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Seniors' Opinions About Medicare Rx: Fourth Year Update

November 2009





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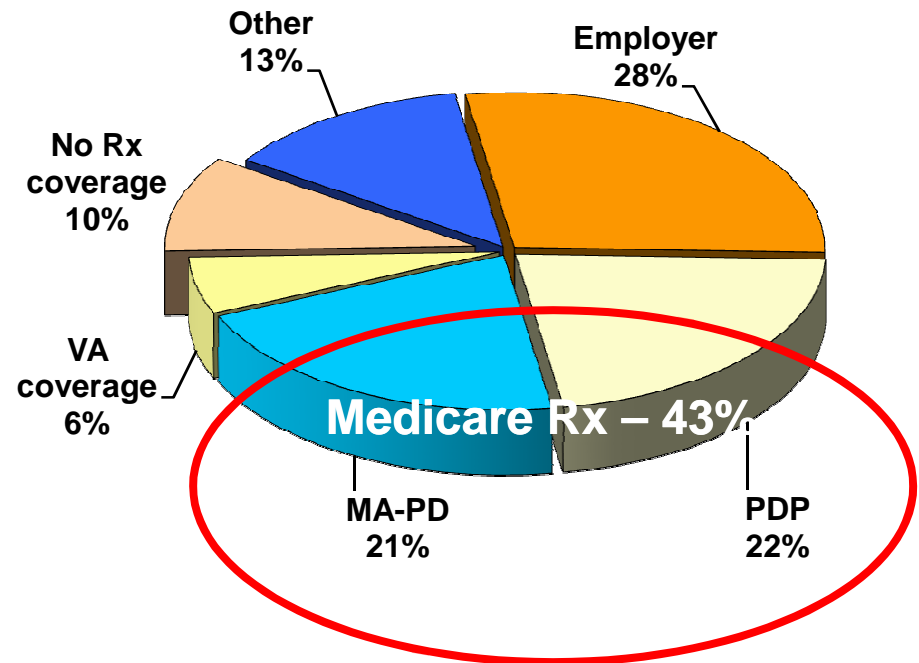
Method

Nationally representative telephone sample of 945 seniors 65+ conducted October 16-25, 2009. The margin of error (MOE) for the full sample is ± 3.2 percentage points (pps). We discuss the following groups in this report:

- **Medicare Rx coverage (both stand-alone and Advantage)** (N=409 MOE is ± 4.8 pps.)
- **Medicare stand-alone plan** (N=207 MOE is ± 6.8 pps.)
- **Medicare Advantage plan** (N=202 MOE is ± 6.9 pps.)
- **Dual eligibles** (N=72 MOE is ± 11.5 pps.)
- **Income <\$15K** (N=64 MOE is ± 12.3 pps.)
- **Take 6+ prescriptions** (N=100 MOE is ± 9.8 pps.)
- **Have disability** (N=102 MOE is ± 9.7 pps.)

The study also included a sample of 400 seniors in FL and 400 seniors in NY with Medicare Rx plans, two states with large senior populations.

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.

Snapshot of Seniors Interviewed

Gender	%
Male	39
Female	61
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	88
Have Rx coverage	90
Spend over \$30 p/month on premium	45

Region	%
Northeast	19
Midwest	21
South	38
West	22
Population density	
Large city	24
Suburban area	25
Small town	31
Rural area	19
Have disability	25
Have difficulty paying for prescriptions	14
Spend over \$50 p/month out-of-pocket	40
Take more than 10 Rx	4

Tracking is based on identical questions asked 7 times

	Mar. 2006	Sept. 2006	Jan. 2007	Sept. 2007	Sept. 2008	Mar. 2009	Oct. 2009
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
Research firm	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
Number of telephone interviews	896	802	1,003	1,001	1,007	1,063	945
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
Objectives	<ul style="list-style-type: none"> Experiences 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 Opinion of coverage gap proposal

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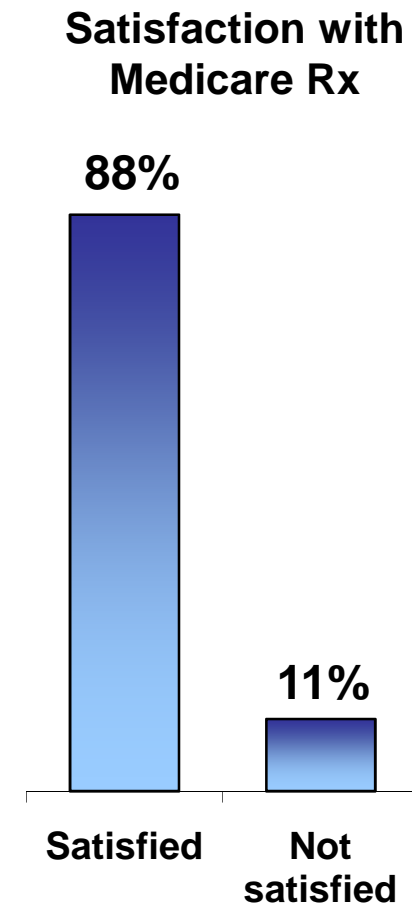


EXECUTIVE SUMMARY



Executive Summary

- Customer satisfaction with Medicare Rx remains high, with almost 9 in 10 satisfied with their current coverage. In fact, 6 in 10 are very satisfied.
 - Satisfaction has increased ten points since early 2006.
- Seniors remain positive about the program, with the vast majority saying their plan works well and is delivering what it said it would. Many say they're better off now than before they had Medicare Rx and are saving money. Large majorities would recommend the program to their peers.
- Nearly 3 in 4 are following health care reform discussions in Washington, D.C. As many favor a reform proposal that would reduce costs for beneficiaries who reach the coverage gap by requiring pharmaceutical companies to provide discounts on drugs in the gap.



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DETAILED FINDINGS



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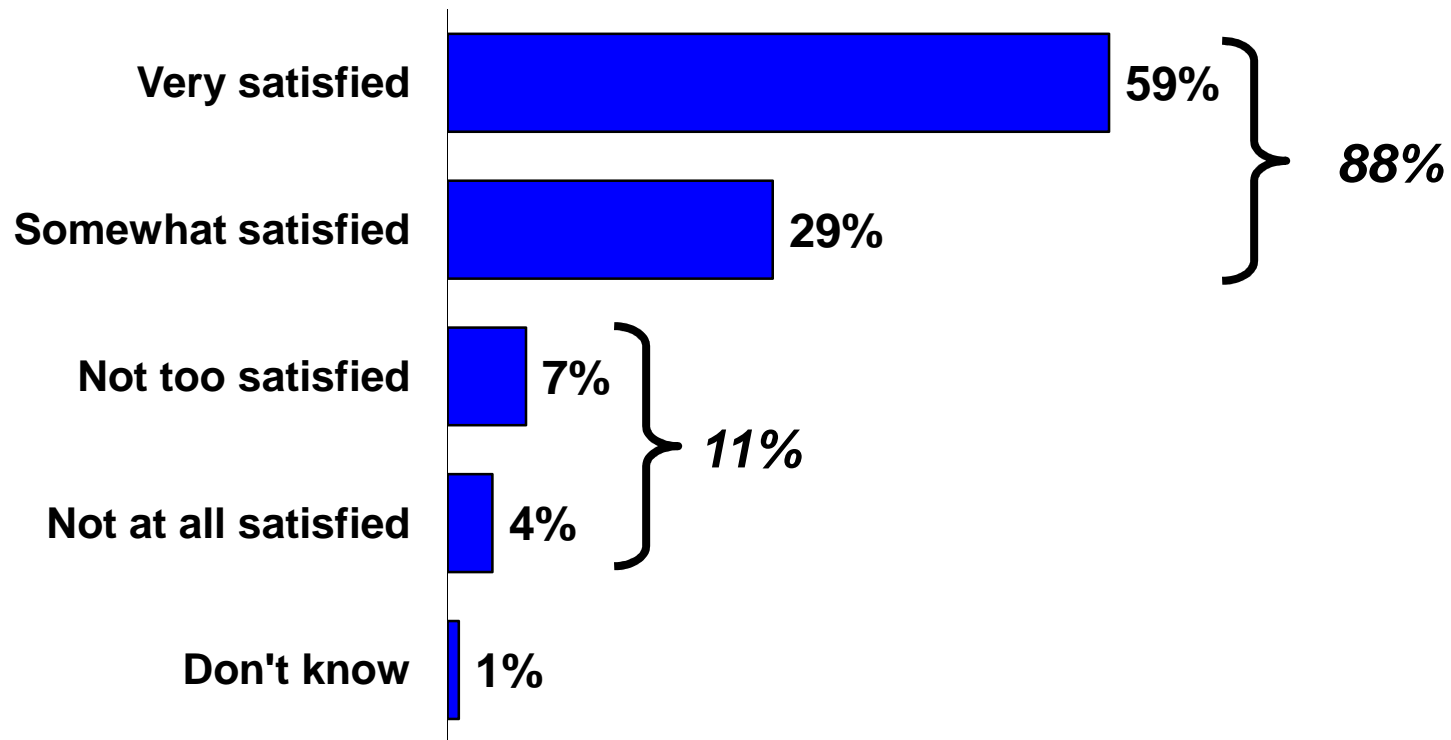


Satisfaction

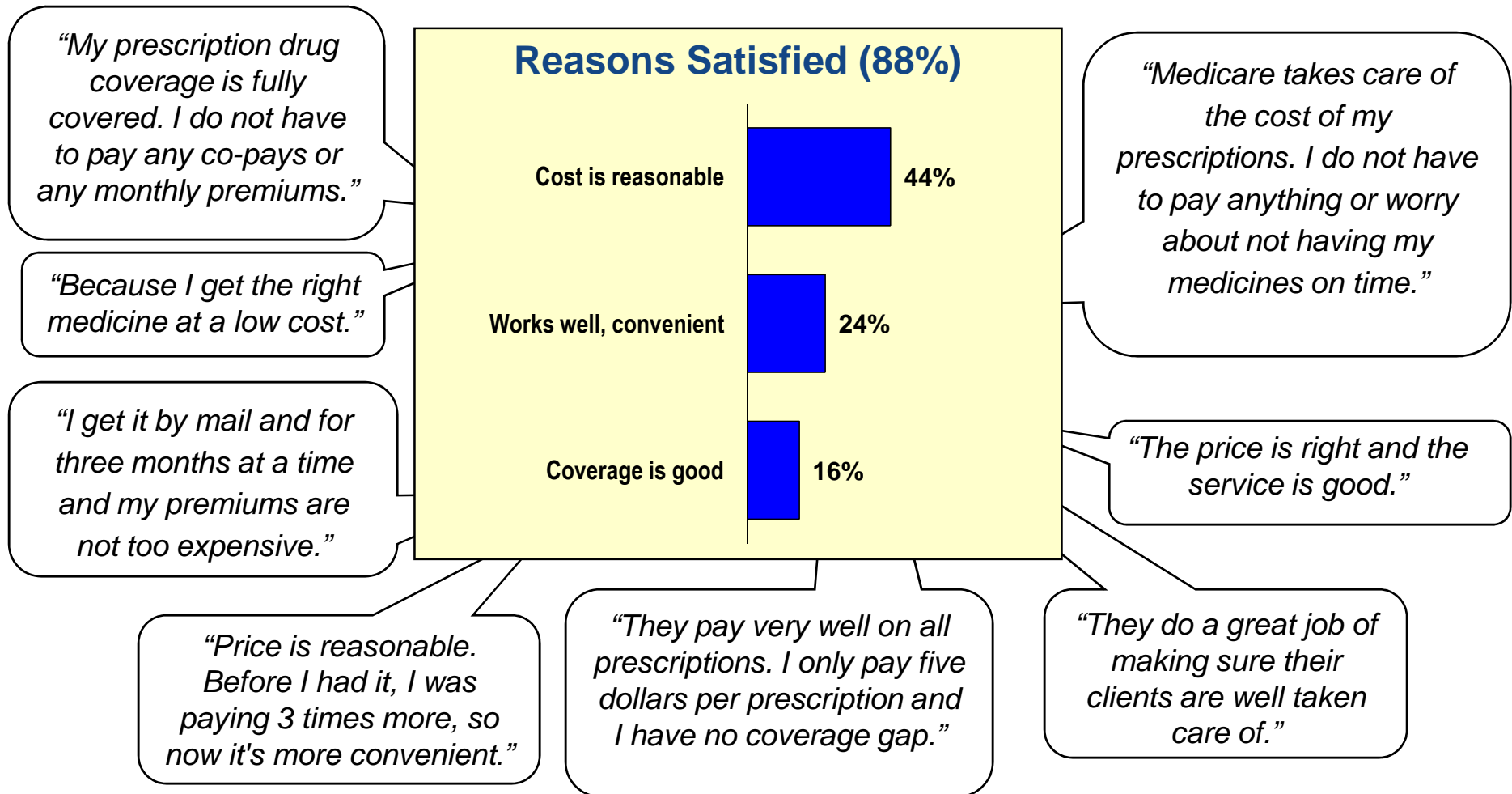


Almost 9 in 10 seniors with Medicare Rx say they're satisfied with their prescription drug coverage.

