

## The Public On Prescription Drugs For Seniors

### ***Historical Support for A Medicare Prescription Drug Benefit***

Historically, Medicare has not provided coverage for outpatient prescription drugs. Given the important role prescription drugs play in health care, and the rising costs associated with them, different proposals to add a drug benefit to Medicare have been proposed in the past. The most recent - the Medicare Modernization Act – passed in 2003 and created Medicare Part D, an outpatient prescription drug benefit set to go into effect in January 2006.

In the period leading up to passage of this law, there was overwhelming support for the addition of a prescription drug benefit to Medicare, and this support was consistent even when the cost of adding such coverage was discussed.

### ***Current Support for A Medicare Prescription Drug Benefit***

In August 2005, for the first time since we began tracking views on the Medicare drug benefit, equal shares of seniors say that they have a favorable impression (32%) of the drug benefit as an unfavorable one (32%).

Between February 2004 and December 2004, around four to five in ten seniors said they have an unfavorable impression of the new law, compared with around two to three in ten seniors who said they have a favorable impression. Since December 2004, the share of seniors who say they have an unfavorable impression has fallen (32% currently unfavorable, versus 42% in December 2004), and favorable impressions are up modestly compared with 4 months ago (32% currently, versus 21% in April 2005).

### ***Seniors' Views on the New Prescription Drug Benefit***

Majorities of seniors expect the new benefit will be at least somewhat helpful for people on Medicare. More than six in ten (65%) say it will be "somewhat" or "very" helpful for a typical person on Medicare, and even more think the benefit will be helpful for people on Medicare with very high prescription drug costs (75%) or no drug coverage (74%) and for low-income people (70%).

Seniors are less sure the benefit will help them personally; just over two in ten (22%) say the benefit will be "very" helpful, while more than three in ten (35%) say it will not be helpful at all to them personally.

### ***Seniors' Understanding of Benefit***

With less than 3 months to go before seniors begin deciding whether to enroll in a Medicare drug plan, there are gaps in seniors' understanding of the benefit. Currently, about six in ten seniors say they do not have a good understanding of the new benefit (60%), and do not have enough information to understand how the new benefit will impact them personally (62%).

However, nearly four in ten (37%) seniors say they understand the new benefit at least "somewhat" well, up from April 2005 when about three in ten (29%) seniors said they understood the new benefit "very" or "somewhat" well. More than half (55%) of seniors recognize that, in general, seniors need to sign up in order to receive the new Medicare prescription drug benefit. Just over one in seven (15%) seniors believe that coverage will begin automatically, and about three in ten (31%) don't know.

***Seniors' Plans for Enrollment***

The share of seniors who say they will enroll in a Medicare drug plan is up modestly in August 2005, with more than two in ten (22%) seniors saying they plan to enroll, more than double the share that said the same in April 2005 (9%). However, four in ten (40%) seniors have currently not decided whether to enroll in the new prescription drug benefit and one-third (33%) say they will not enroll.

Among the 73% of seniors who say they will NOT enroll, or haven't heard enough to decide whether to enroll in a Medicare prescription drug plan, the most commonly cited reason is that they already have help paying for prescription drugs from an insurance plan or program (55%). Other common reasons include that seniors don't think a Medicare drug plan will save them money (42%) or they don't know enough about the new benefit (41%).

***Information and Education Campaign***

Efforts to disseminate information about the new Medicare drug benefit appear to be reaching seniors. More than half (52%) of seniors say they have received some information about the new benefit, and the vast majority (90%) of these seniors say the information came to them in the mail. Among seniors who say they have received information, the most commonly cited sources are the Social Security Administration (55%) and the AARP (52%).

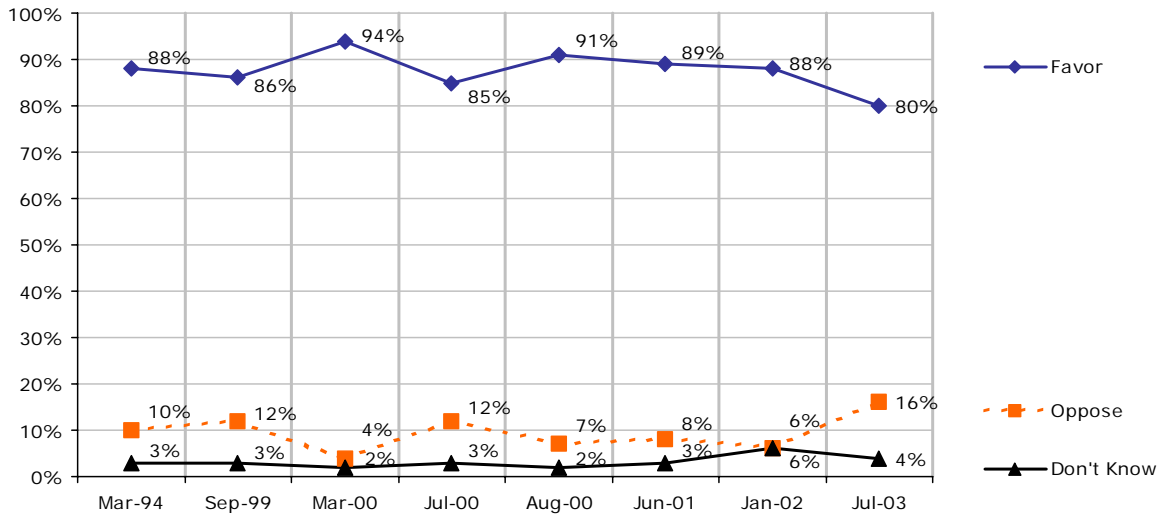
About half (46%) of seniors say they have heard of Medicare's toll-free phone number, 1-800-MEDICARE, while a similar share (49%) say they have not heard about the hotline. About three in ten (29%) seniors have heard the Medicare's website, Medicare.gov, while about seven in ten (69%) have not.

**Historical Support For Addition of Prescription Drug Benefit to Medicare**

Historically, Medicare has not included coverage for outpatient prescription drugs. Given the important role of prescription drugs in health care, and the rising costs of these drugs, several proposals to add a drug benefit to Medicare have been proposed in the past. The most recent - the Medicare Modernization Act - passed in 2003 and created Medicare Part D – an outpatient prescription drug benefit.

In the period leading up to passage of the Medicare Modernization Act, there was overwhelming support for the addition of a prescription drug benefit to Medicare. Between eight and nine in ten Americans supported providing prescription drug coverage for seniors through Medicare, and this support was very consistent over time.

