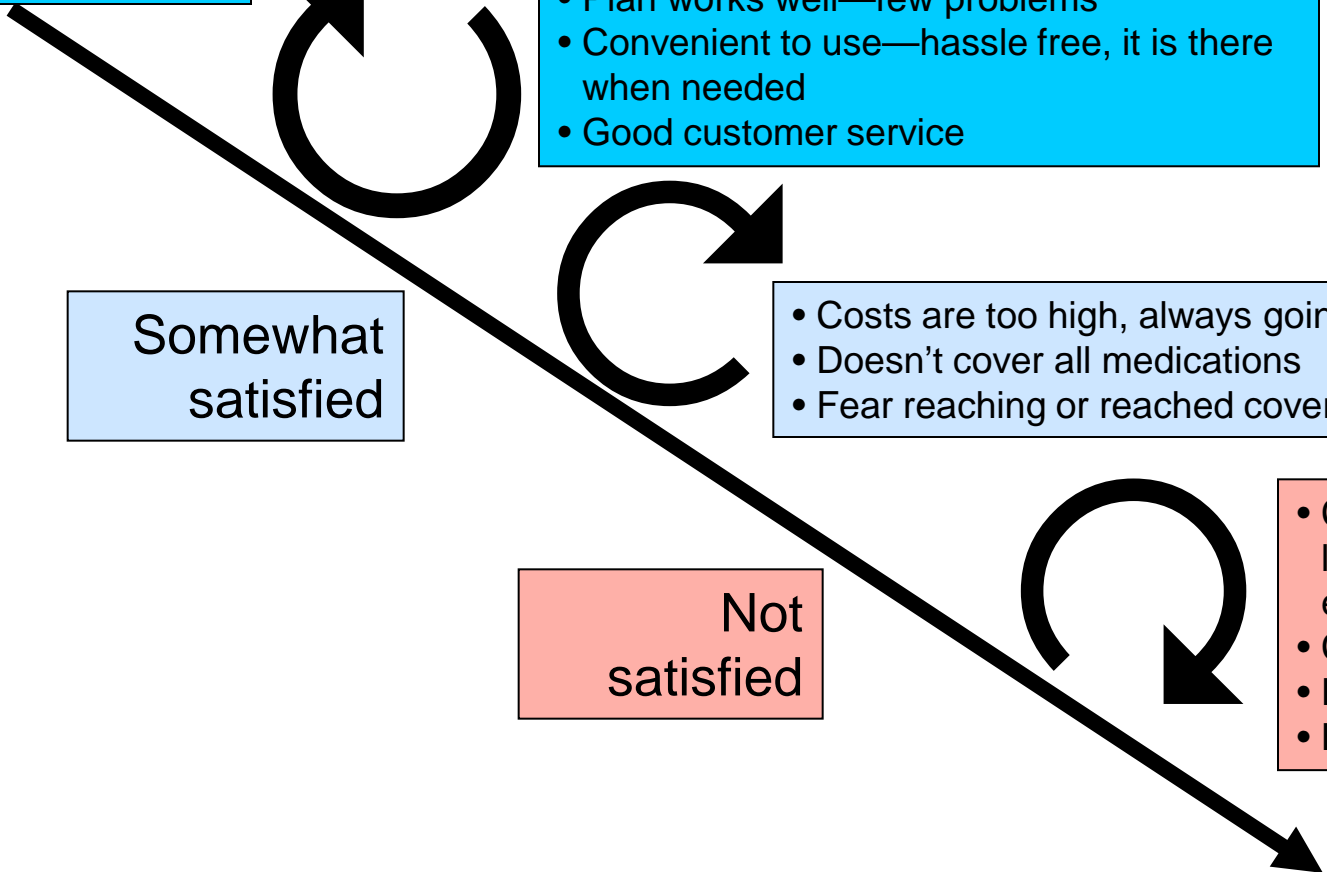
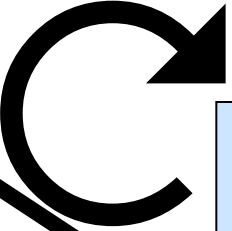
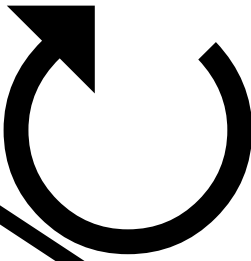
Very satisfied

Somewhat satisfied

Not satisfied

- Costs are too high, always going up
- Doesn't cover all medications
- Fear reaching or reached coverage gap

- Coverage is very limited—doesn't cover enough medications
- Costs are too high
- Donut hole is a problem
- Hit the coverage gap





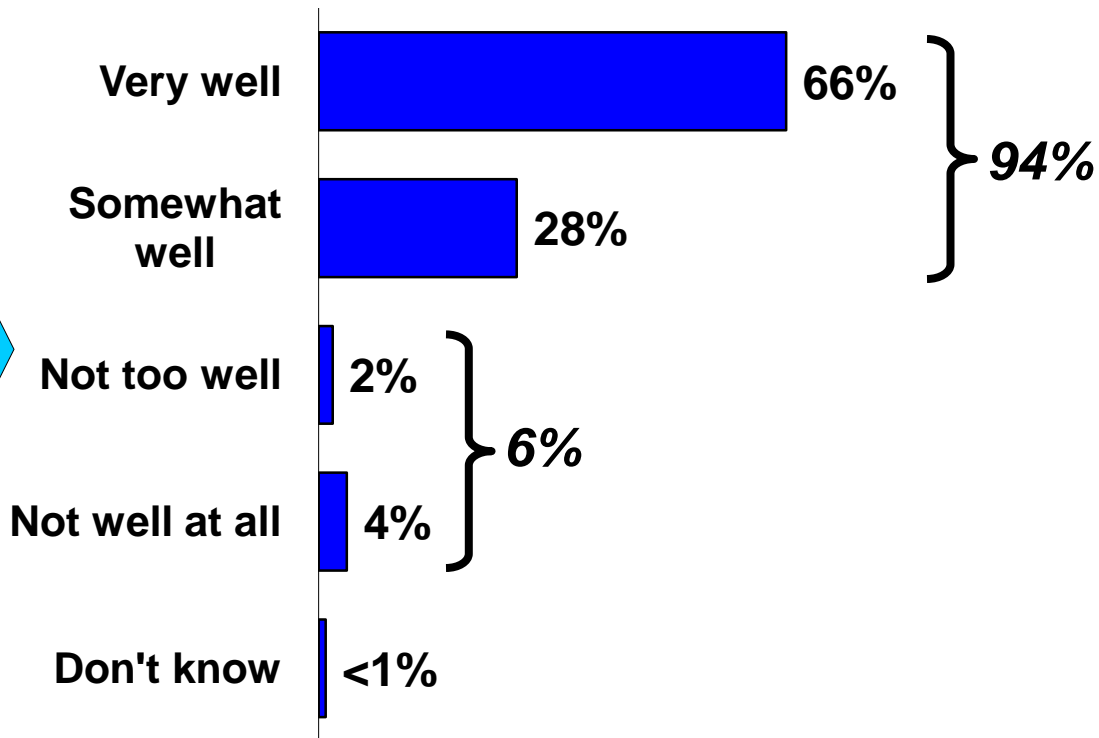
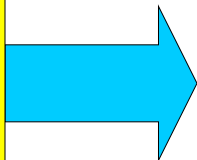
How Medicare Rx Works

Nearly all seniors who are using their plan and have received medications say their plan works well.