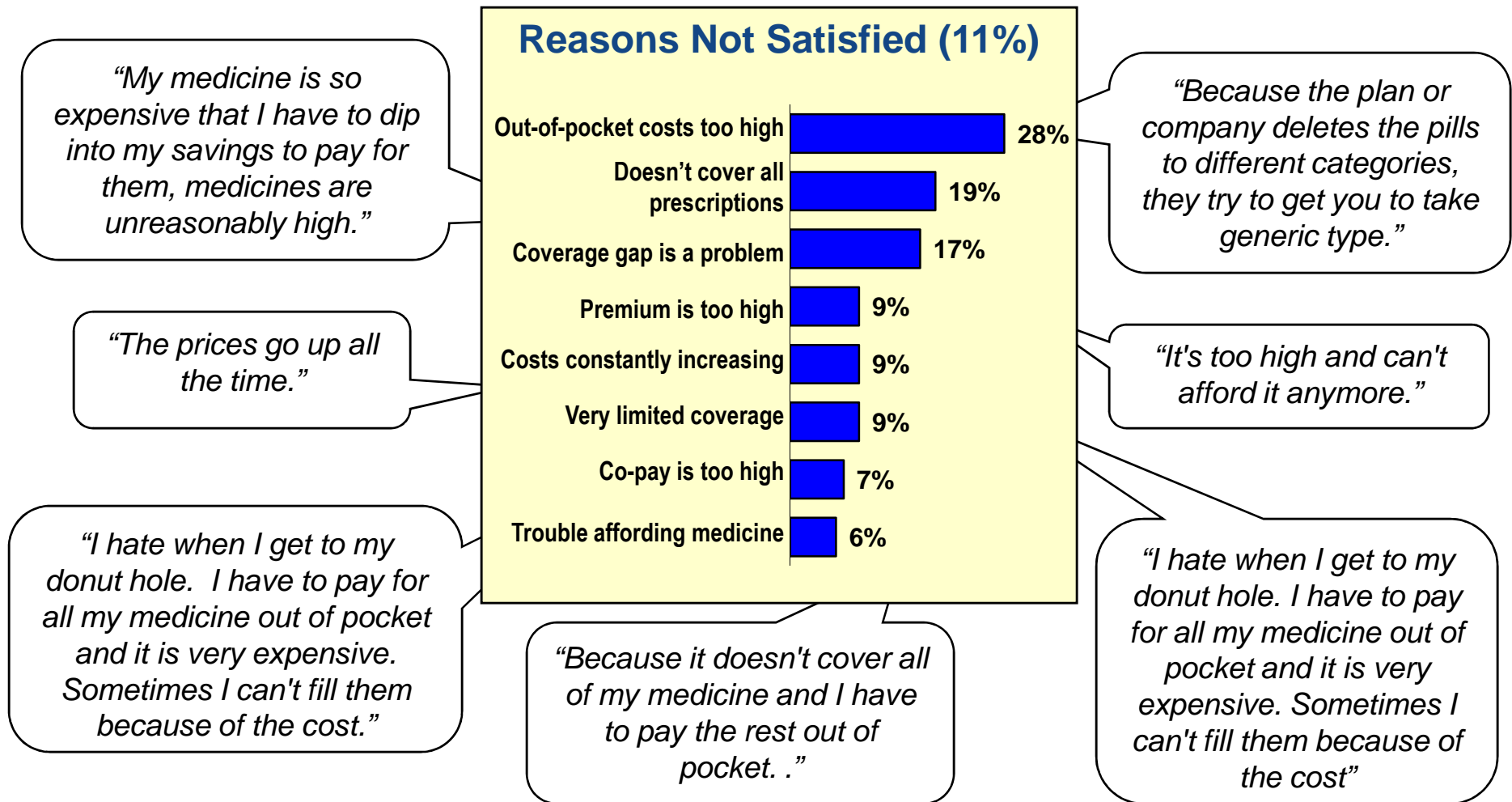
Overall, how satisfied are you with your prescription drug coverage?



Main Reasons for Satisfaction with Medicare Rx (Unaided)

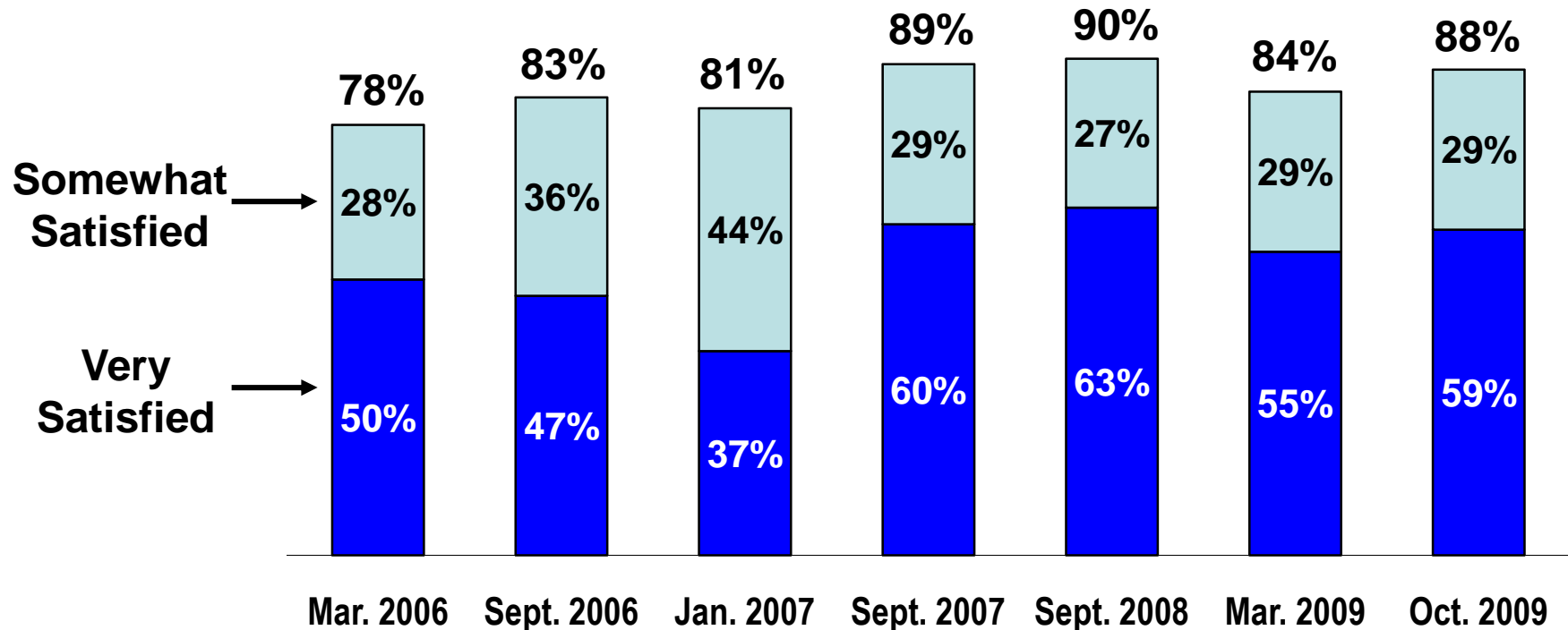


Main Reasons Not Satisfied with Medicare Rx (Unaided)



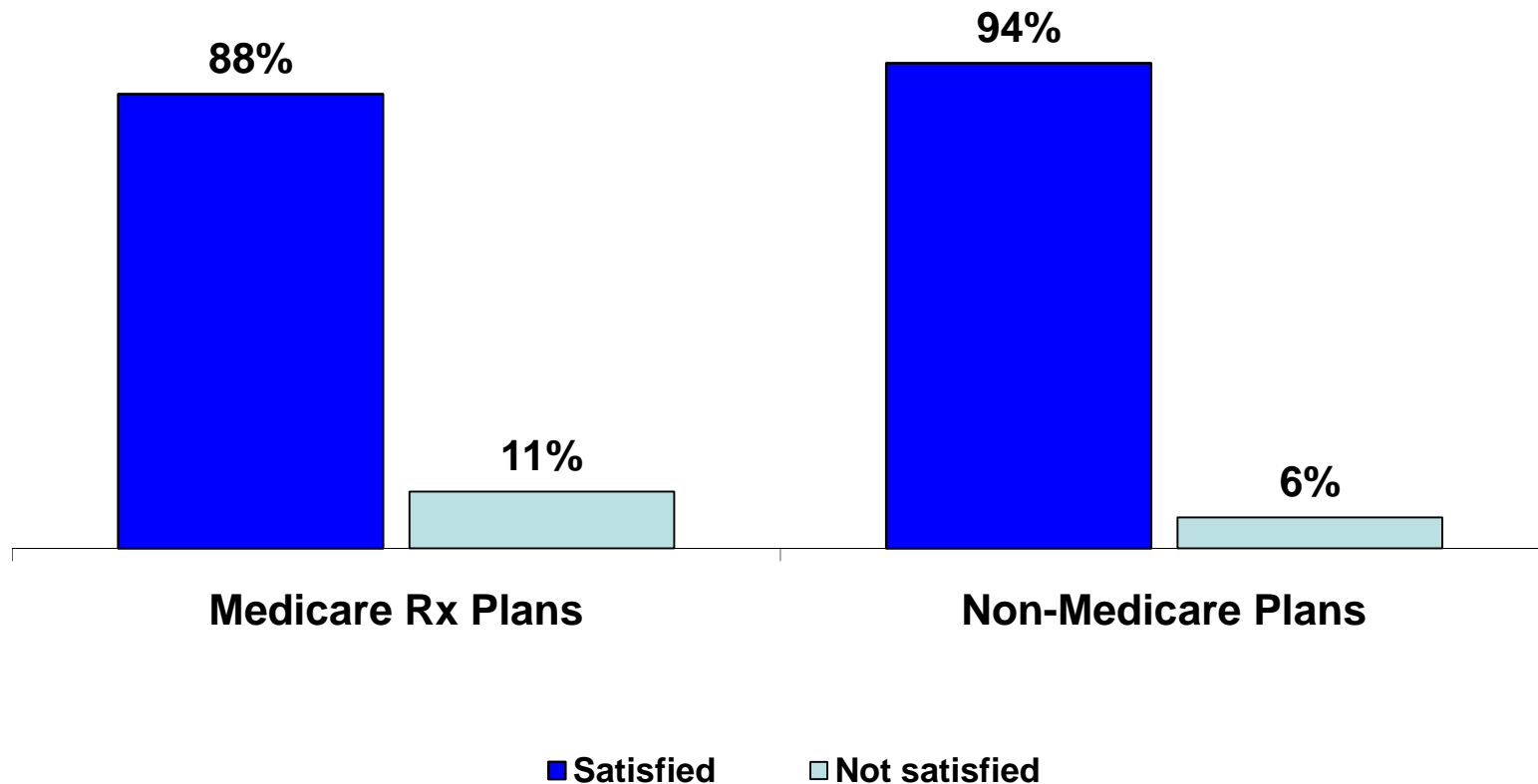
Since September 2006, more than 8 in 10 seniors with Medicare Rx have reported being satisfied with their prescription drug coverage. More than half have reported being very satisfied since September 2007.