**General Support for Addition of Prescription Drug Benefit to Medicare**

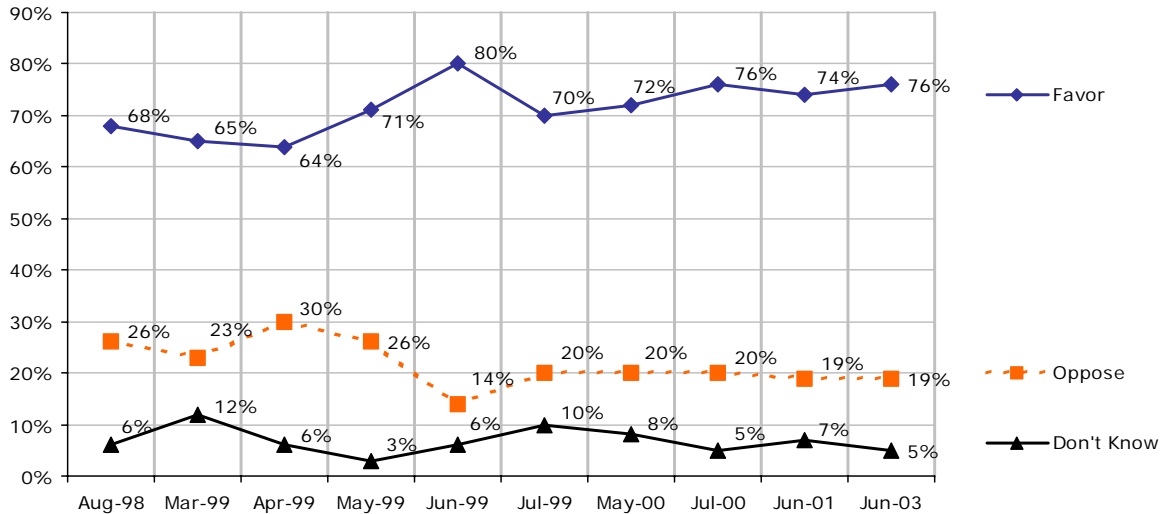


Source: Kaiser Family Foundation *Health Poll Report*

## Historical Support For Drug Benefit Even if Costs Increase

Support for adding a prescription drug benefit to Medicare remained high despite the cost of adding such coverage. Between 1998 and 2003, roughly seven in ten Americans supported expanding coverage even when the cost of adding such a benefit was mentioned. In June 2003, 6 months before the law was passed, more than three-quarters of Americans supported expanding Medicare to provide coverage for seniors, even when the cost to government of \$400 billion was mentioned.

### Support for Medicare Prescription Drug Benefit Even If Costs Increase



Source: Kaiser Family Foundation *Health Poll Report*

**Current Views Of Medicare Prescription Drug Benefit**

For the first time since we began tracking views on the Medicare drug benefit, equal shares of seniors currently say that they have a favorable impression (32%) of the drug benefit as an unfavorable one (32%).

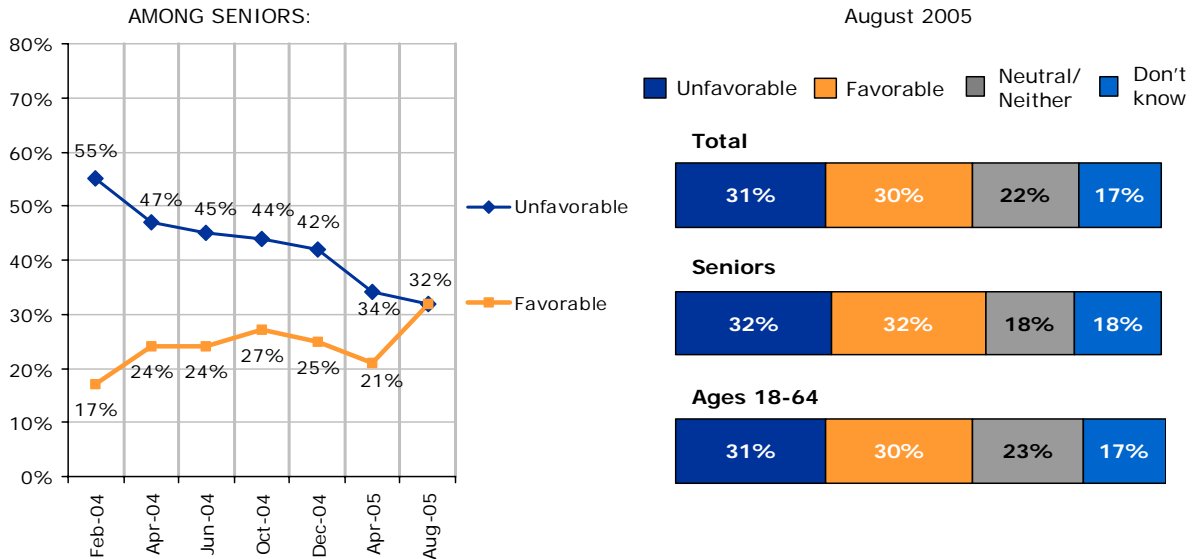
Between February 2004 and December 2004, around four to five in ten seniors said they have an unfavorable impression of the new law, compared with around two to three in ten seniors who said they have a favorable impression.

In April 2005, since the law has passed, the question changed from asking impressions of the “new Medicare law” to asking about the “new Medicare prescription drug benefit”. Since this time, the share of seniors who say they have an unfavorable impression has fallen (32% currently unfavorable, versus 42% in December 2004), and favorable impressions are up modestly compared with 4 months ago (32% currently, versus 21% in April 2005).

Overall, seniors and younger adults have similar views of the new Medicare prescription drug benefit.