2 in 3 say their plan works very well.

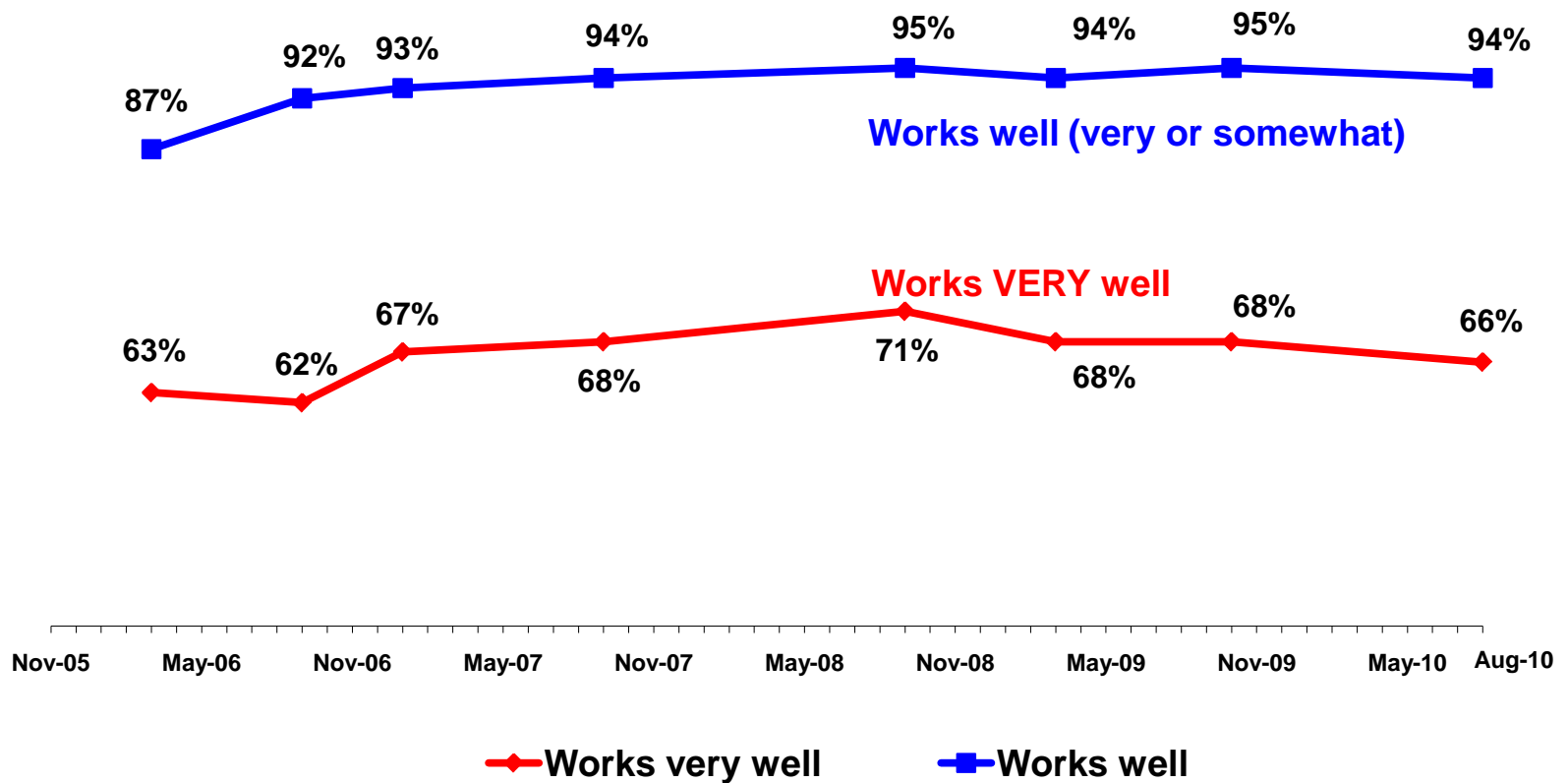
IF RECEIVED MEDS: How well has your prescription drug plan worked for you?

Have you received any medicines through your Medicare prescription drug plan?
86% Received meds
12% Have not



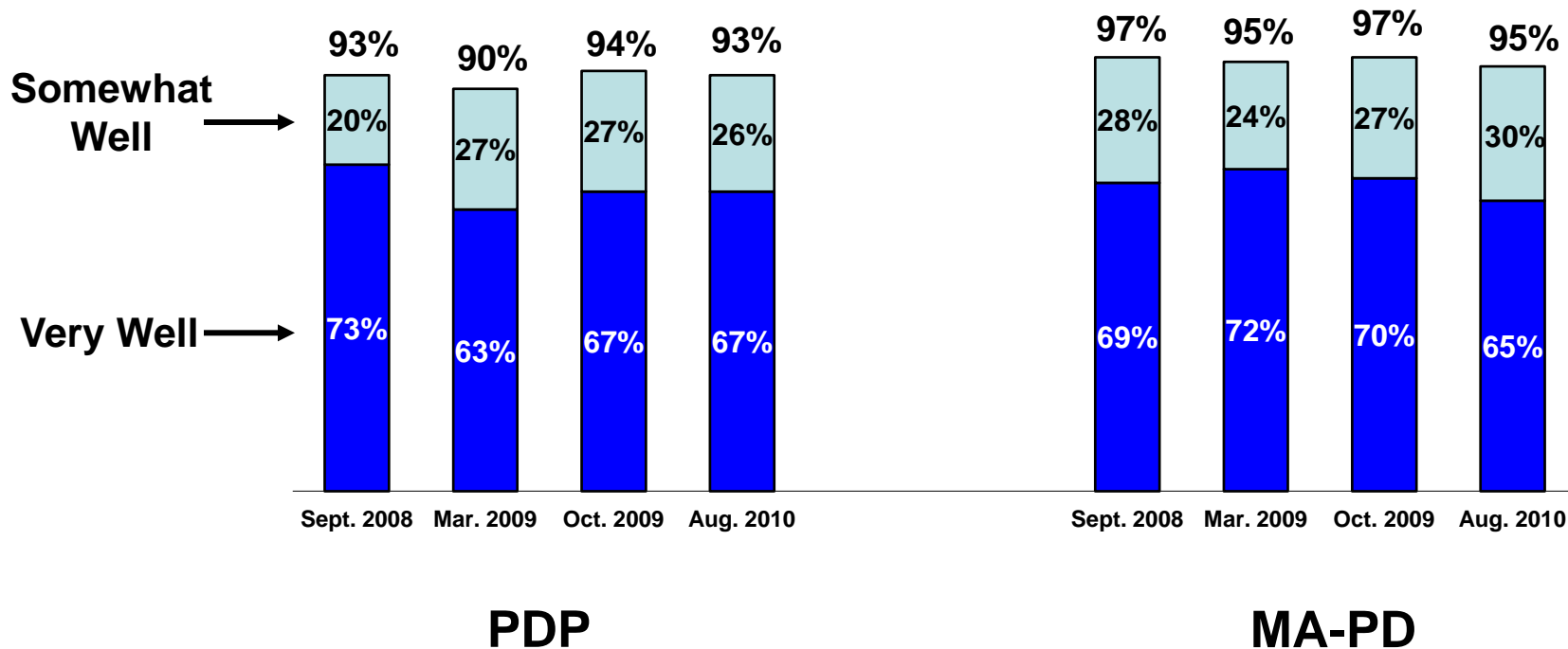
The trend has remained highly positive and consistent since the program began.