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



Seniors with Medicare Rx coverage report similar levels of satisfaction as those with other kinds of plans.

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

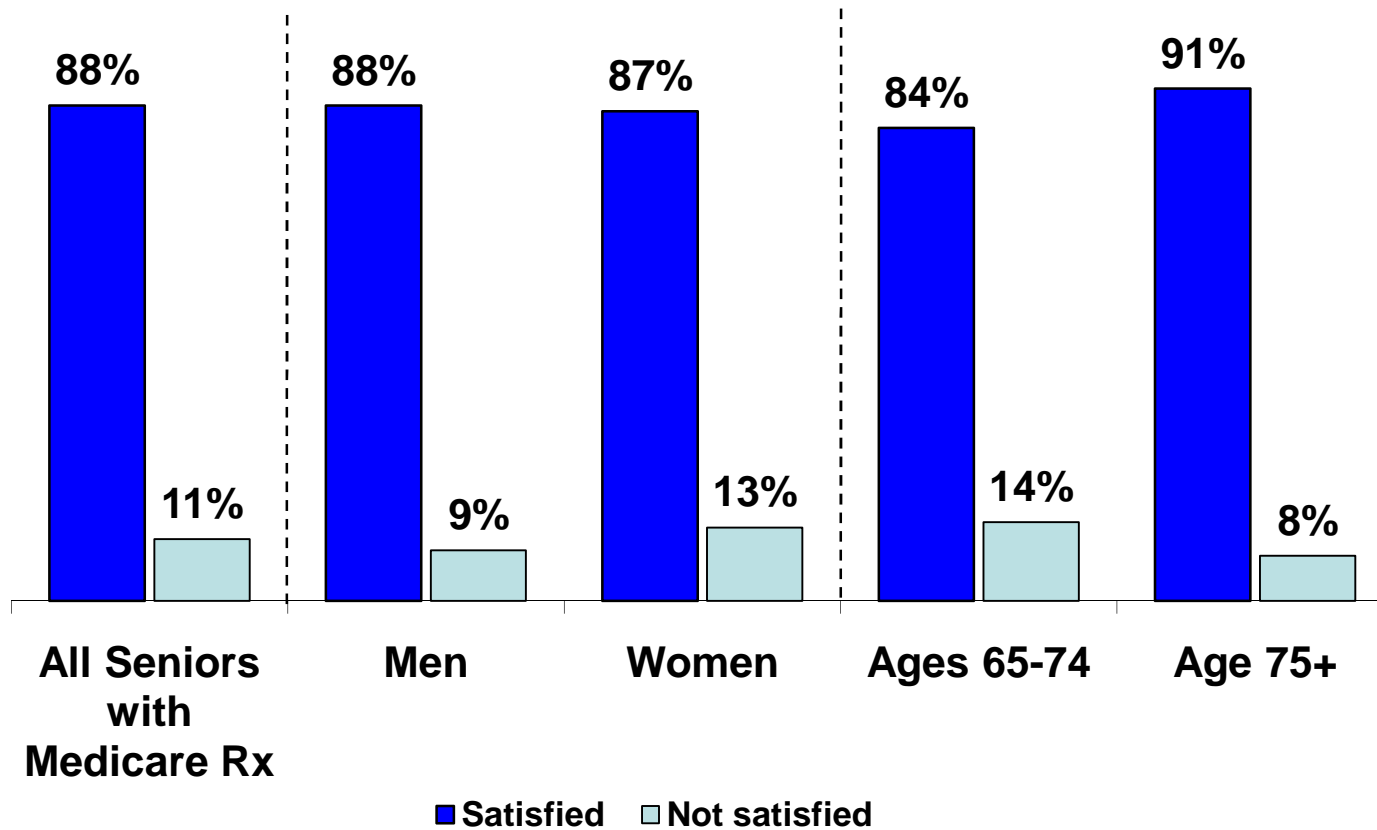


Large majorities across all groups are satisfied.

<i>Percent Satisfied with their Medicare Rx Plan</i>	
90% or more satisfied:	<ul style="list-style-type: none"> • Lowered spending with Medicare Rx (96%) • Spend less than \$50 out of pocket per month (96%) • Dual eligible (95%) • Florida seniors (93%) • Low income: less than \$15,000 (93%) • PDP premium less than \$30 p/month (93%) • Age 75 and older (91%) • Take 1-5 prescriptions (90%) • Independents (90%) • Plan does not have coverage gap (90%)
80-89% satisfied:	<ul style="list-style-type: none"> • New York seniors (89%) • Men (88%) • Women (87%) • Republicans (87%) • Democrats (87%) • Have disability (85%) • Age 65-74 (84%) • Take 6+ prescriptions (84%) • Aware plan has coverage gap (80%)
Less than 80% satisfied:	<ul style="list-style-type: none"> • Stand-alone premium \$30 or more p/month (77%) • Spend more than \$50 out of pocket per month (76%) • Hit coverage gap (66%) • Did not lower spending with Medicare Rx (65%)

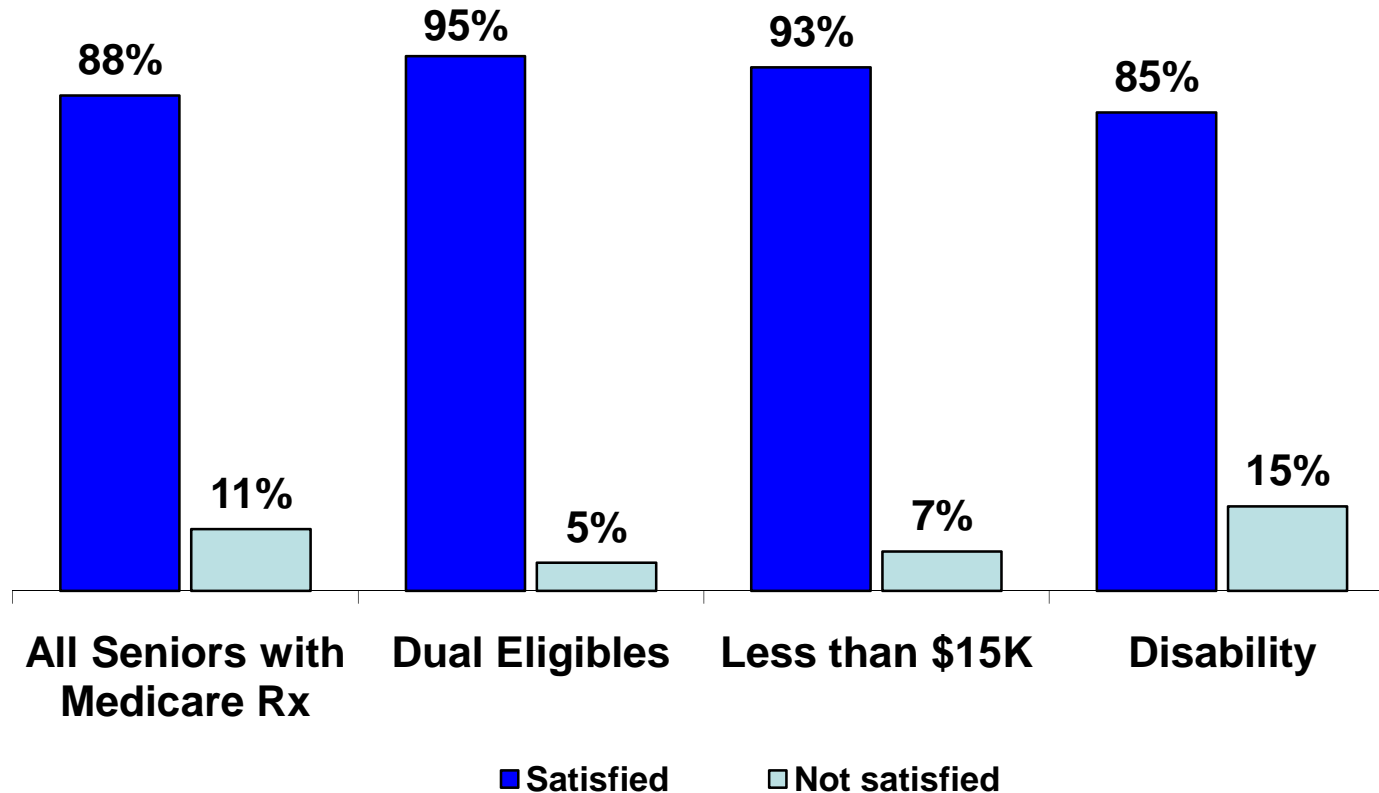
Men and women, younger and older, are satisfied with their coverage.

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



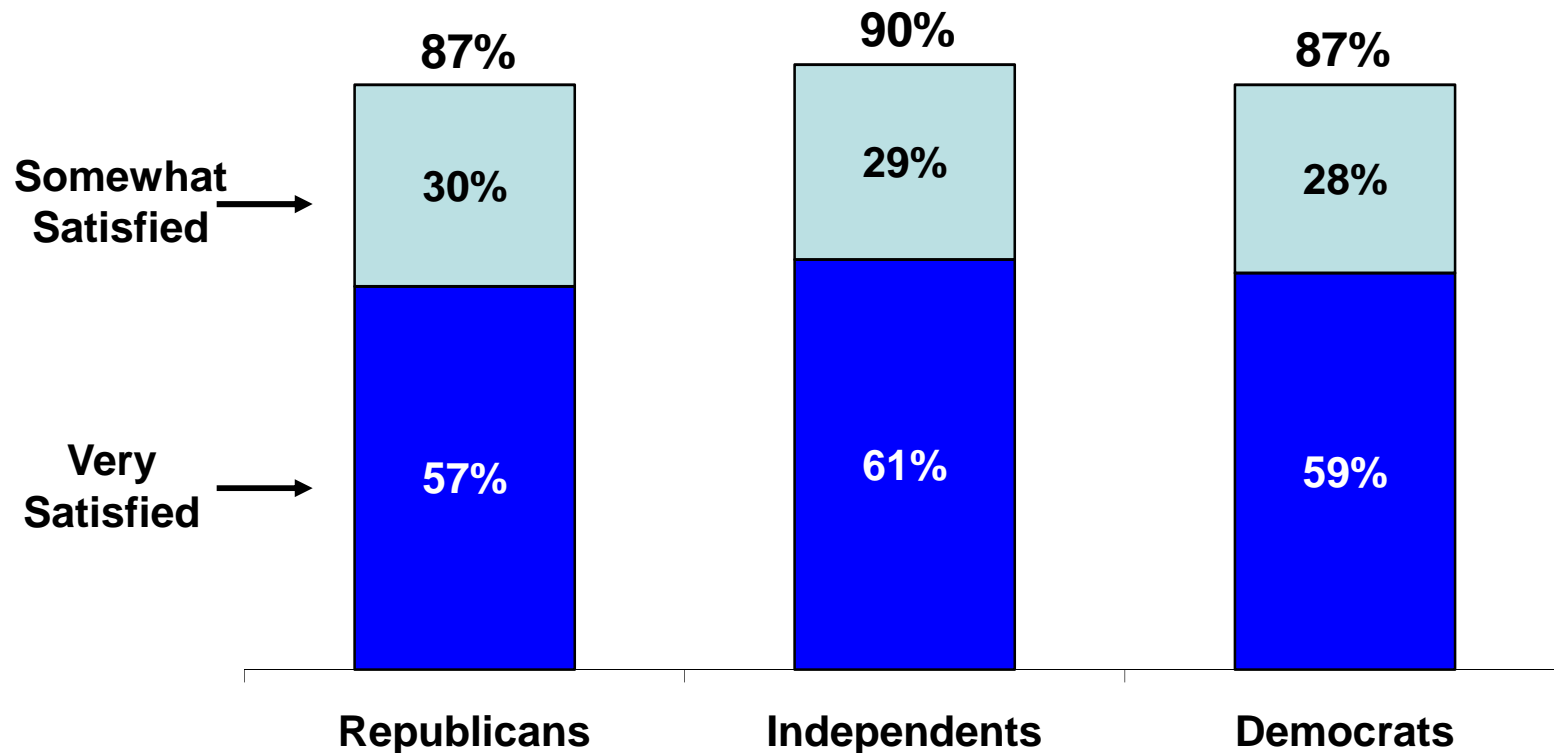
Dual eligibles, those with low incomes, and those living with disabilities are satisfied.