**Current Views of the Medicare Prescription Drug Benefit**

Given what you know about it, in general, do you have a favorable or unfavorable impression of this new Medicare prescription drug benefit?\*



\*Note: Feb-04 to Dec-04 responses based on the question “Given what you know about it, in general, do you have a favorable or unfavorable impression of this new Medicare law”; Don't know responses not shown

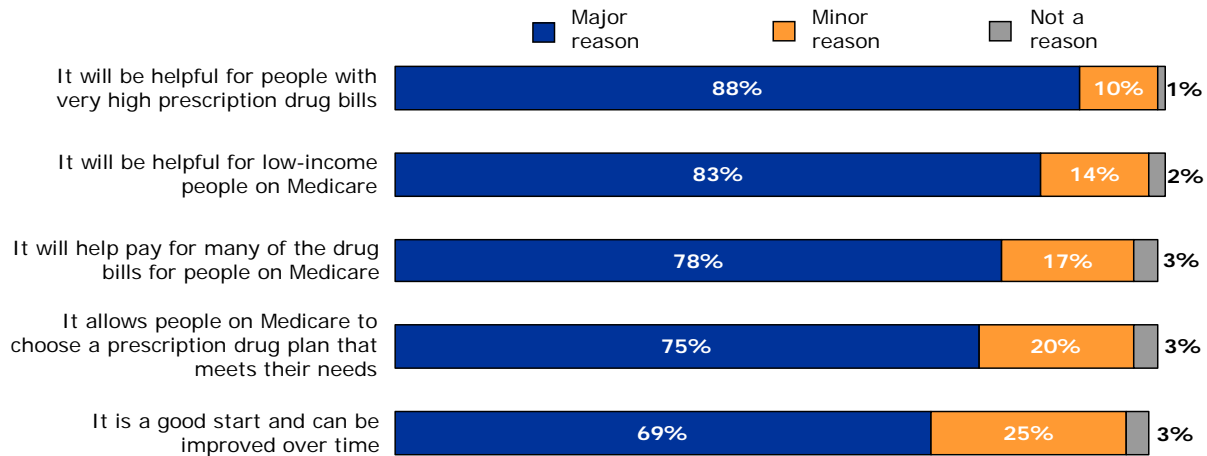
Source: Kaiser Health Poll Report

## Reasons For Favorable Impression

In April 2005, large majorities of those who said they have a favorable impression of the new Medicare drug benefit (27% of the public, data not shown) said that a major reason for their favorable impression is that the benefit would be helpful to people on Medicare.

### Reasons For Favorable Impression

Among the 27% of the public who say they have a favorable impression of the new Medicare prescription drug benefit: Percent who say each of the following is a major, minor or not a reason for their impression..



\* Don't know responses not shown

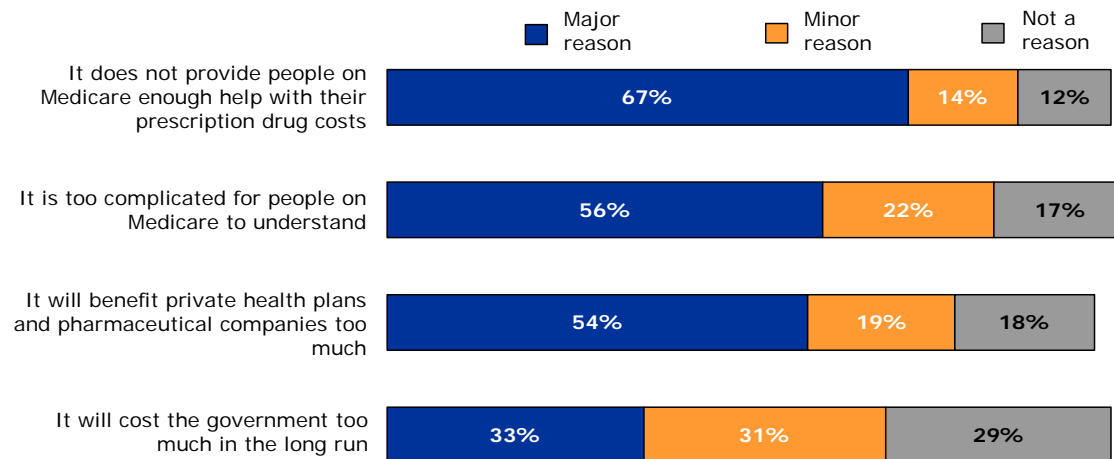
Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted Mar. 31-April 3, 2005)

## **Reasons For Unfavorable Impression**

In April 2005, the most commonly cited complaint among the 26% of the public (data not shown) who said they have an unfavorable impression was that the benefit doesn't do enough to help seniors with drug costs (67%). Fewer people cited the costs of the program to the government as a reason for their unfavorable impression (33%).

### **Reasons For Unfavorable Impression**

Among the 26% of the public who say they have a unfavorable impression of the new Medicare prescription drug benefit: Percent who say each of the following is a major, minor or not a reason for their impression...



\* Don't know responses not shown

Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted Mar. 31-April 3, 2005)

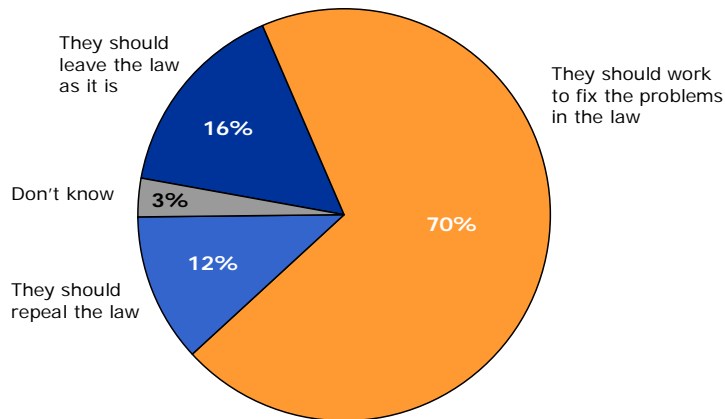
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### **Seniors Think Law Should Be Fixed, Not Repealed**

Even when seniors' views of the new prescription drug benefit were more negative back in November of 2004, seniors overwhelmingly said that lawmakers in Washington should work to fix the problems with the law (70%) as opposed to repealing it (12%). About one in six (16%) said lawmakers should leave the law as it is.

#### **Seniors Think Law Should Be Fixed, Not Repealed**

Which of the following comes closest to your view of what lawmakers in Washington should do with the new Medicare law?