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



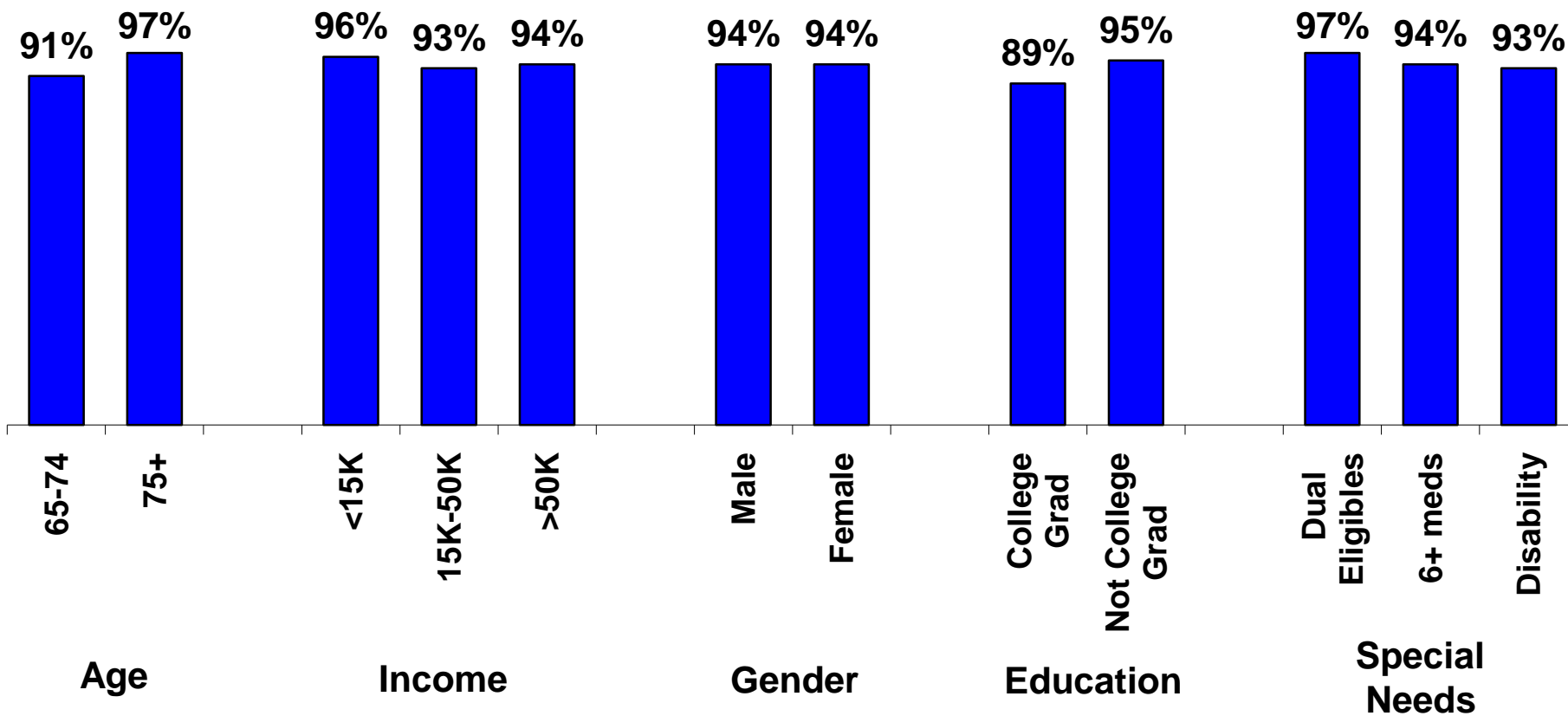
Both those with Original Medicare (PDP) and those with Medicare Advantage (MA-PD) continue to say their plans work well.

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

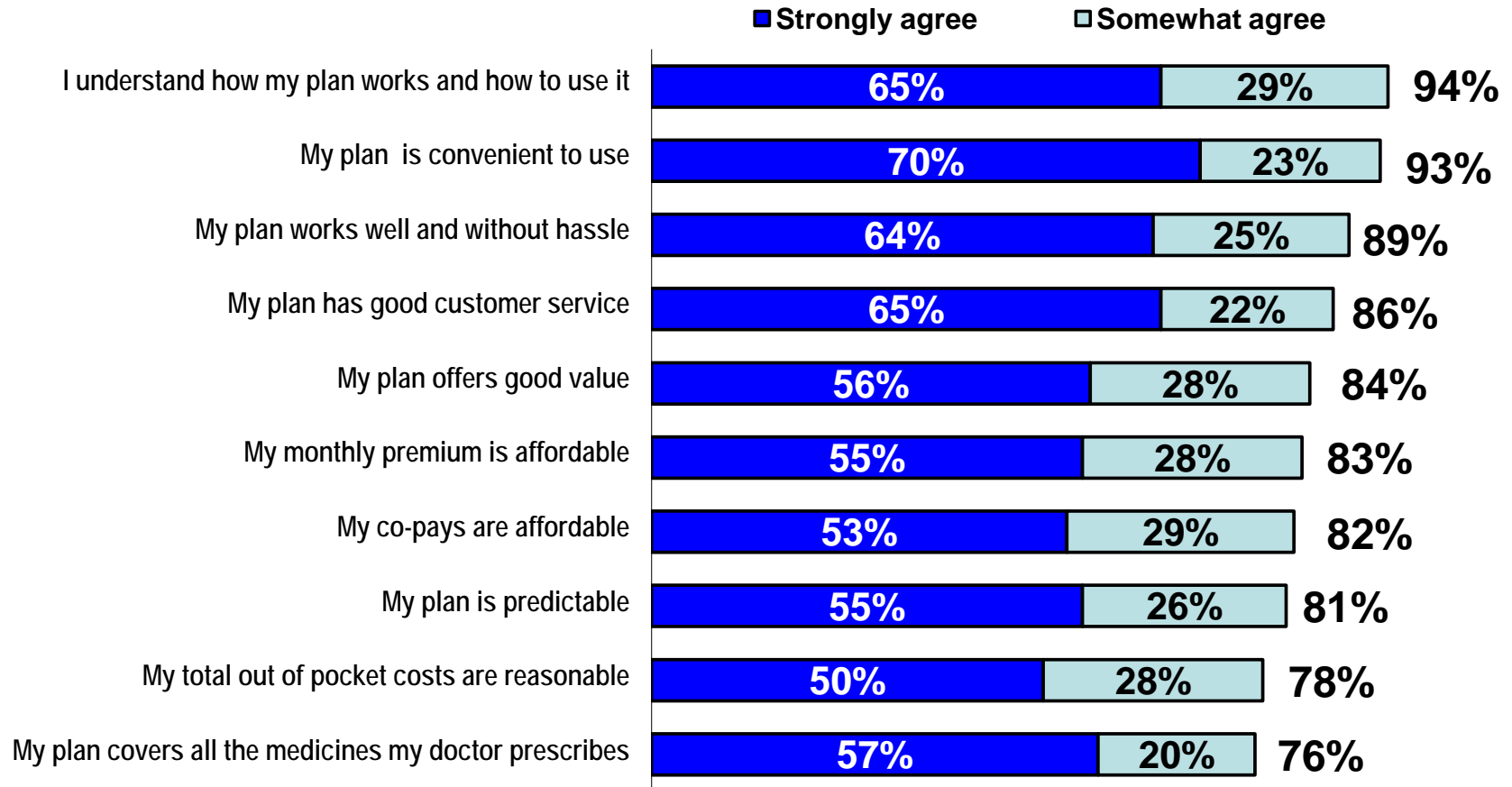


Seniors across demographic cohorts say their Rx plans work well.