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



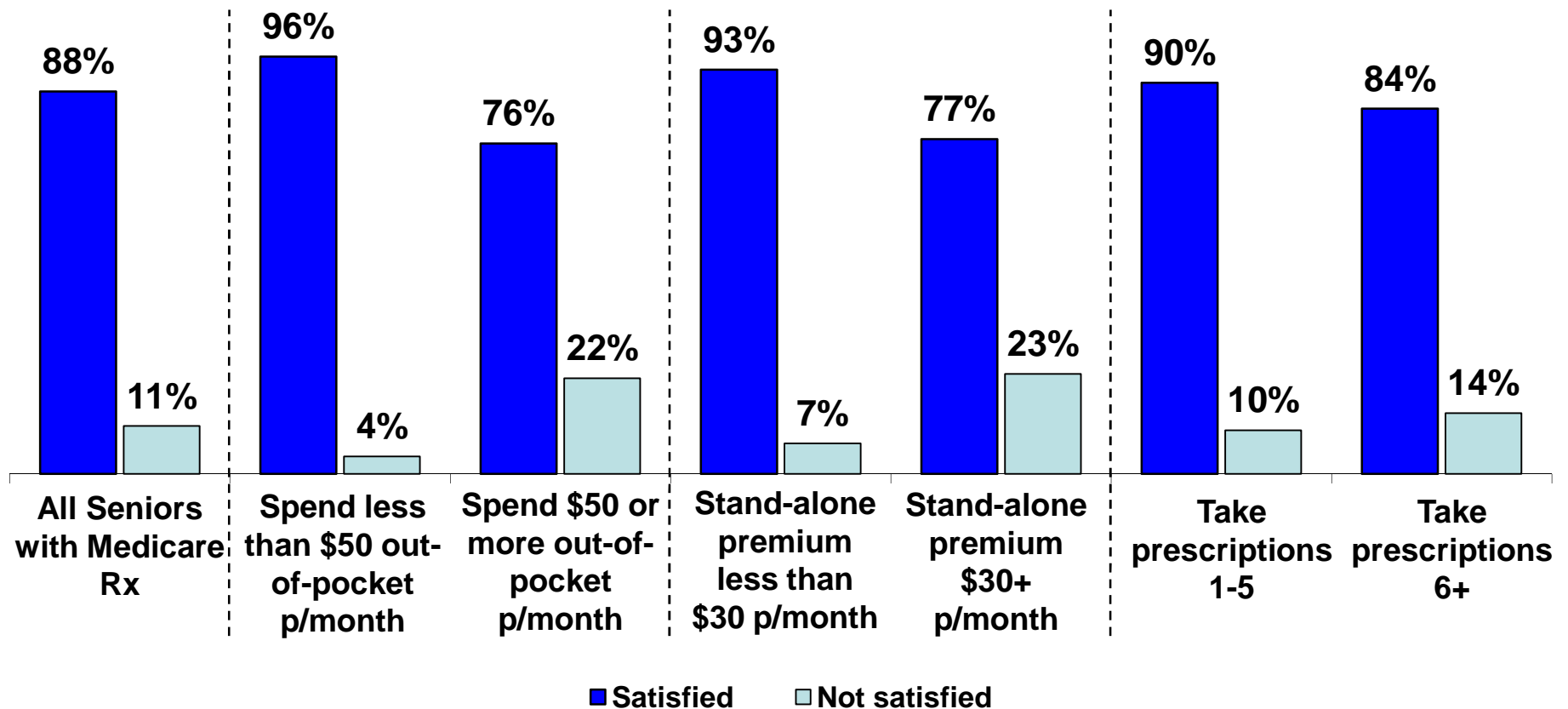
Across political party lines, seniors are satisfied.

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



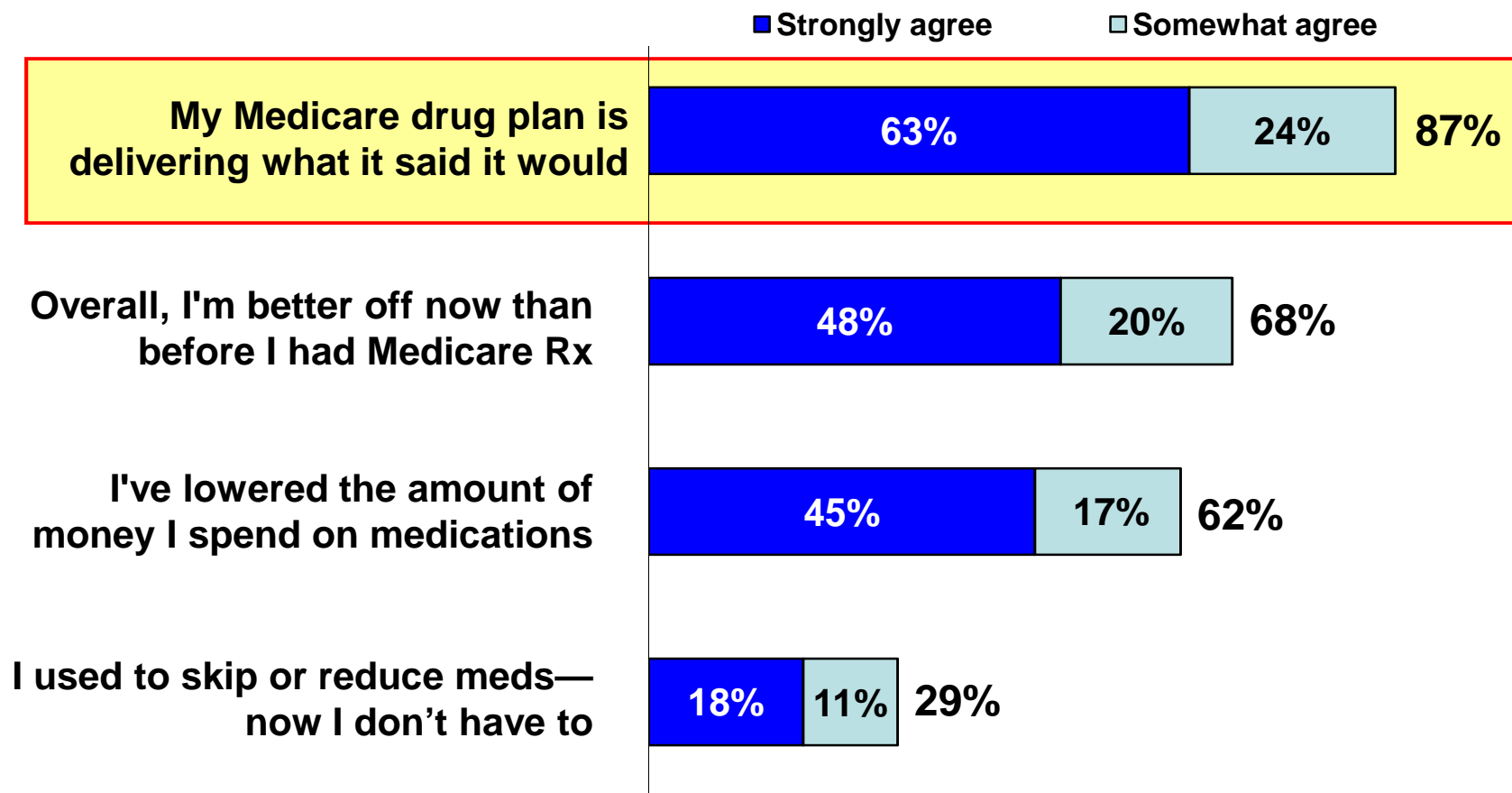
Satisfaction is *highest* among seniors who spend the least amount of money.

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



Medicare Rx is meeting seniors' expectations.

6 in 10 say they've lowered their prescription drug spending.

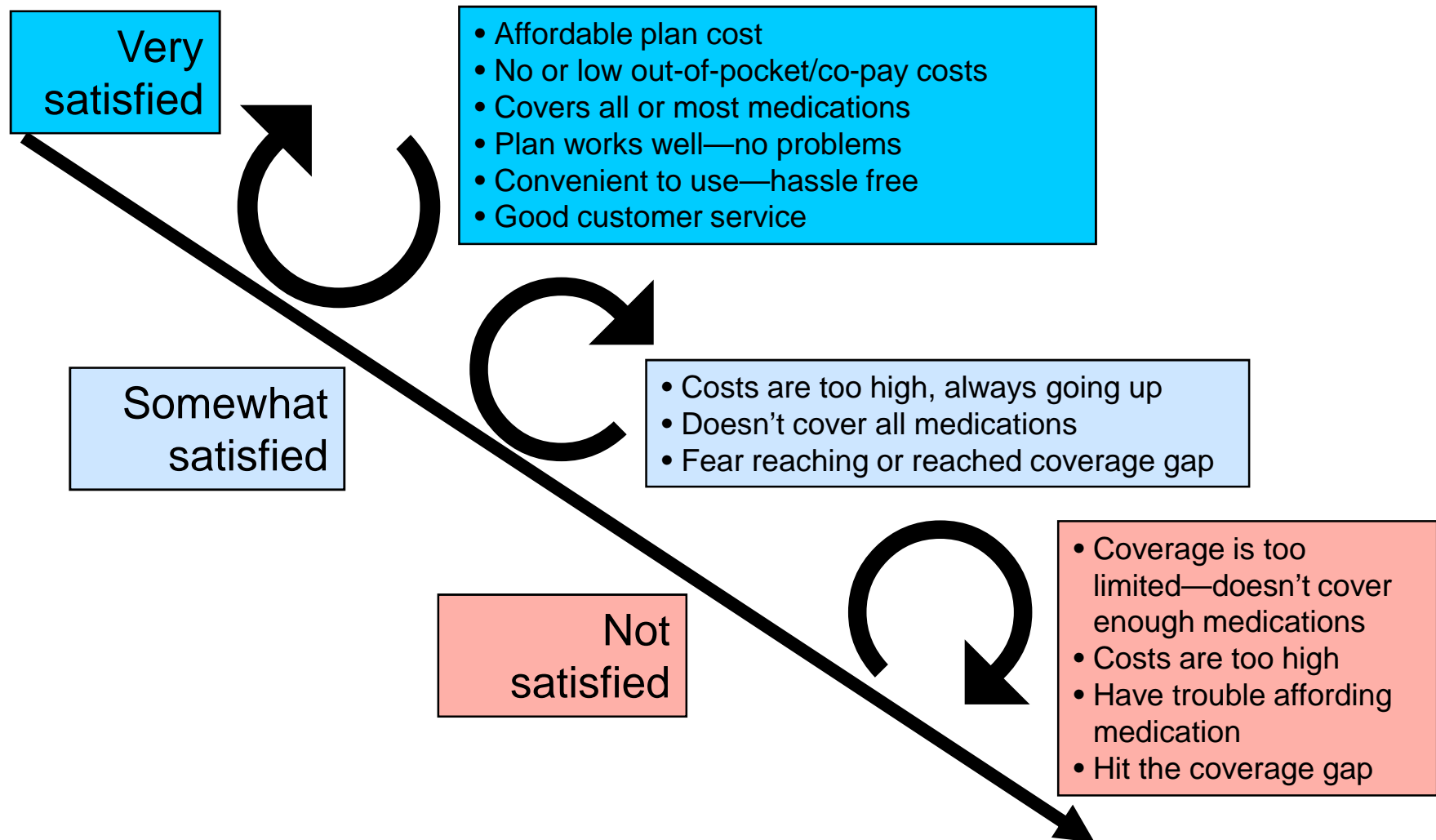


I'm going to read you some statements to hear how you feel now that you have enrolled in a Medicare prescription drug plan. For each one, tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree.

Seniors' feelings towards the benefit remain very positive.