Source: Kaiser/Harvard *Health Care Agenda for the New Congress* (conducted November 4 – 28, 2004)

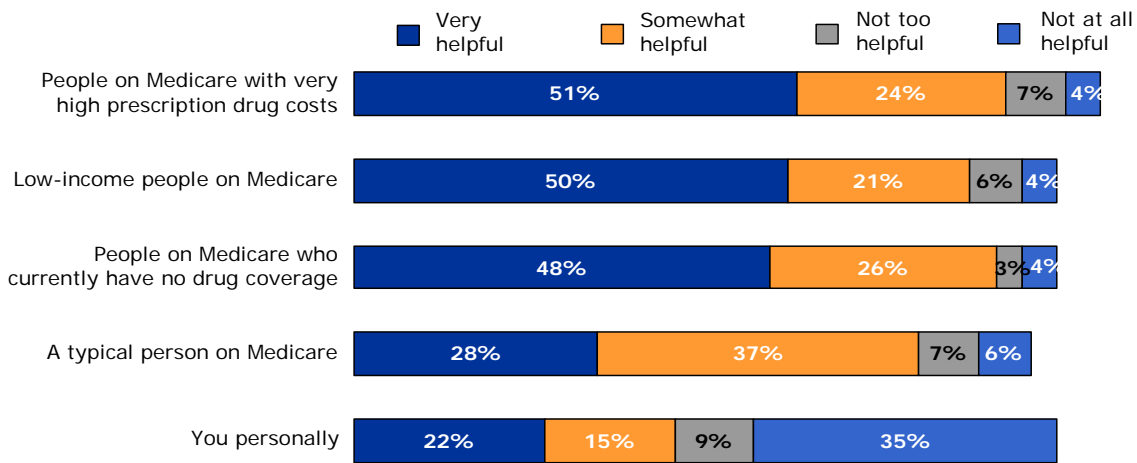
**Seniors’ Perceived Helpfulness Of New Medicare Drug Benefit**

Thinking about the prescription drug benefit that will go into effect in January 2006, majorities of seniors expect the new benefit will be at least somewhat helpful for people on Medicare. More than six in ten (65%) say it will be “somewhat” or “very” helpful for a typical person on Medicare, and even more think the benefit will be helpful for people on Medicare with very high prescription drug costs (75%) or no drug coverage (74%) and for low-income people (70%).

Seniors are less sure the benefit will help them personally; just over two in ten (22%) say the benefit will be “very” helpful, while more than three in ten (35%) say it will not be helpful at all to them personally.

**Seniors’ Perceived Helpfulness Of New Medicare Drug Benefit**

AMONG SENIORS: How helpful do you think the new Medicare benefit will be for the following people?



Don't know responses not shown

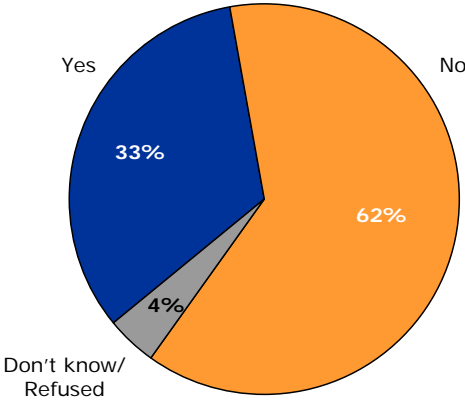
Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted August 4 – August 8, 2005)

**Seniors' Understanding Of Personal Impact**

In August 2005, with less than 3 months to go before seniors begin deciding whether to enroll in a Medicare drug plan, more than six in ten seniors (62%) say they do not have enough information to understand how the new benefit will impact them personally. One-third (33%) say they have enough information about the new prescription drug benefit.

**Seniors' Understanding Of Personal Impact**

AMONG SENIORS: Do you feel you have enough information about the benefit to understand how it will impact you personally, or not?



Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted August 4-8, 2005)

**Seniors' General Understanding Of New Medicare Prescription Drug Benefit**

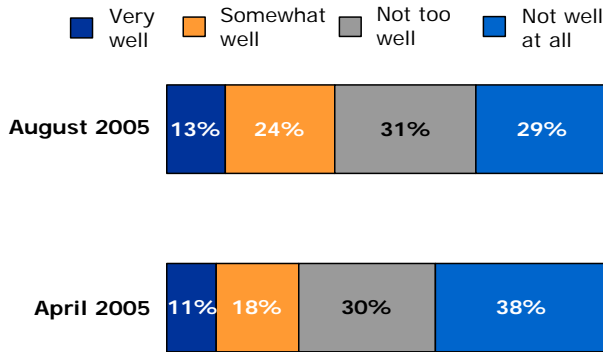
Currently, six in ten (60%) seniors say they do NOT have a good understanding of the new benefit.

However, nearly four in ten (37%) seniors say they understand the new benefit at least "somewhat" well, this is up from just a few months ago in April 2005, when about three in ten (29%) seniors said they understood the new benefit "very" or "somewhat" well.

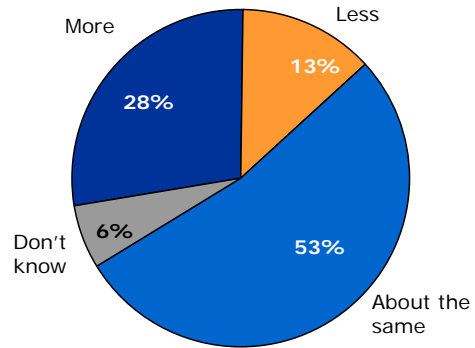
Furthermore, nearly three in ten (28%) seniors say they know more about the Medicare drug benefit than they did a year ago, and more than half (53%) say they know about the same about the benefit. Fewer than just over one in ten (13%) say they know less about the drug benefit compared with a year ago.

**Seniors' General Understanding Of New Medicare Prescription Drug Benefit**

Beginning in 2006 there will be a new prescription drug benefit that will give all people on Medicare the option of enrolling in a Medicare drug plan. How well would you say you understand this new benefit?



**August 2005:**  
Would you say that you know more, less or about the same about the Medicare drug benefit as you knew a year ago?



Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted August 4-8, 2005)

Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted Mar. 31-April 3, 2005)

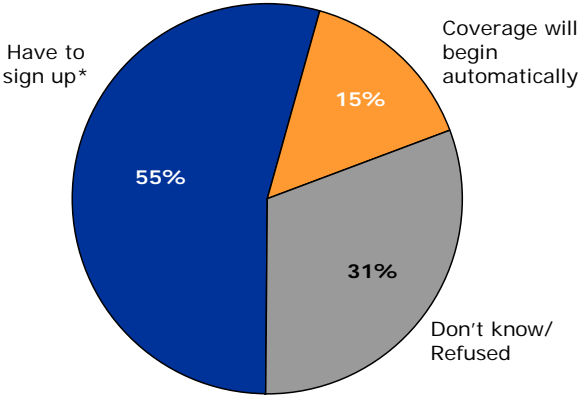
**Seniors' Beliefs About Enrollment**

More than half (55%) of seniors recognize that, in general, seniors need to sign up in order to receive the new Medicare prescription drug benefit. Just over one in seven (15%) seniors believe that coverage will begin automatically, and about three in ten (31%) don't know.