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

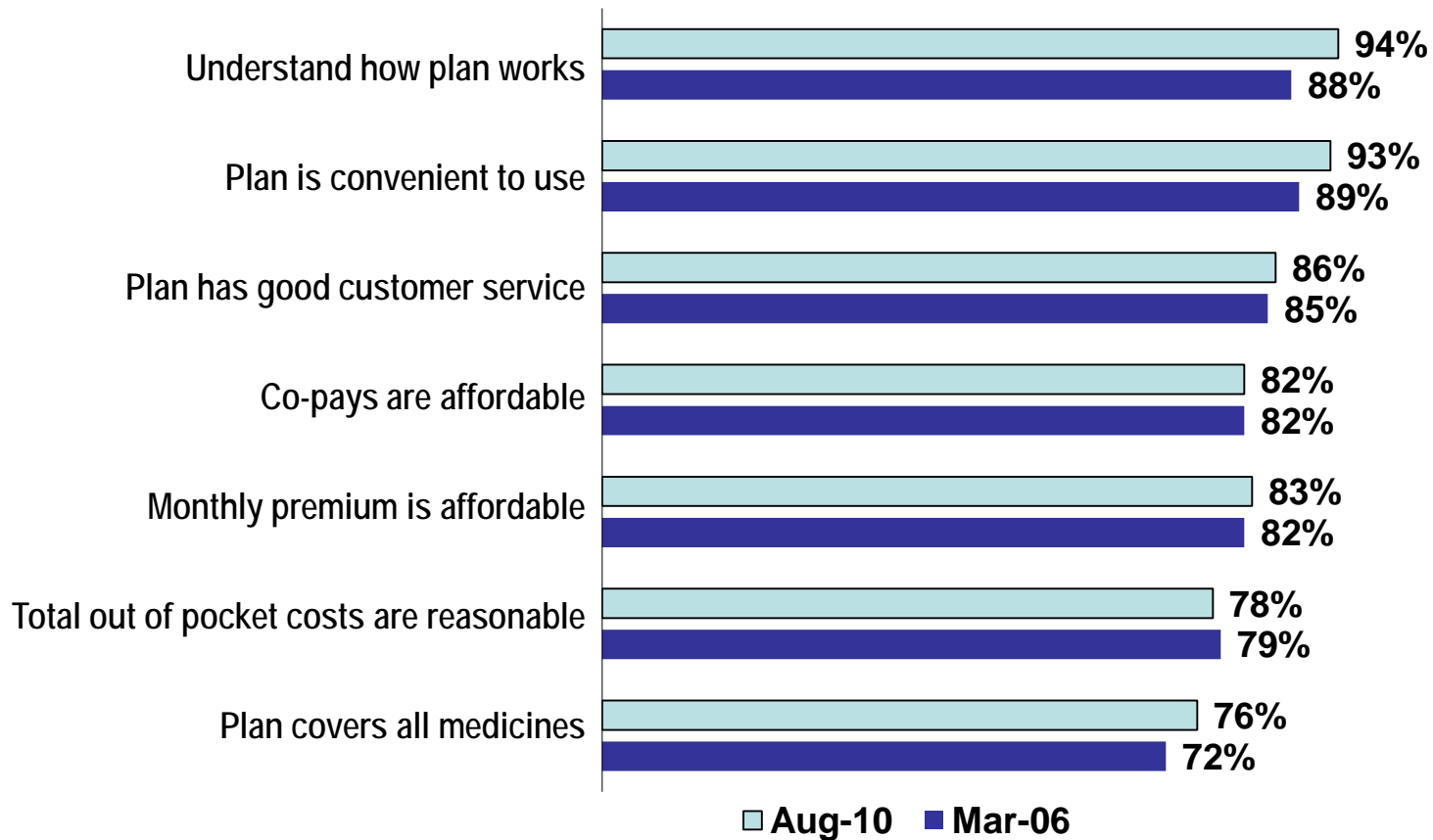


Two-thirds of seniors strongly agree that they understand how their plan works, that it is convenient, and works without hassle.



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.

Seniors give Medicare Rx as high or higher marks in 2010 as they did at the beginning of the program.



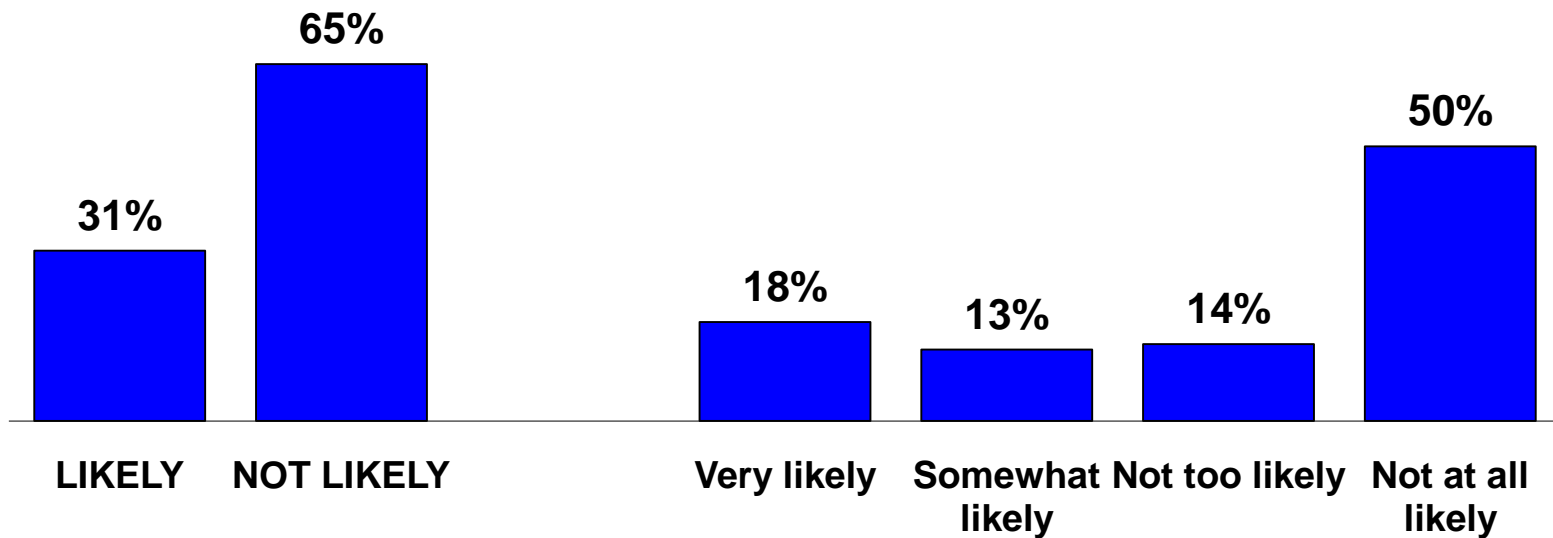
I'm going to read you some statements that may or may not describe your opinions about your Medicare prescription drug plan. For each one, tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree.