	Mar. 2006	Sept. 2006	Jan. 2007	Sept. 2007	Sept. 2008	Mar. 2009	Oct. 2009
Feel fortunate that I'm covered	N/A	N/A	N/A	96	97	93	95
Feel peace of mind	78	82	83	94	97	91	93
Feel a sense of relief	77	81	80	N/A	N/A	N/A	N/A
I'm better off than before I had Medicare Rx	66	69	67	68	78	72	68
I've lowered costs on Rx medicines	59	61	58	65	71	68	62
Feel frustrated with my coverage	33	35	35	28	22	26	30
Feel nervous about my coverage	28	26	25	19	23	23	27

Drivers of Satisfaction



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How Medicare Rx Works

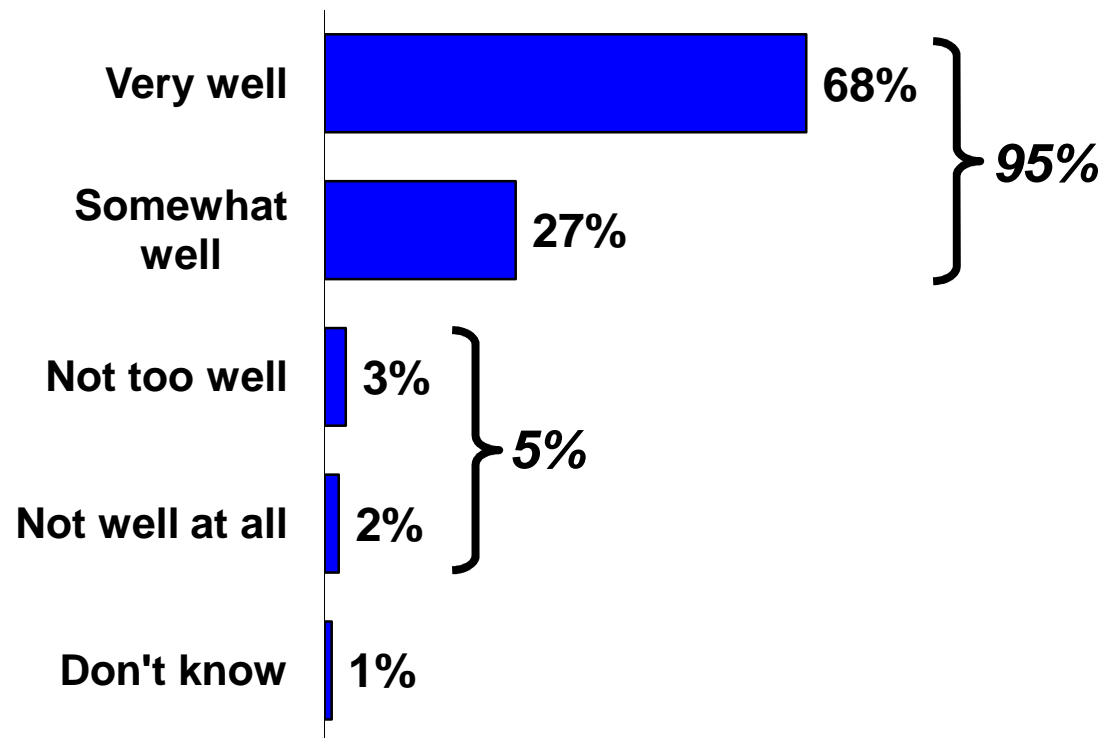
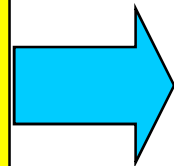
Nearly all seniors who are using their plans and have received medications, say their plans work well.

Nearly 7 in 10 say their plan works VERY well.

IF RECEIVED MEDS: And, how well has your prescription drug plan worked for you?

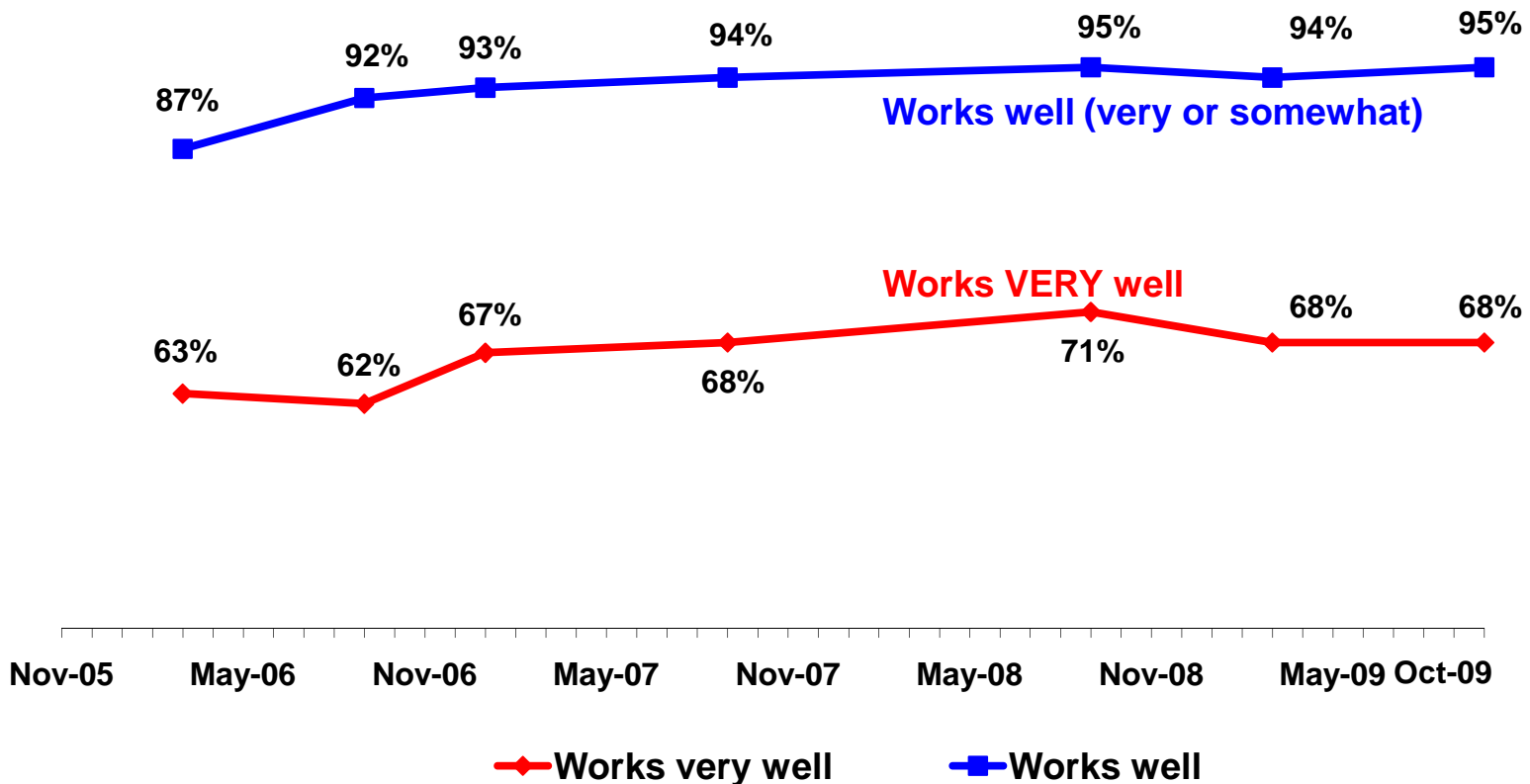
Have you received any medicines through your Medicare prescription drug plan?

84% Received meds
15% Have not



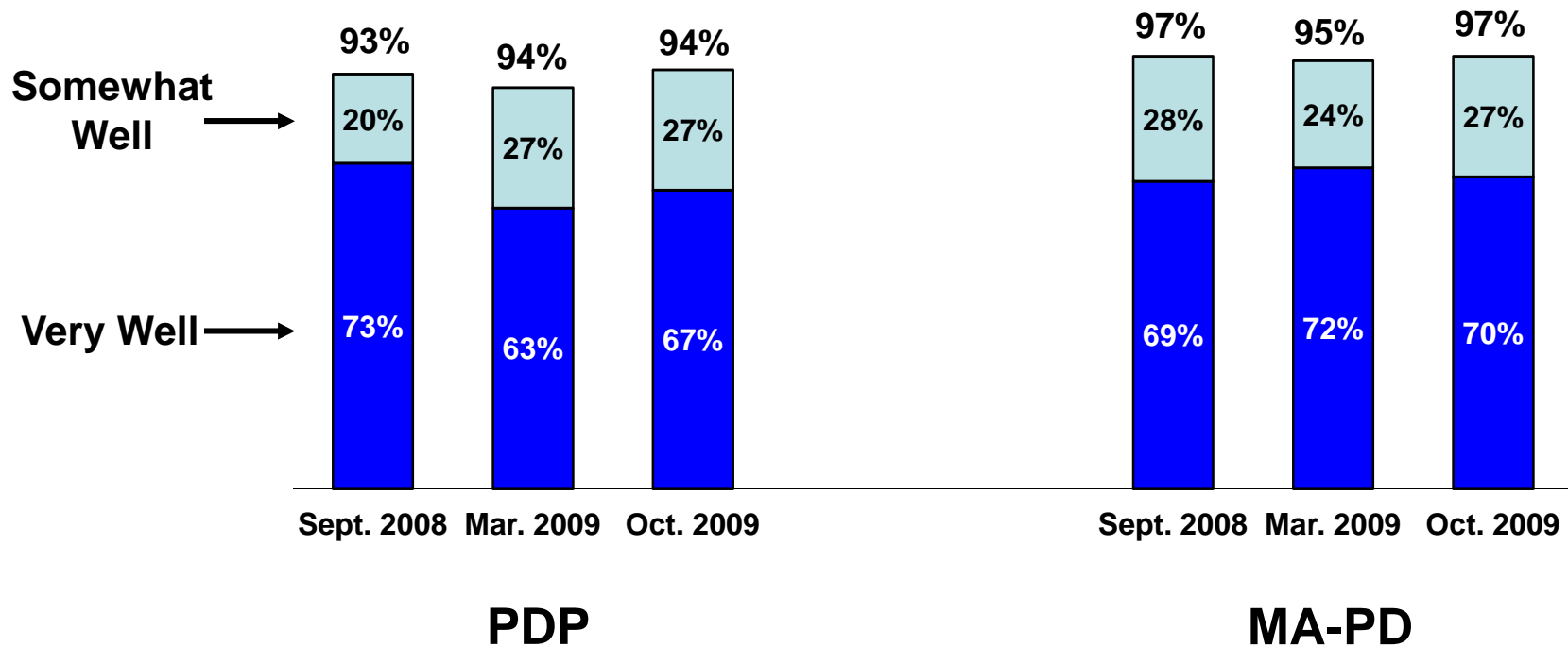
The trend has been consistently positive since the program started.