A small subgroup of seniors – those who are dually eligible for Medicaid or eligible for a low-income subsidy – will be automatically enrolled in a Medicare prescription drug plan. The vast majority of seniors have to enroll in order to receive the benefit.

**Seniors' Beliefs About Enrollment**

AMONG SENIORS: To the best of your knowledge, do seniors need to sign up to get their new Medicare prescription drug benefit, or will coverage automatically begin by January 1, 2006?



\* In general, seniors have to sign up and enroll in a plan. However, dual eligibles and others determined eligible for low-income subsidies will be assigned to a plan if they don't enroll on their own

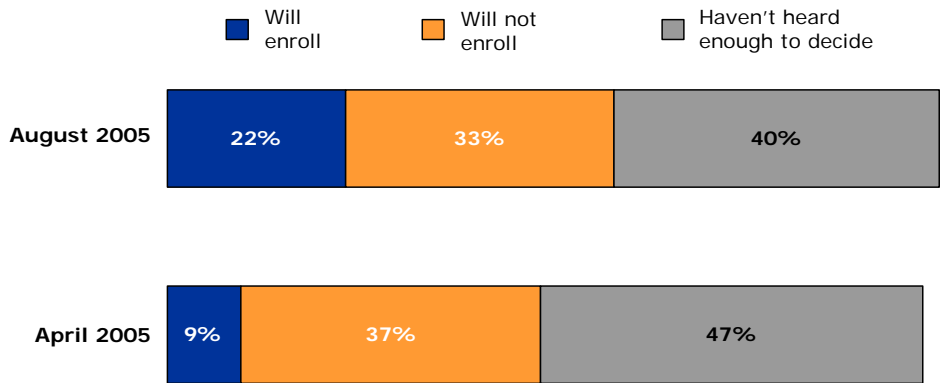
Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted August 4-8, 2005)

**Seniors' Plans For Enrollment in 2006**

In August 2005, with 5 months to go before the new benefit goes into effect and 3 months before enrollment begins, four in ten (40%) seniors have not decided whether to enroll in the new prescription drug benefit. Just over two in ten (22%) seniors say they plan to enroll in a Medicare drug plan, while one-third (33%) say they will not. The share who plan to enroll is up from April 2005 when just 9% of seniors said they will enroll in a Medicare prescription drug plan.

**Seniors' Plans For Enrollment in 2006**

AMONG SENIORS: Thinking ahead to 2006--when the new Medicare drug benefit becomes available--do you think you will enroll in a Medicare drug plan, you will not enroll in a Medicare drug plan, or have you not yet heard enough to decide?



Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted August 4-8, 2005)

Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted Mar. 31-April 3, 2005)

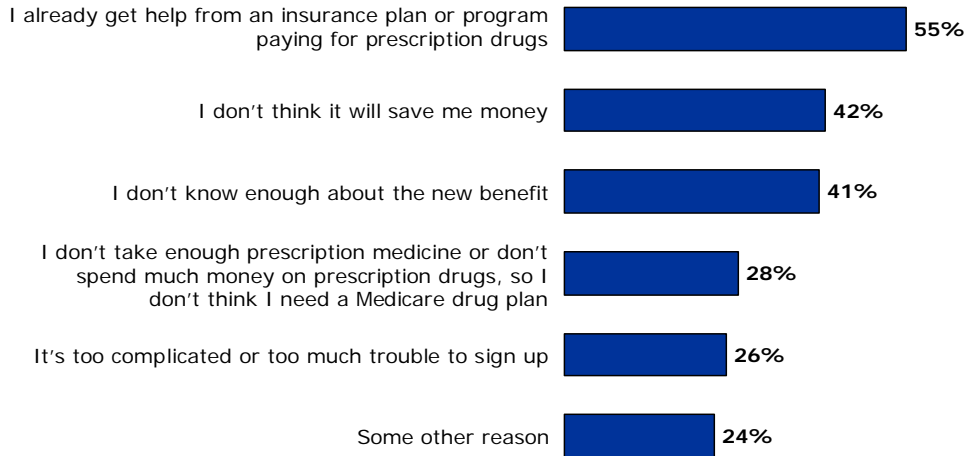
**Seniors' Reported Reasons for NOT Enrolling**

Among the 73% of seniors who say they will NOT enroll, or haven't heard enough to decide whether to enroll in a Medicare prescription drug plan, the most commonly cited reason is that they already have help paying for prescription drugs from an insurance plan or program (55%). About four in ten seniors who are not currently planning to enroll say they don't think a Medicare drug plan will save them money (42%) or that they don't know enough about the new benefit (41%).

Fewer than three in ten seniors say they don't take enough medication or don't spend much on prescription drugs, so don't think they need a prescription drug plan (28%), or that it's too complicated to sign up (26%).

**Seniors' Reported Reasons for NOT Enrolling**

Among the 73% of seniors who say they will NOT enroll, or say they haven't heard enough to decide whether to enroll in a Medicare drug plan: Percent who say each of the following is a MAJOR reason...



Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted August 4-8, 2005)

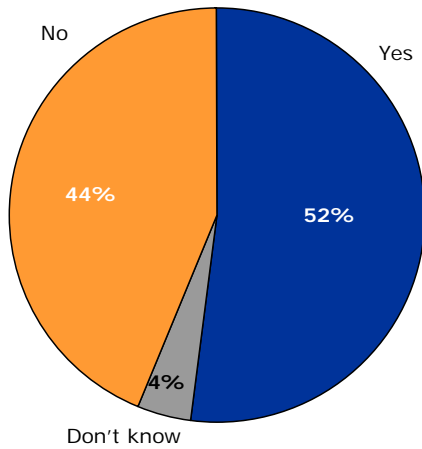
### Information About Medicare Drug Benefit

Efforts to disseminate information about the new Medicare drug benefit appear to be reaching seniors. More than half (52%) of seniors say they have received some information about the new benefit, and the vast majority (90%) of these seniors say the information came to them in the mail. Just over four in ten (44%) seniors say they have NOT received any information about the drug benefit.