High levels of satisfaction impact the desire to change plans.

Only 1 in 3 seniors say they're likely to shop around and compare Medicare Rx plans during the annual enrollment.

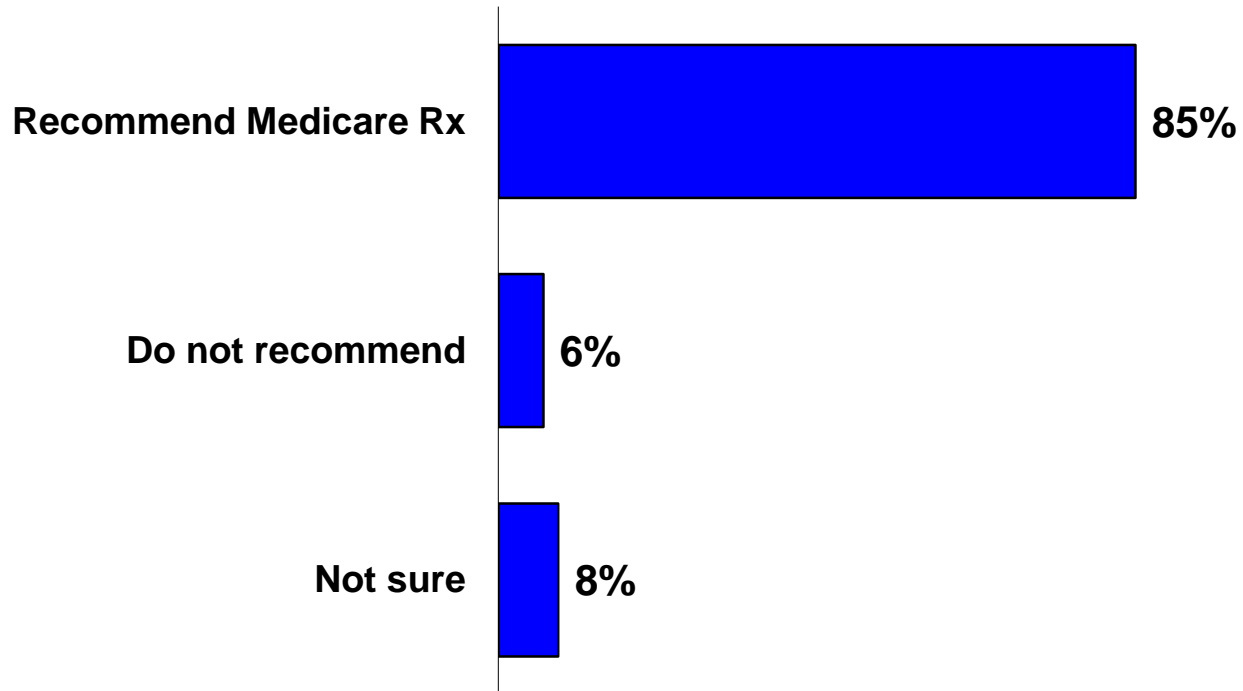
Half say they are not at all likely to comparison shop.

Every year between November 15th and December 31st, you can change your Medicare prescription drug plan without penalty. How likely are you to shop around and compare Medicare prescription drug plans this year?



The vast majority 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?

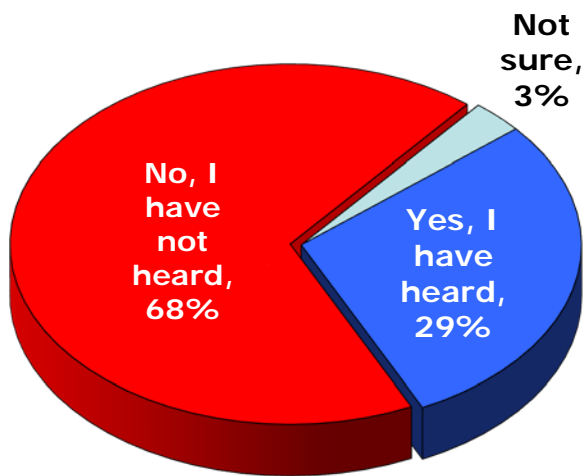




Information and Coverage Gap

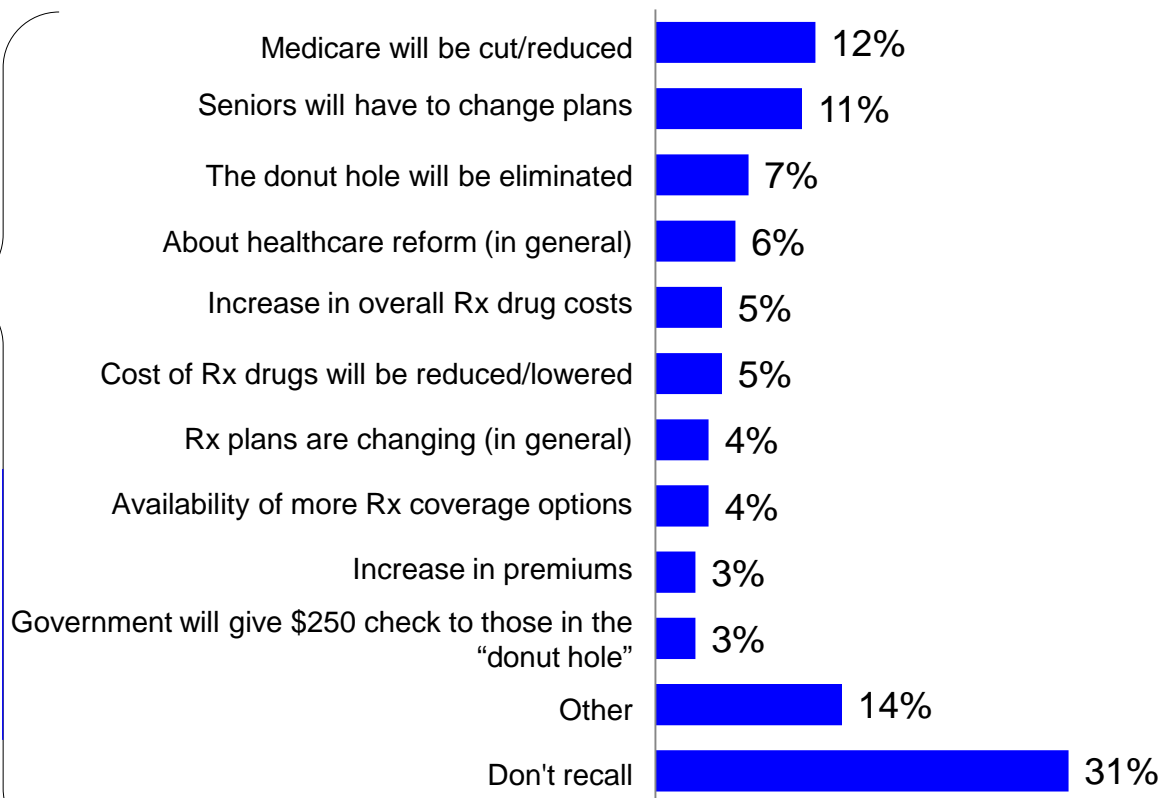
Only 3 in 10 seniors have heard anything about Medicare Rx plans in the news recently—and much of it was negative.