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



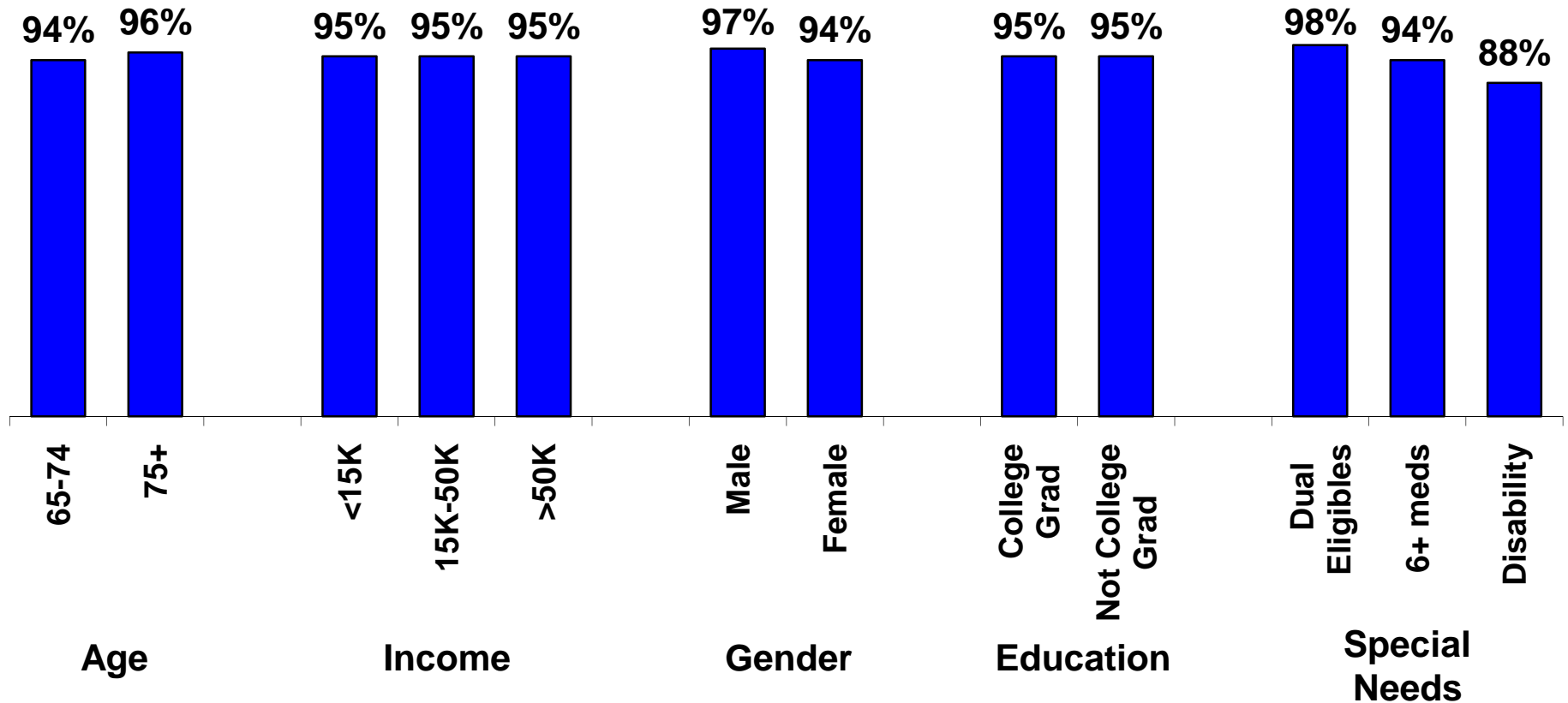
Both those with Original Medicare plans (PDP) and those with Medicare Advantage plans (MA-PD) say their plans work well.

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

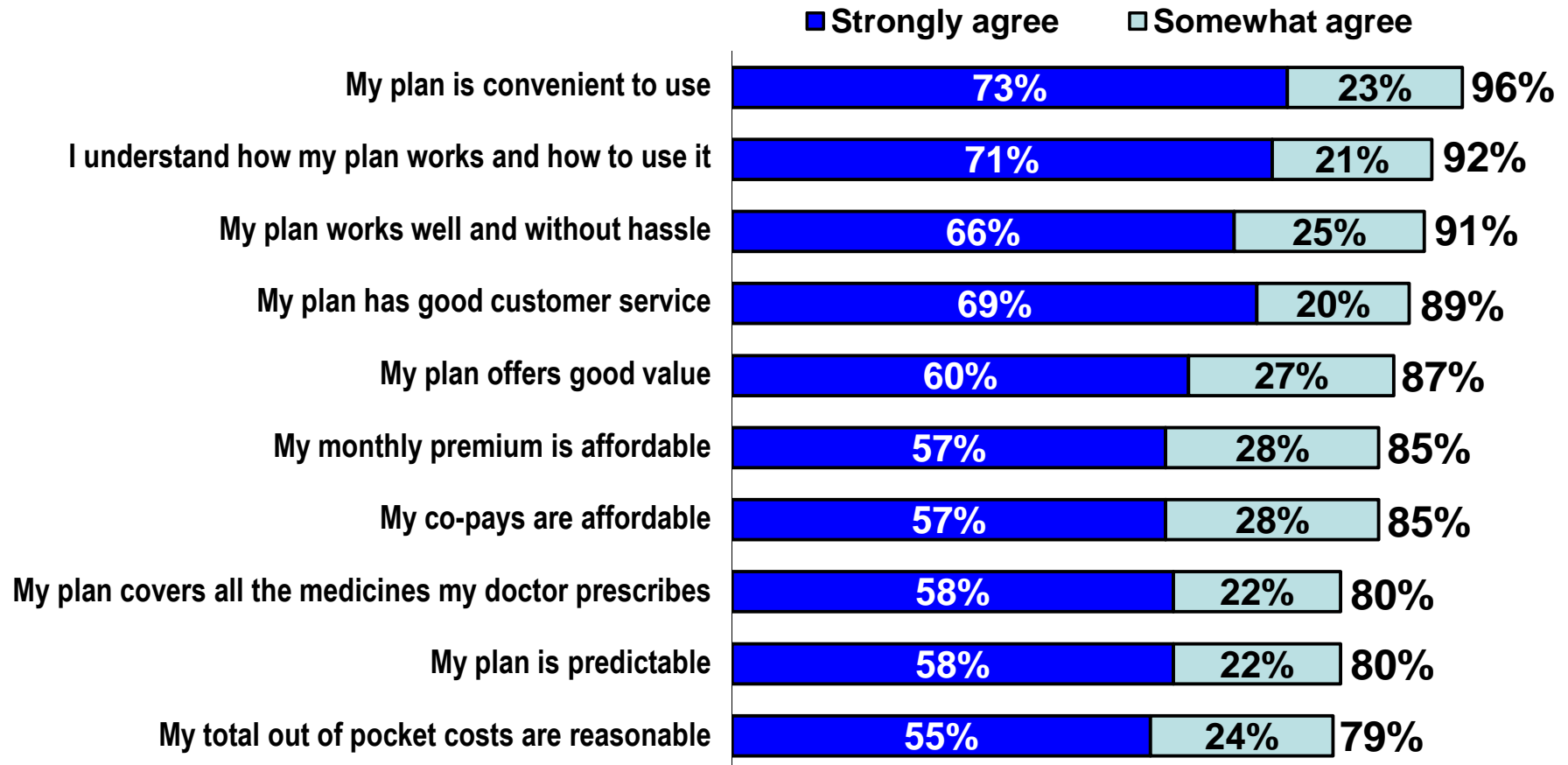


Across demographic groups, there is agreement that the plans work well.

How well has your prescription drug plan worked for you?
Percent Saying Plan Works Well

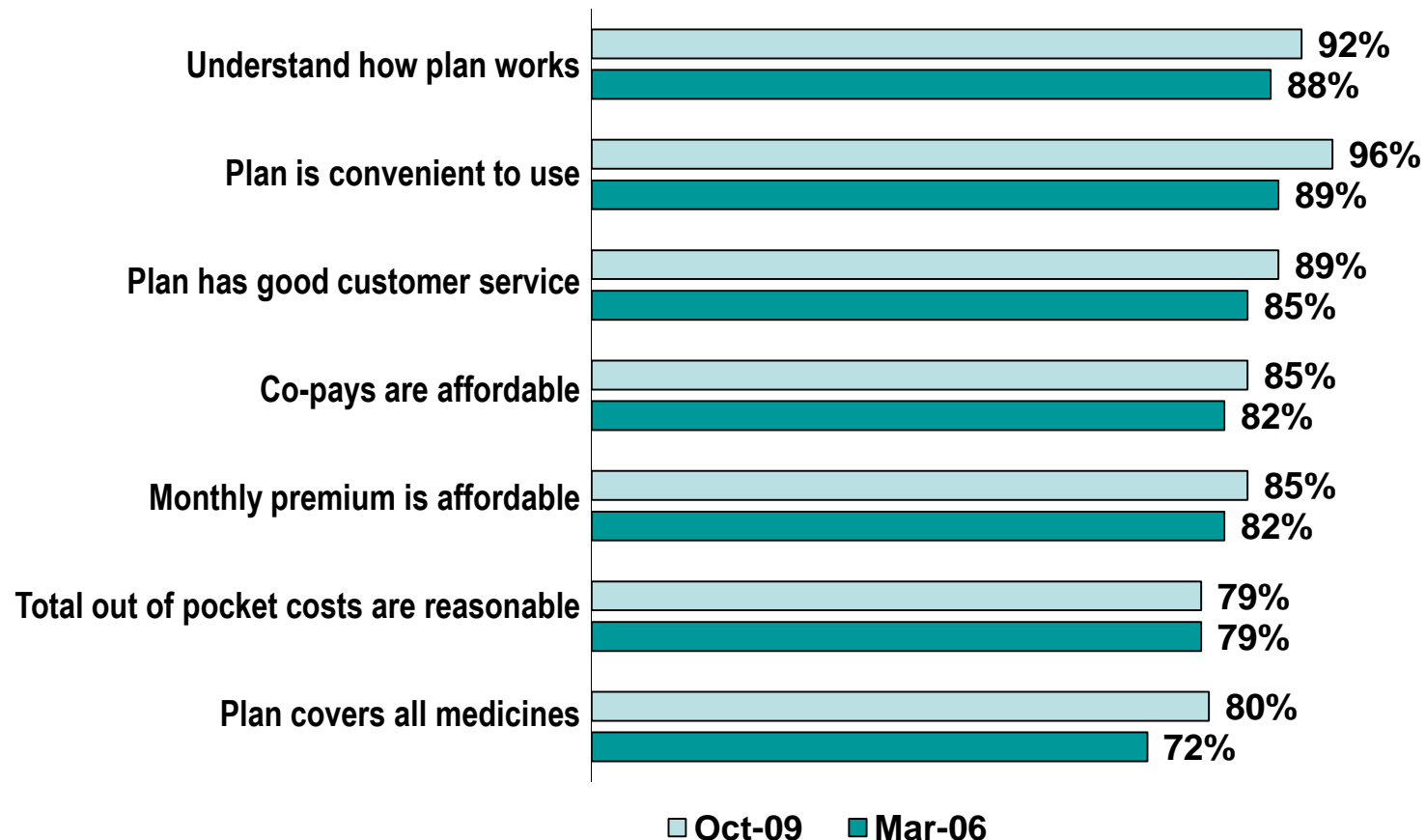


Most seniors are very happy with customer service and feel their plan offers good value for the money.



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.

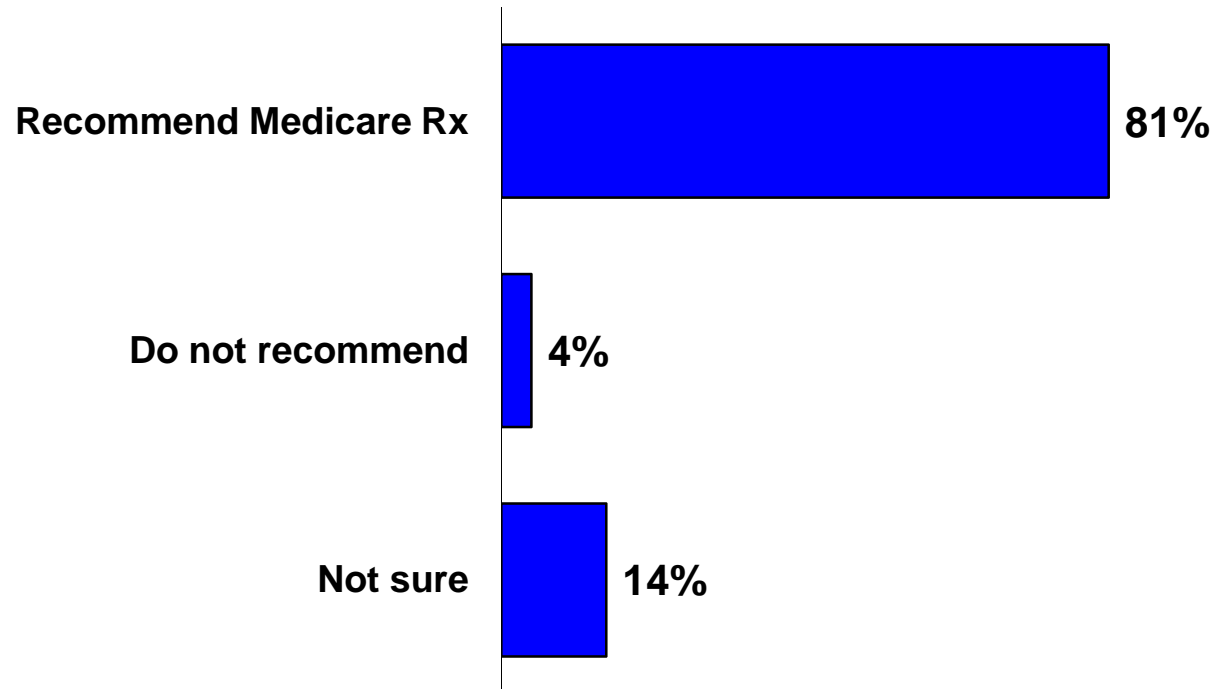
The trends are positive. Seniors give as high or higher ratings now as they did at the start of Medicare Rx.