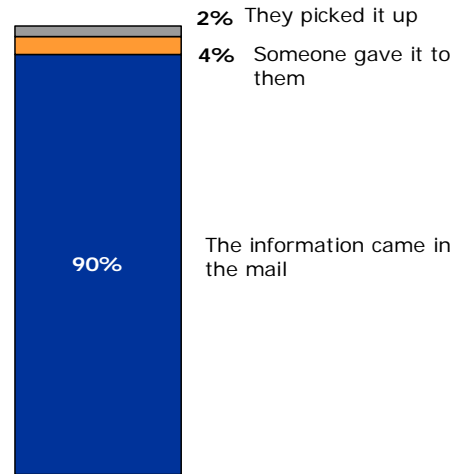
#### Information About Medicare Drug Benefit

Among seniors:

Have you received any information about the new Medicare prescription drug benefit, or not?



Among the 52% who say they received information: Percent who say...



Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted August 4-8, 2005)

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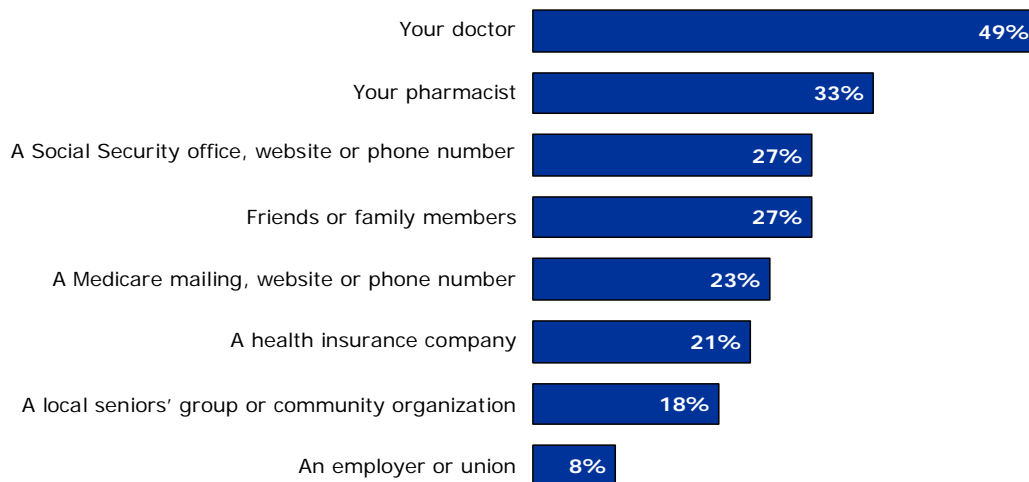
### **Seniors' Preferred Sources Of Information About Medicare Drug Benefit**

Beginning in November 2005, seniors will need to decide whether or not to enroll in a Medicare drug plan with coverage beginning in January 2006. For help in making this decision, seniors were most likely to say in April 2005 that they would turn to their doctor or pharmacist.

Nearly half of seniors (49%) said they would be "very" likely to turn to their doctor for information, and one-third said they would turn to their pharmacist (33%). More than one-quarter said they would be very likely to turn to a Social Security resource (27%) or friends and family (27%), while fewer than one-quarter said they would turn to a Medicare resource (23%) for help in deciding whether to enroll in a Medicare drug plan.

### **Seniors' Preferred Sources Of Information About Medicare Drug Benefit**

AMONG SENIORS: Percent who say they would be very likely to turn to each of the following for help in deciding whether to enroll in a Medicare drug plan...



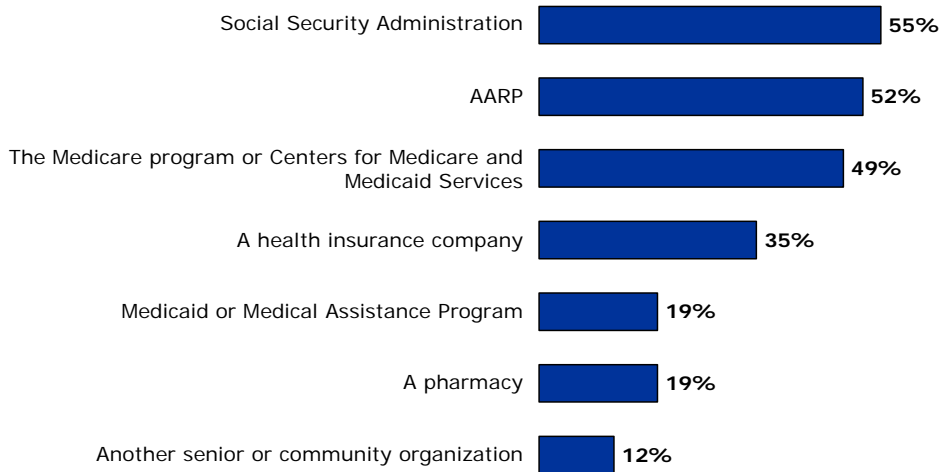
Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted Mar. 31-April 3, 2005)

**Seniors' Reported Sources of Information**

Among the 52% of seniors who say they have received information about the new Medicare prescription drug benefit, more than half report that the information came from the Social Security Administration (55%) or from the AARP (52%). Just under one-half (49%) say the information came from the Medicare program, and 35% say it came from a health insurance company. Smaller shares of seniors say the information they received about the new benefit came from Medicaid (19%), a pharmacy (19%) or another community organization (12%).

**Seniors' Reported Sources Of Information**

Among the 52% who say they received information about the Medicare drug benefit: Percent who say they received information from...



Note: Adds to more than 100% because of multiple answers

Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted August 4-8, 2005)

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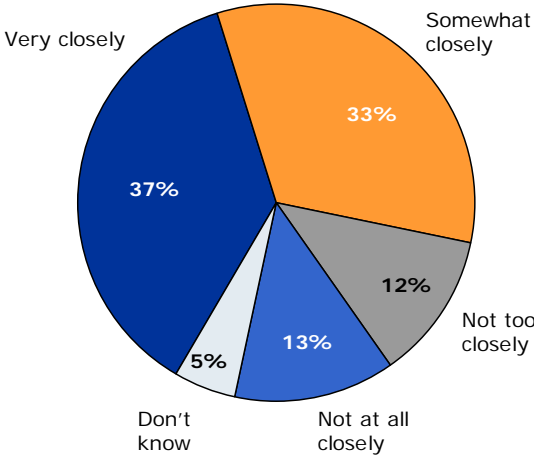
**Attention to Information About New Benefit**

Among the 52% of seniors who say they have received information about the new Medicare prescription drug benefit, seven in ten say they read through the information either “very” (37%) or “somewhat” (33%) closely, and four in ten (40%) say they talked to someone about the information.