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=401 Those enrolled in a Medicare plan (stand-alone or Medicare Advantage)

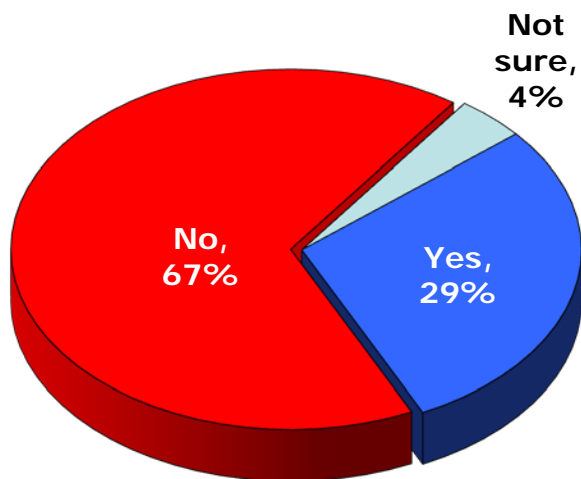
% Heard (N=117)



* Only responses over 3% shown

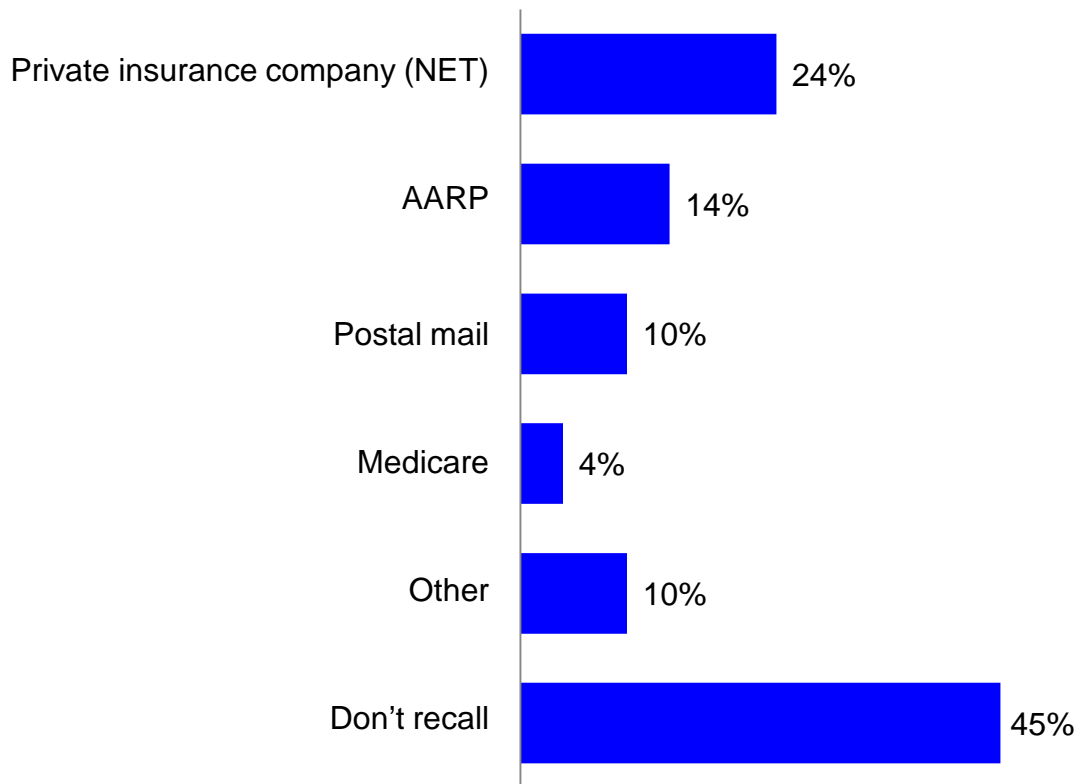
About 1 in 3 received information about prescription drug plans.
The plurality received information from insurance companies.

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



Base: N=401 Those enrolled in a Medicare Rx plan (stand-alone or Medicare Advantage)

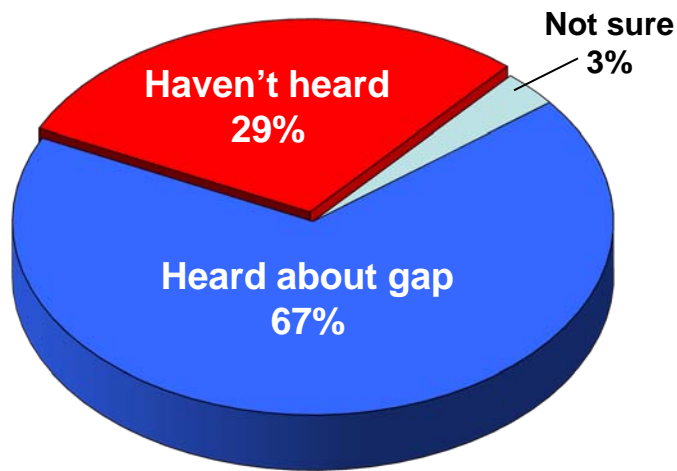
IF RECEIVED INFORMATION (29%, N=117): From whom did you receive information?



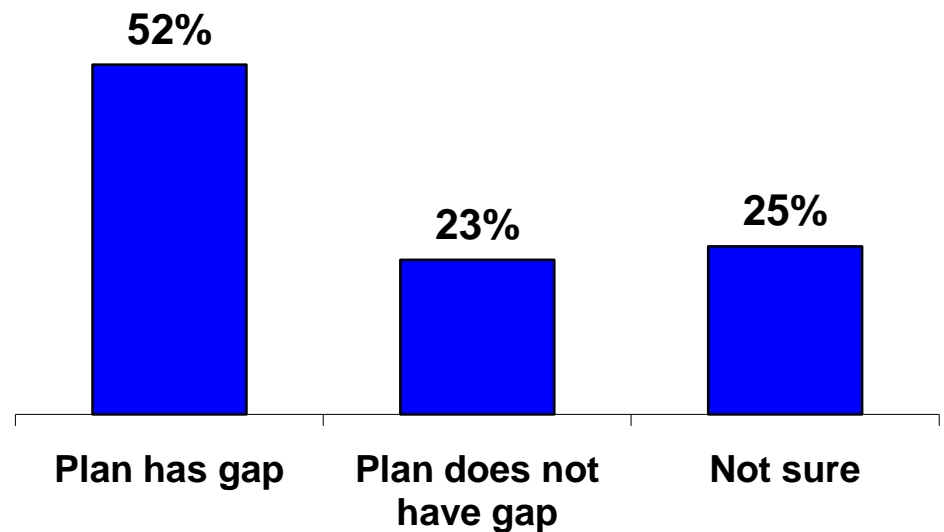
* Only responses over 3% shown

Nearly 7 in 10 seniors have heard something about the coverage gap, and half say their plan has one.

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



In most Medicare prescription drug plans, if your medicine costs over \$2,830 per year you have to pay the next \$3,610 entirely out of pocket before 95% of your prescriptions are completely covered. This is sometimes referred to as the “coverage gap” or “donut hole.” Does your plan have a coverage gap or donut hole, or did you purchase extra coverage so you don't have this gap? If you're not sure, just say so.