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.

Most say they would recommend Medicare Rx to other seniors.

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?

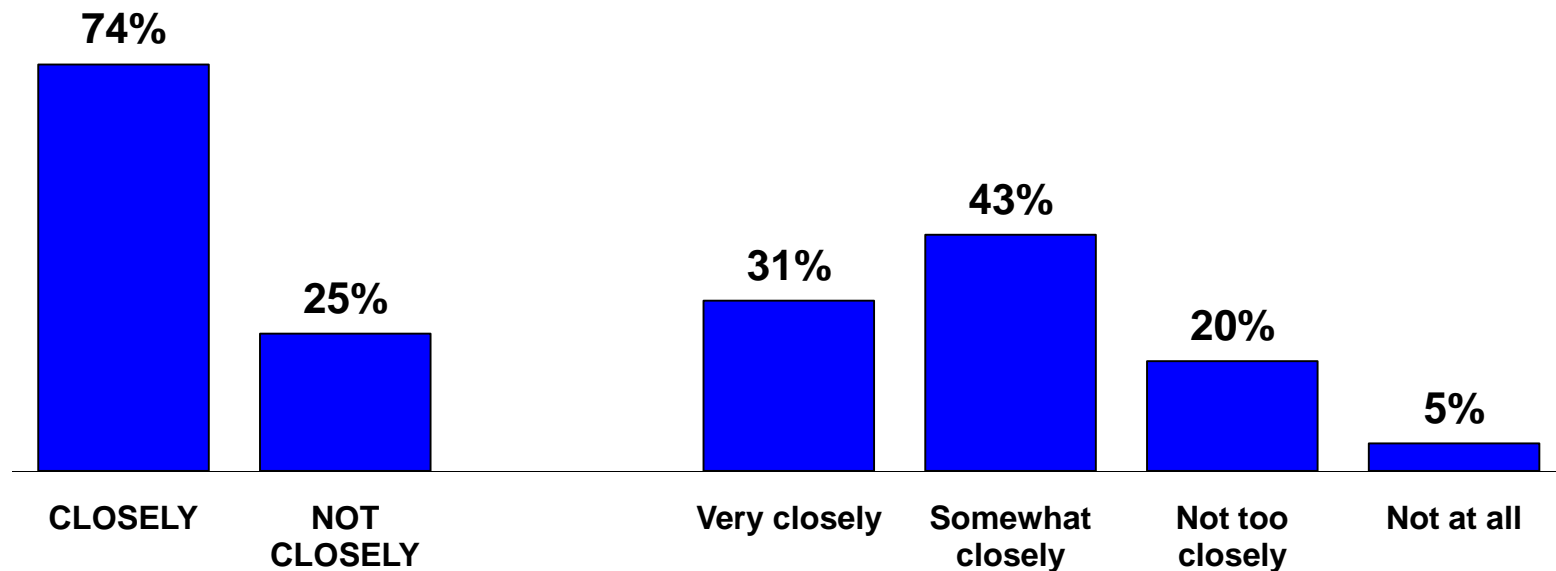




The Coverage Gap

Three-quarters have been following the discussions about health care reform closely.

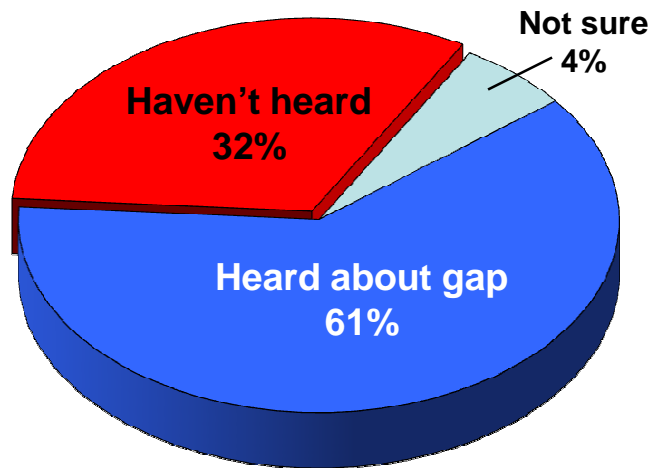
How closely have you been following discussions in Washington about health care reform—very closely, somewhat closely, not too closely, or not at all?



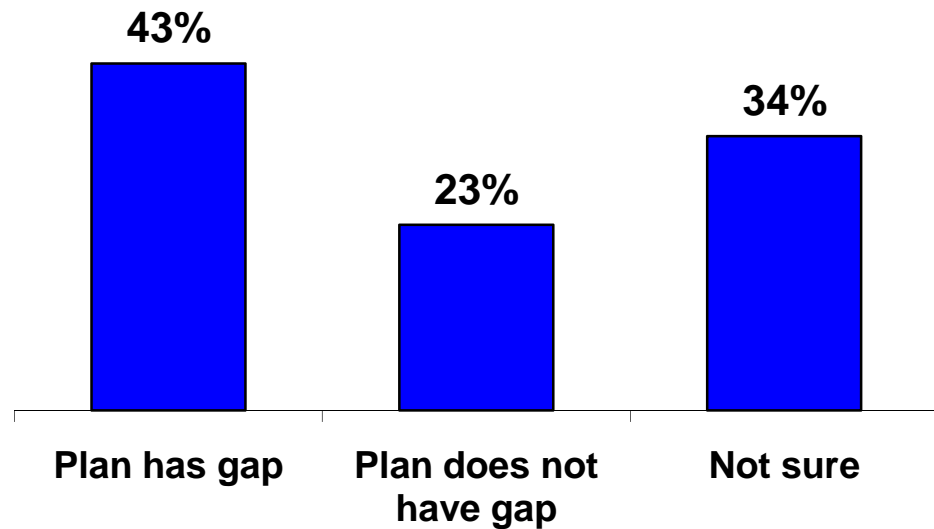


The majority say they've heard of the coverage gap, but many have not. Four in 10 say their plan has a gap.

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



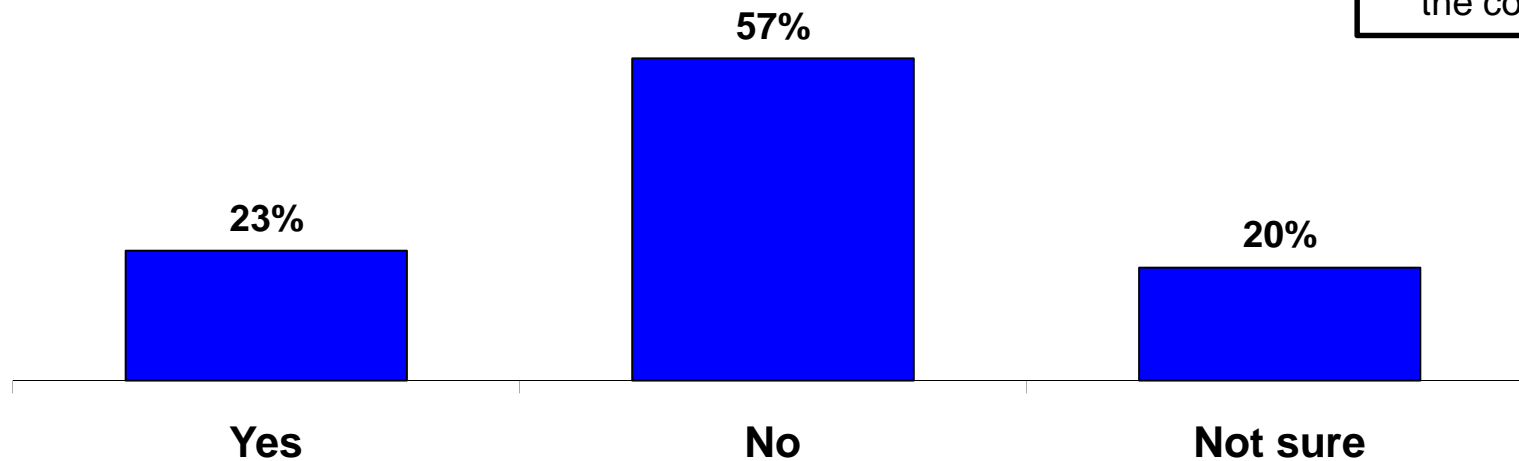
In most Medicare prescription drug plans, if your medicine costs over \$2,700 per year you have to pay the next \$3,450 entirely out of pocket before 95% of your prescriptions are completely covered. This is sometimes referred to as the "coverage gap" or "donut hole." Does your plan have a coverage gap or donut hole, or did you purchase extra coverage so you don't have this gap? If you're not sure, just say so.



One in four seniors feel affected by the coverage gap through someone they know.

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?

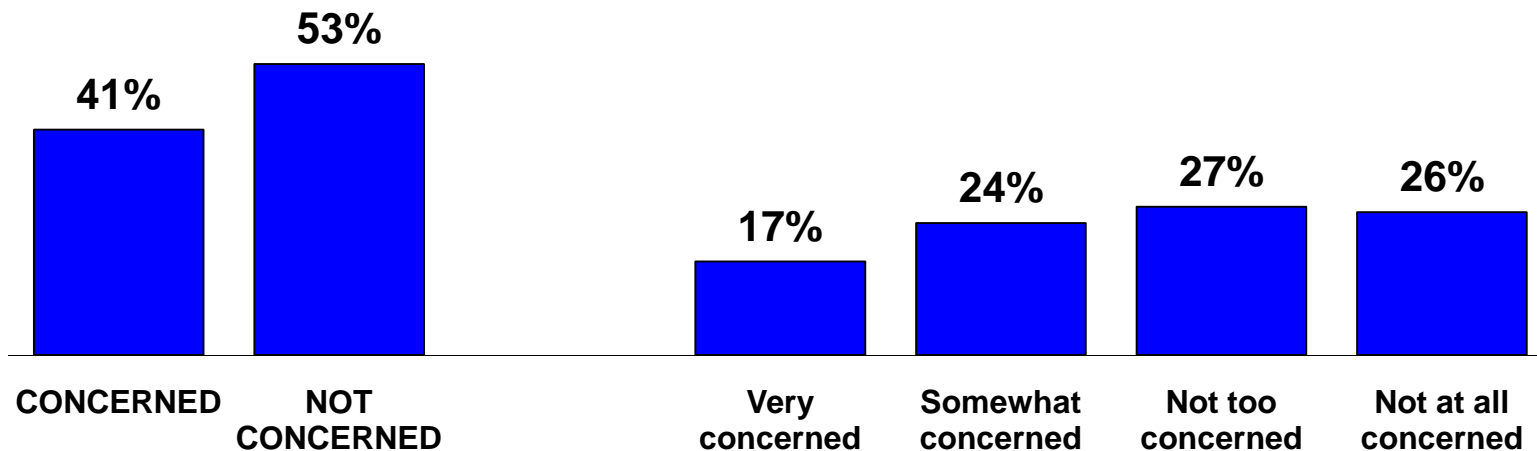
Percent of all Seniors with Medicare Rx



13% of seniors with Medicare Rx have **themselves** reached the coverage gap

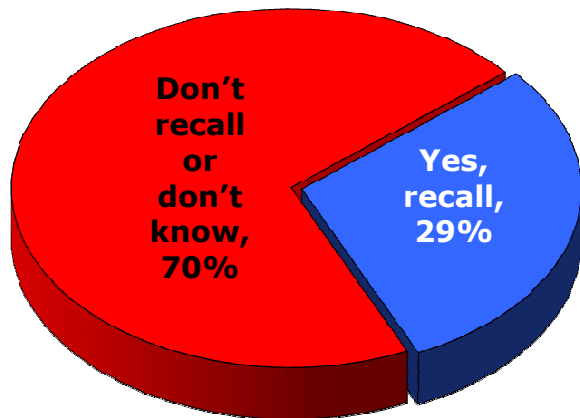
Four in 10 of those potentially impacted by the gap are concerned they might reach it; over half are not concerned.

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?

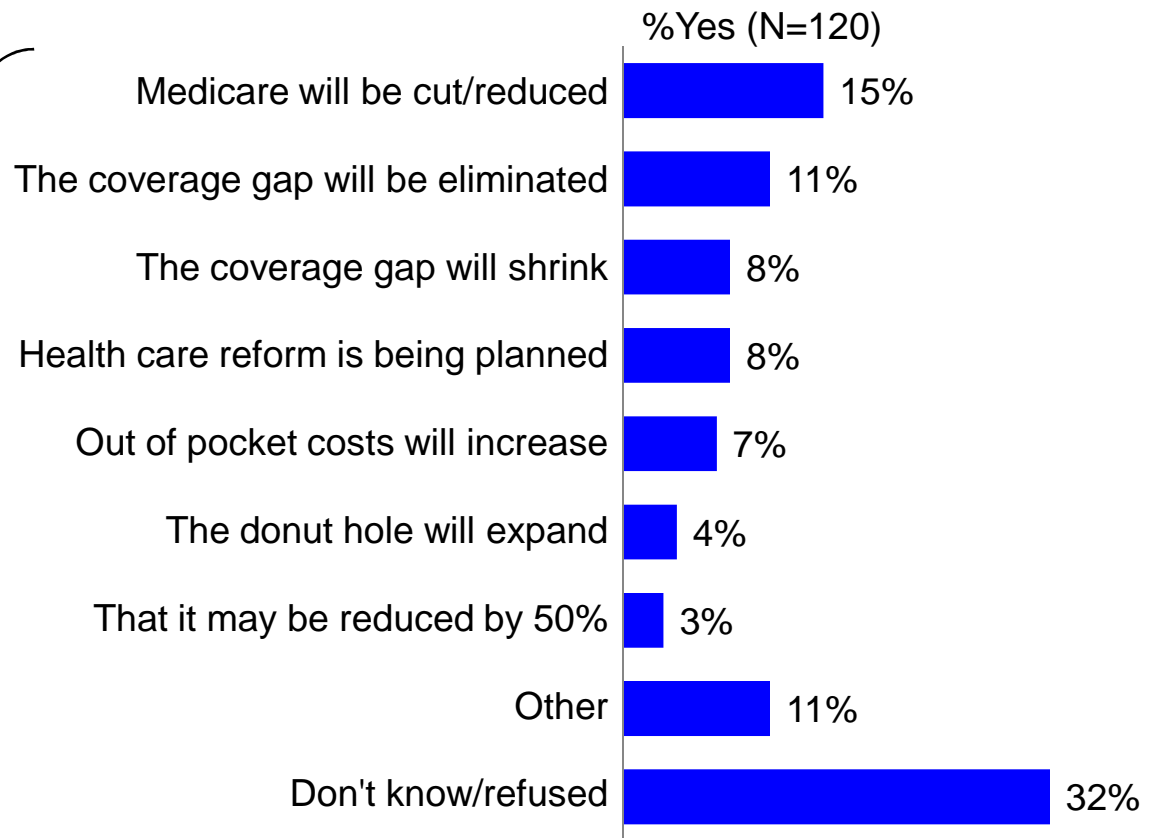


Only 3 in 10 recalled hearing news about discussions in Washington, D.C. to lower the coverage gap.

Over the past few weeks, do you recall seeing, reading, or hearing anything in the news about proposals or plans to reduce the amount of money that people with Medicare prescription drug coverage would have to pay when they reach the coverage gap? If yes, what did you hear?



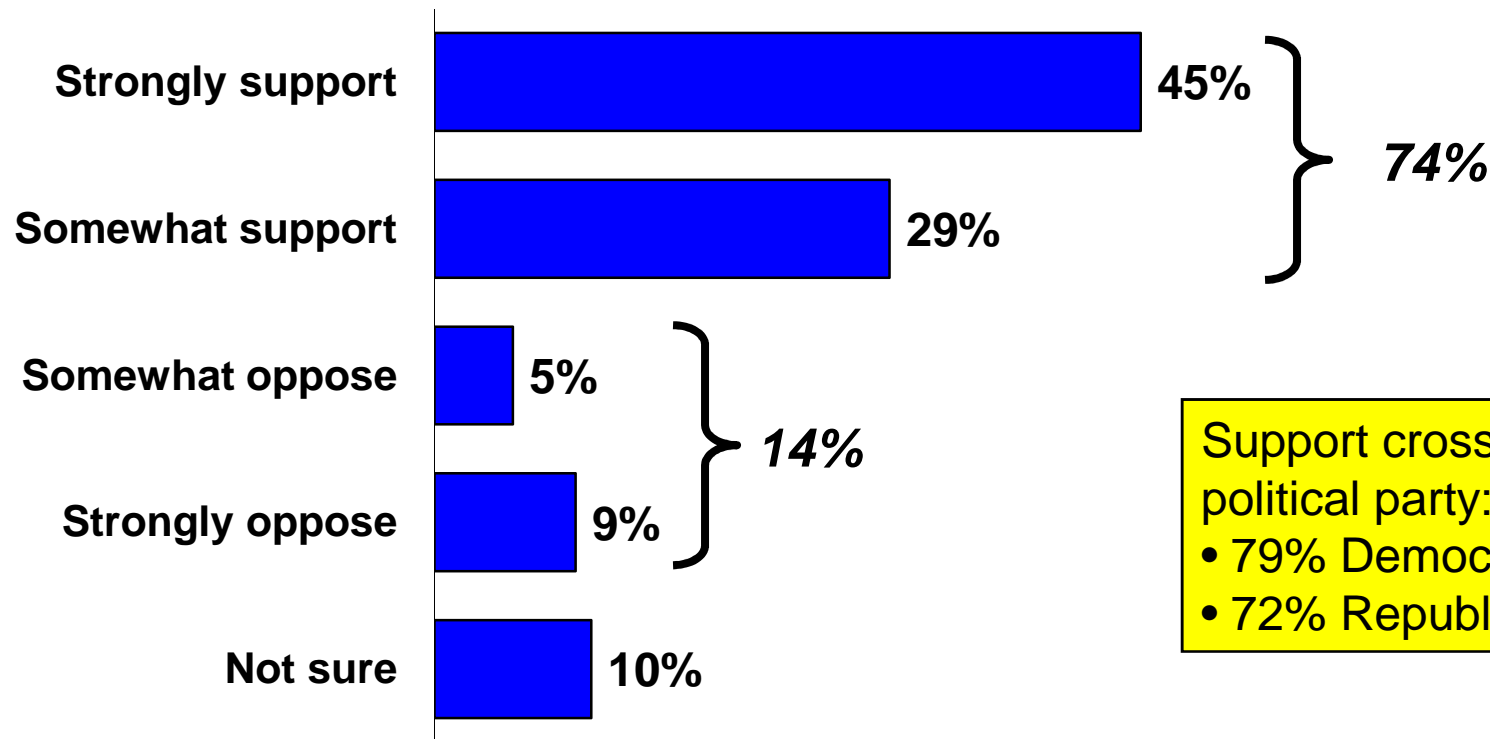
Base: N=409 Those enrolled in a Medicare plan (stand-alone or Medicare Advantage)



* Only responses over 3% shown

Large majorities support a proposal to shrink the coverage gap by requiring pharmaceutical companies to pay the costs.

I'm going to read you a description of a proposal currently being discussed in Washington, D.C. and I'd like you to tell me if you support or oppose this proposal. Starting as soon as next year in July, people with a Medicare prescription drug plan who reach the coverage gap would get an immediate 50% price reduction on all brand name drugs while in the gap. Pharmaceutical companies would be required to pay the costs and there would be no major cost increase to taxpayers or people with Medicare prescription drug plans.



Support crosses political party:

- 79% Democrats
- 72% Republicans

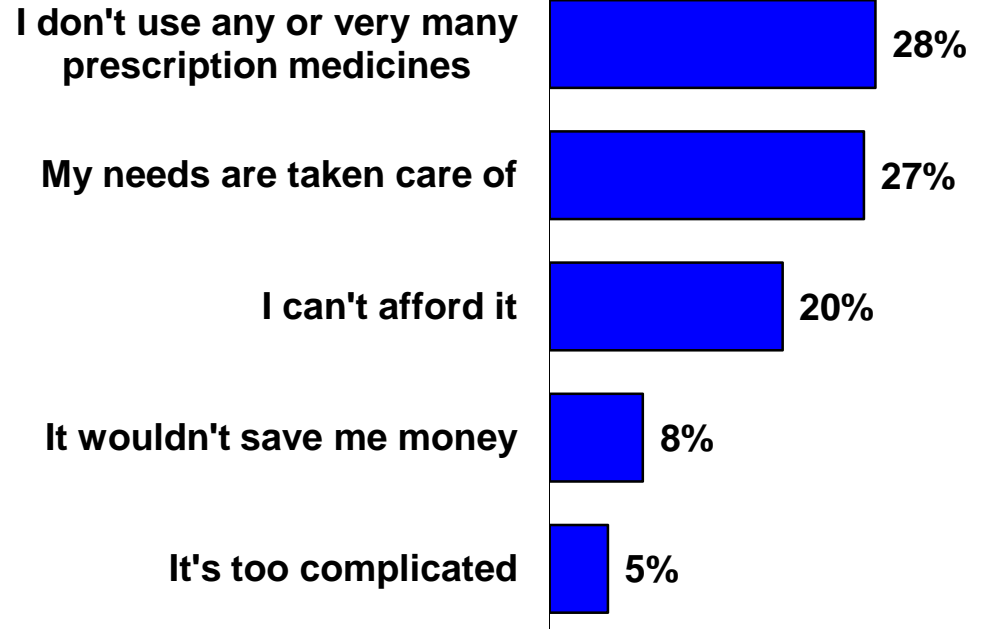
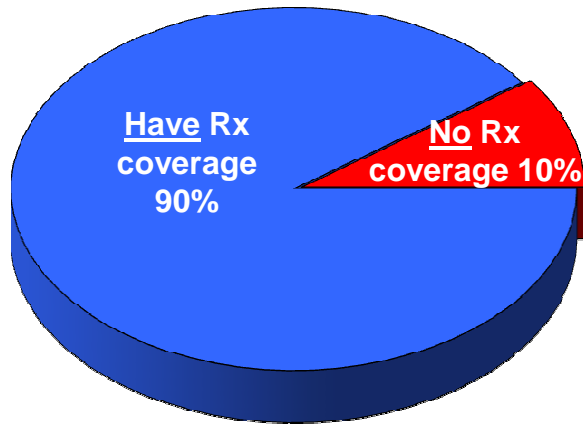


Reasons For Not Having Prescription Coverage

The vast majorities of seniors have Rx coverage. Most who do not have coverage report not needing it.

Which of the following best describes your current prescription drug coverage situation:

ONLY ASK THOSE WITHOUT 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

Conclusions

- Medicare Rx beneficiaries continue to feel satisfied with the Medicare Rx program because it offers good value for the cost.
 - Overall satisfaction has grown from 78% to 88% (10 points) since early 2006; those very satisfied have increased from 50% to 59% (9 points);
 - 95% feel fortunate to have Part D and 93% say it gives them peace of mind;
 - 96% say their plan is convenient;
 - 87% say their plan offers good value—62% say they've lowered their prescription drug spending;
 - 87% say their plan is delivering what it said it would;
 - 81% would advise other seniors to sign up for the program;
 - 80% say it covers their doctor-prescribed medicines—58% strongly agree;
 - 68% feel better off now that they have Part D; and,
 - Almost 3 in ten now get medications they once had to skip or ration.
- There is widespread support for a reform proposal to shrink the coverage gap without raising plan premiums by requiring pharmaceutical companies to pay the costs.

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