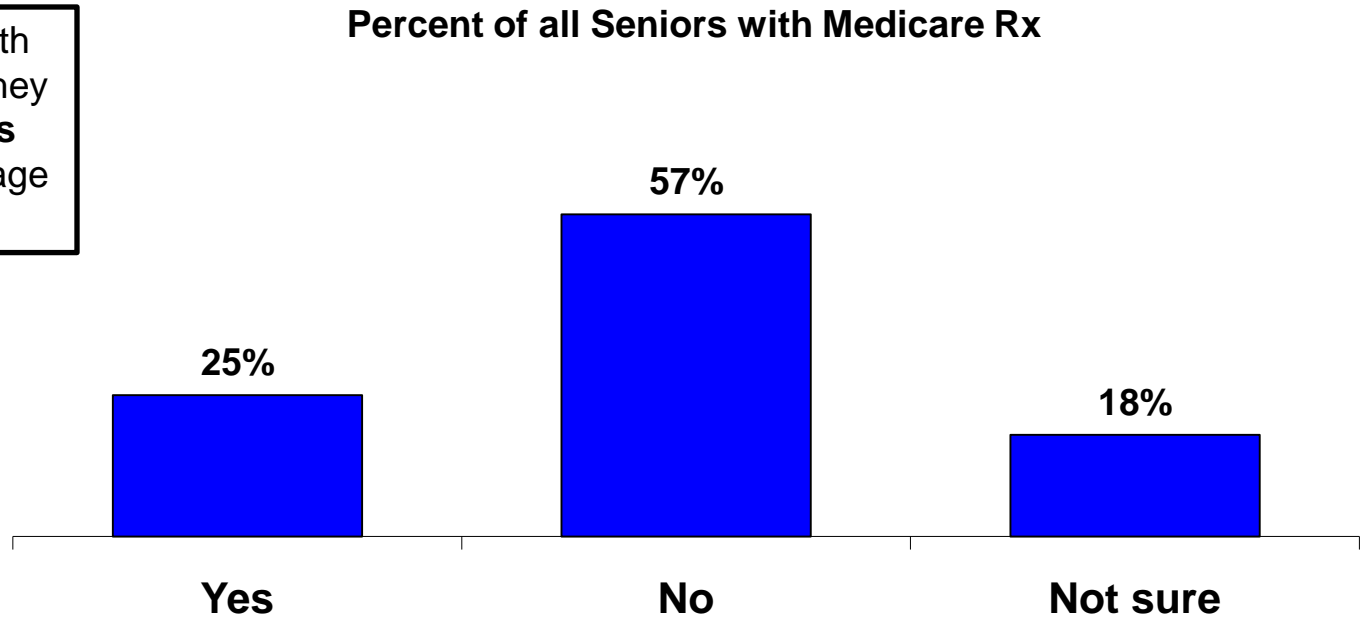




Roughly 3 in 10 say they have personally reached the coverage gap, with a quarter saying they know of someone who reached the gap in the last year.

Did anyone you know—such as a family member or friend—reach the coverage gap either last year or this year and have to pay for their prescriptions entirely out-of-pocket?

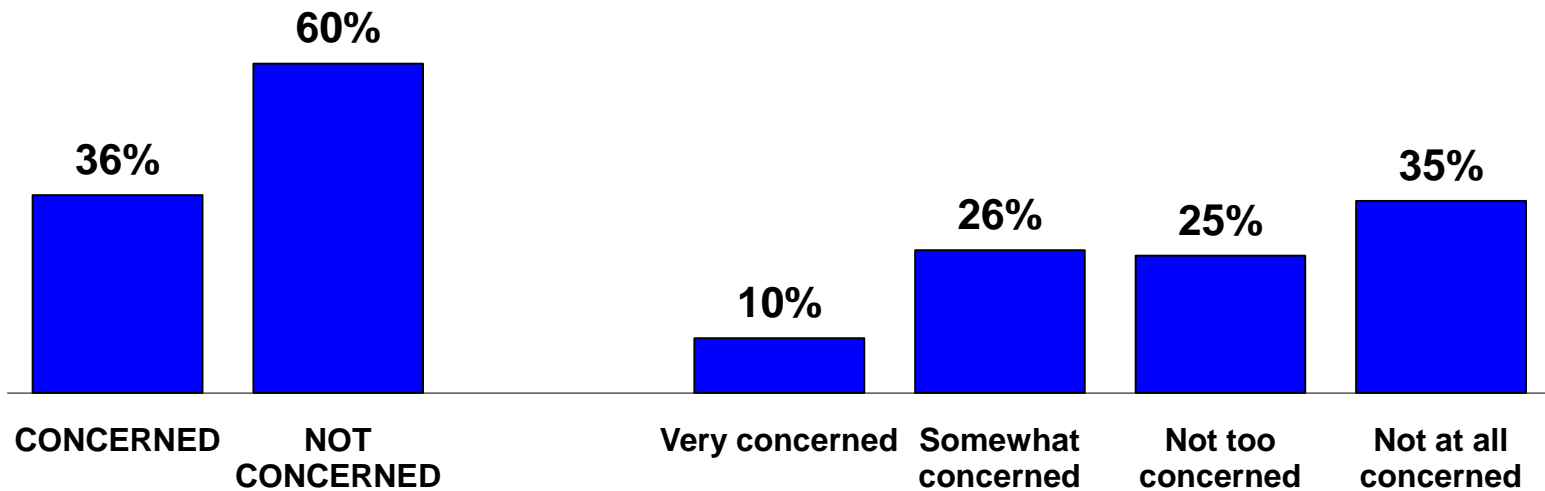
31% of seniors with Medicare Rx say they have **themselves** reached the coverage gap.



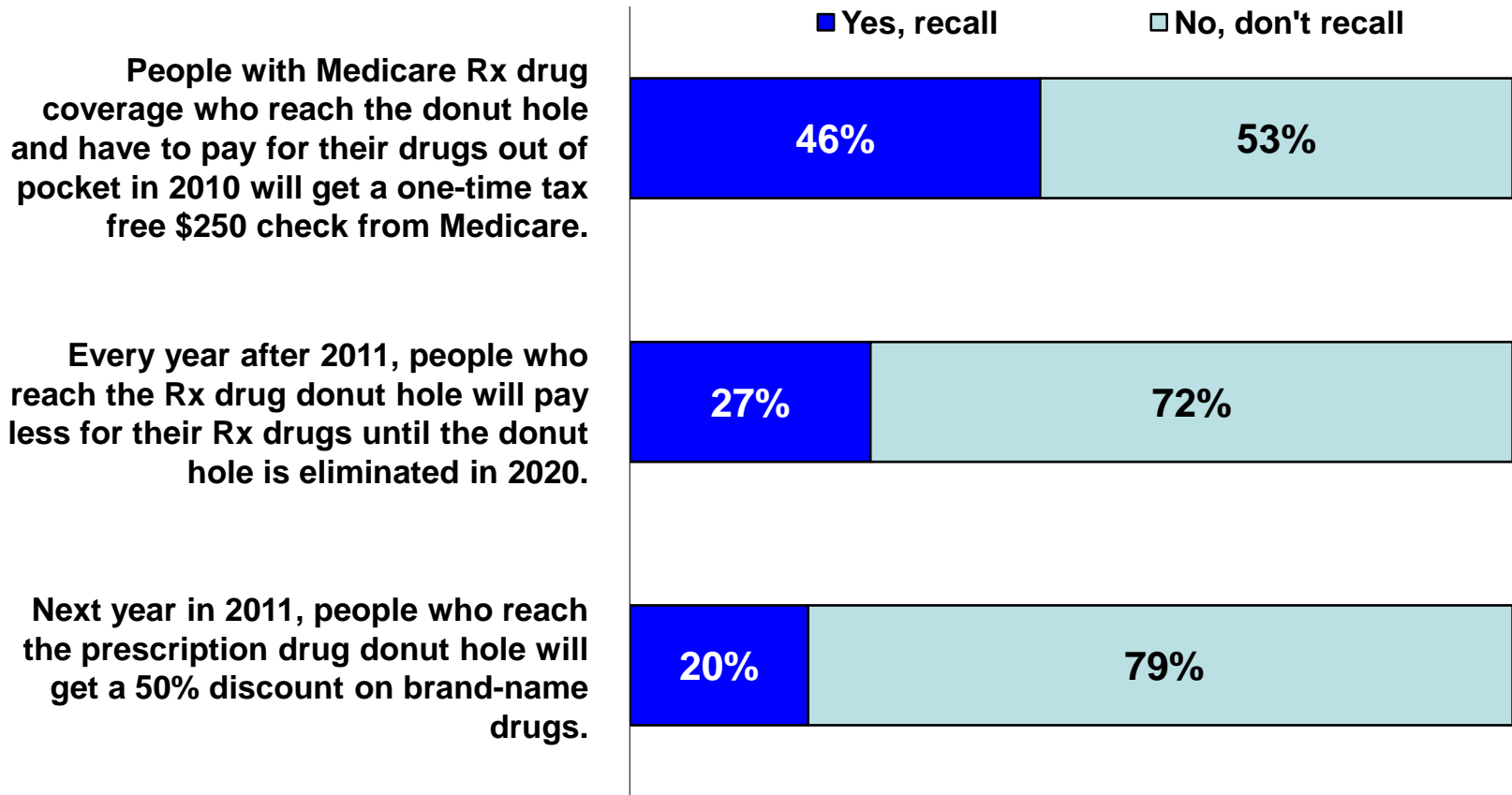


Close to 4 in 10 seniors who have not reached the gap are personally concerned they may hit it.

IF DID NOT PERSONALLY REACH GAP, PLAN HAS GAP OR NOT SURE: How concerned are you that you personally might hit the coverage gap—are you very concerned, somewhat concerned, not too concerned, or not at all concerned?



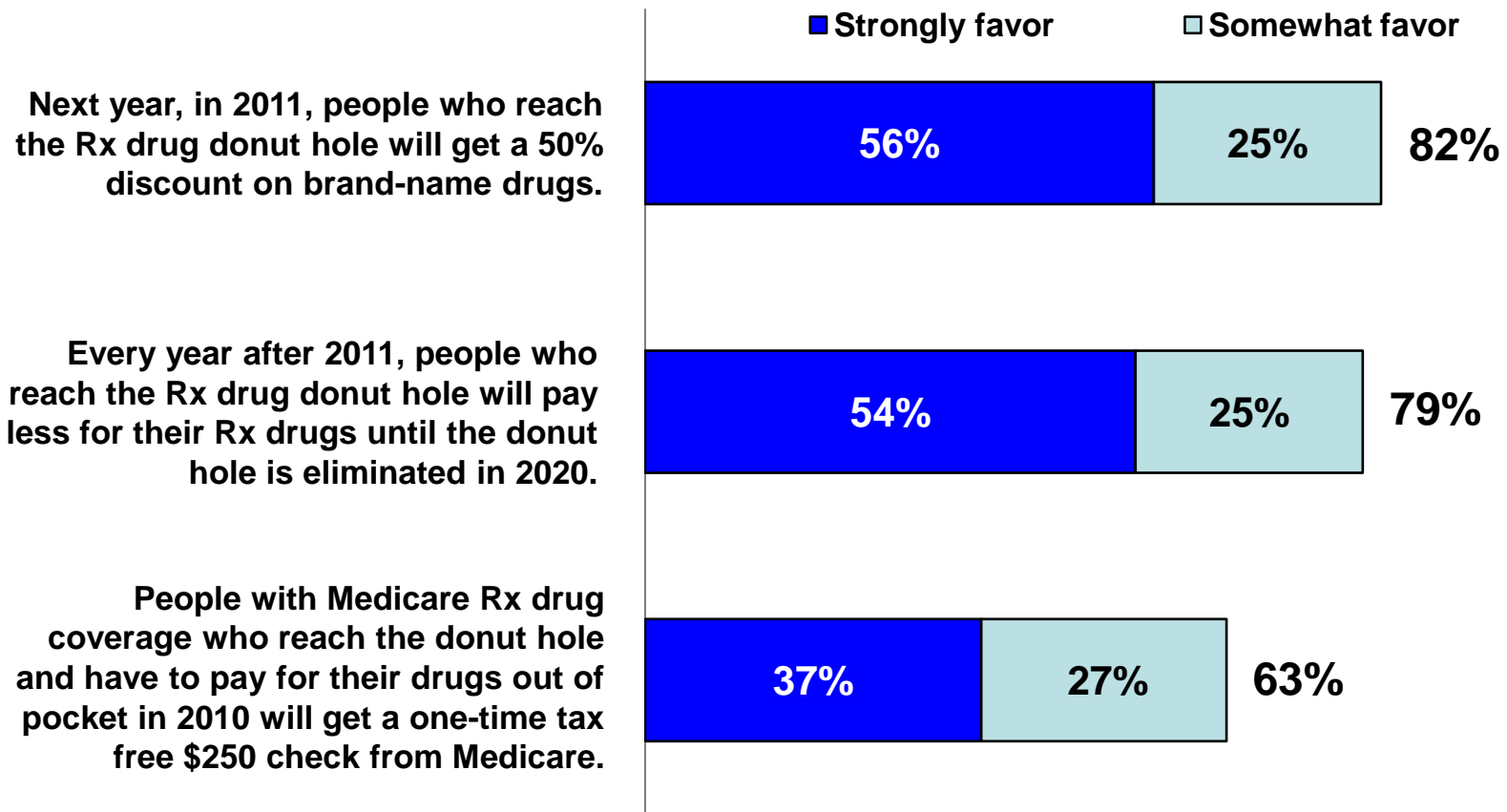
Despite concerns about the gap, large numbers have not heard about reforms that will gradually eliminate the gap.



I'm going to read you some information. For each one, tell me if you recall seeing, reading, or hearing about that topic over the past few months.



Once seniors are told about plan changes, support for the measures to close the coverage gap is very strong.



I'm going to read you some information. For each one tell me if you strongly favor, somewhat favor, somewhat oppose, or strongly oppose each change to the Medicare prescription drug benefit.



CONCLUSIONS

Conclusions

- Medicare Rx beneficiaries continue to feel satisfied with the program because it offers good value for the cost.
 - Overall satisfaction has grown from 78% to 84% (6 points) since early 2006; over half (53%) are very satisfied;
 - 94% feel fortunate to have Part D and say it gives them peace of mind;
 - 93% say their plan is convenient;
 - 85% would advise other seniors to sign up for the program;
 - 84% say their plan offers good value—62% say they have lowered their prescription drug spending;
 - 84% say their plan is delivering what it said it would;
 - 66% feel better off now that they have Part D; and,
 - Almost 3 in 10 (27%) now get medications they once had to skip or ration.
- With satisfaction so high, few say they plan to compare plans, despite the fact that many might be able to get better value for the money.
- Seniors are not hearing much about Medicare Rx in the news. Most of what they are hearing is negative. Thus, there is relatively low awareness of the provisions to reduce and eliminate the coverage gap. However, once seniors hear about these changes, they are strongly supportive.

For more information:

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