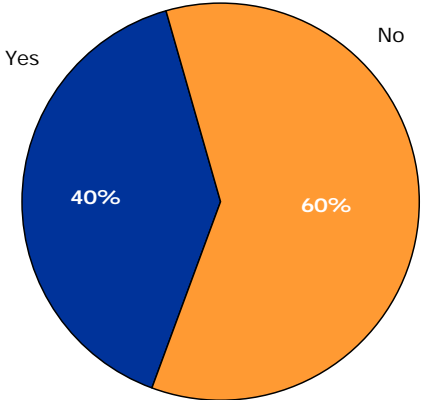
**Attention to Information About New Benefit**

Among the 52% of seniors who say they received information about the new Medicare drug benefit:

Would you say you read through the information...



Have you talked to anyone about the information you received?



Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted August 4-8, 2005)

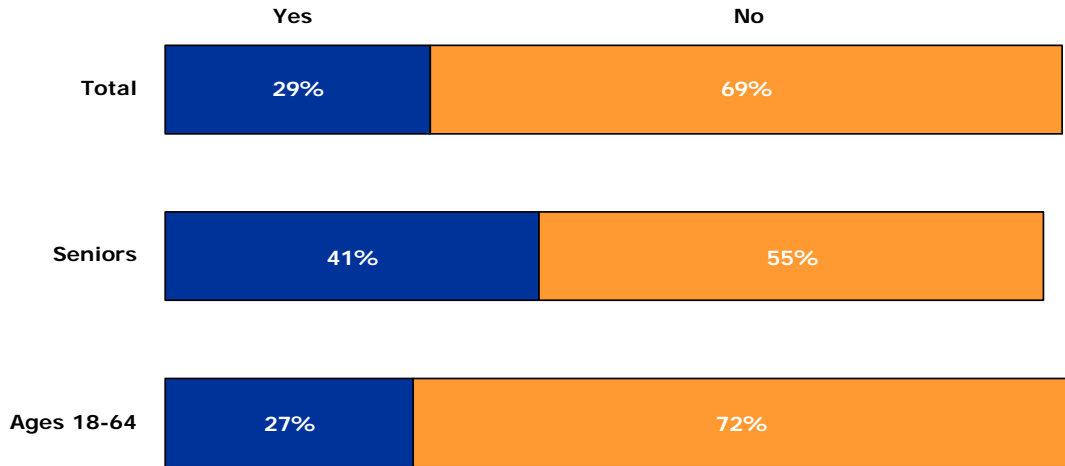
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**Attention to TV Ads About Benefit**

Overall, nearly three in ten (29%) adults say they've seen television ads about the new Medicare prescription drug benefit. Seniors are more likely than younger adults to report seeing TV ads about the benefit; more than four in ten (41%) seniors say they've seen an ad, compared with fewer than three in ten (27%) adults ages 18-64.

**Attention to TV Ads About Benefit**

Have you seen any television ads about the new Medicare prescription drug benefit, or not?



Note: Don't know responses not shown

Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted August 4-8, 2005)

**Seniors' Reported Awareness Of Medicare Information Sources**

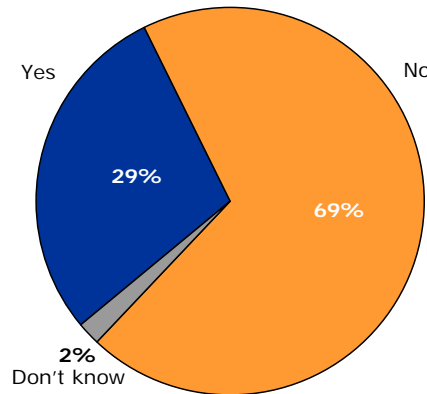
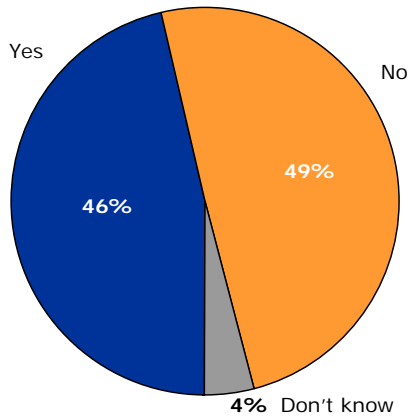
Fewer than half (46%) of seniors have heard of Medicare's toll-free phone number, 1-800-MEDICARE, while a similar share (49%) are not familiar with the information hotline. About three in ten (29%) seniors have heard the Medicare's website, Medicare.gov, while about seven in ten (69%) have not.

**Seniors' Reported Awareness Of Medicare Information Sources**

Among seniors:

Have you heard of a toll-free phone number set up by the government, 1-800-MEDICARE, that you can call to get information about Medicare?

Have you heard of the website Medicare.gov?



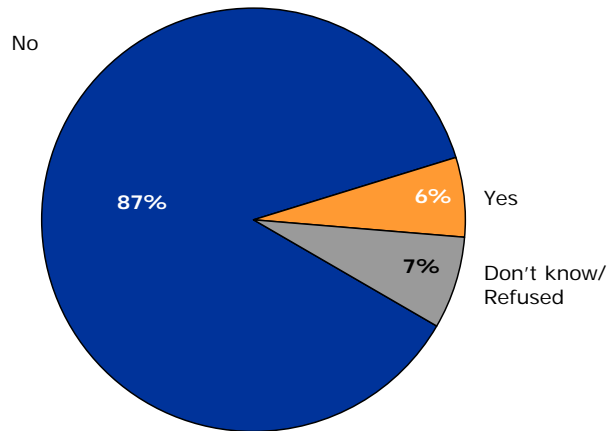
Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted August 4-8, 2005)

## **Assistance From Others**

Few seniors report receiving help from others in getting information about Medicare. Just 6% say that a friend or family member has called 1-800-MEDICARE or visited a website on their behalf to get information about Medicare, 87% say they have not received any assistance from others to get information.

### **Assistance From Others**

AMONG SENIORS: As far as you know, has a friend or family member ever called 1-800-MEDICARE or visited an Internet website on your behalf for information about Medicare, or not?



Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted August 4-8, 2005)

**Support For Government Policies - Importation**

There is strong support for other government policies that aim to lower prescription drug prices. In April 2005, a majority (77%) of the public supported the idea of Congress allowing Americans to buy prescription drugs from pharmacies in Canada; fewer than two in ten (17%) opposed this proposal. These findings have been consistent since August 2004.

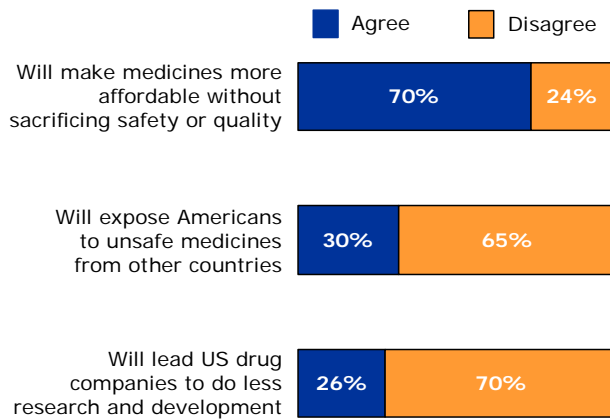
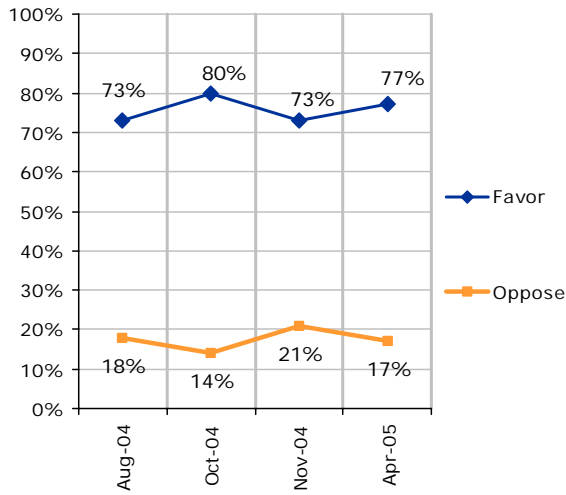
In the same period, seven in ten (70%) adults viewed importation as a way to make medicines more affordable without sacrificing safety and quality; one-quarter (24%) disagreed with this view. Nearly two-thirds (65%) did not think importing drugs from Canada would expose Americans to unsafe medications, though three in ten (30%) believed imported drugs may pose a safety risk.

The argument that importing drugs from Canada will lead drug companies to do less research and development did not resonate with most Americans in April 2005 (70% disagreed with this argument; just over one-quarter (26%) agreed).

**Support For Government Policies - Importation**

Do you favor or oppose Congress changing the law to allow Americans to buy prescription drugs imported from Canada if they think they can get a lower price?\*

Percent saying they agree/disagree that allowing Americans to buy prescription drugs imported from Canada... (Apr 2005)



Source: Kaiser Family Foundation *Health Poll Report*

**Support For Government Policies – Negotiation**

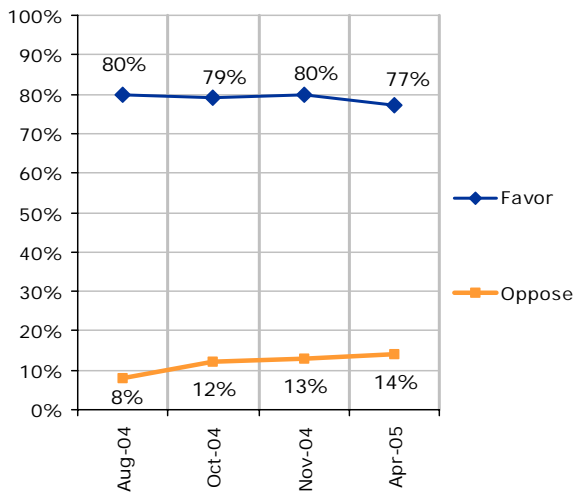
In April 2005, nearly eight in ten (77%) adults supported the idea of Congress allowing the federal government to use its buying power to negotiate with drug companies for lower prices on prescription drugs for people on Medicare. One in seven (14%) adults opposed this idea. Support for this policy has been consistently strong since August 2004.

Nearly eight in ten (78%) adults viewed government negotiation of prices as a way to make medicines more affordable for people on Medicare and almost seven in ten (68%) said this plan makes sense because the government already negotiates prices for other groups such as the Defense Department and Veteran’s Administration.

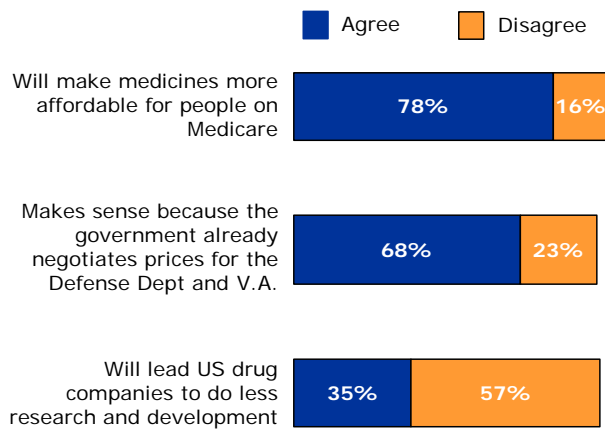
Views were somewhat mixed in April 2005 on the argument that allowing the government to negotiate drug prices will lead drug companies to do less research and development: nearly six in ten (57%) adults disagreed with this argument, while fewer than four in ten (35%) agreed.

**Support For Government Policies - Negotiation**

Do you favor or oppose Congress changing the law to allow the federal government to use its buying power to negotiate with drug companies to try to get a lower price for prescription drugs for people on Medicare?



Percent saying they agree/disagree that allowing the federal government to negotiate with drug companies for lower prices... (Apr 2005)



Source: Kaiser Family Foundation *Health Poll Report*

**Perceived Impact of Government Policies On Prices**

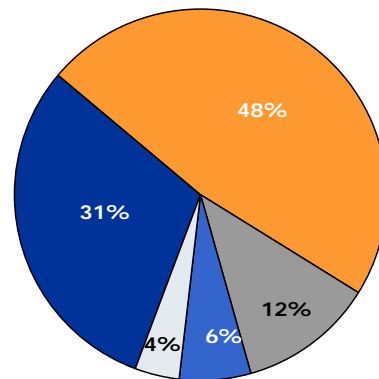
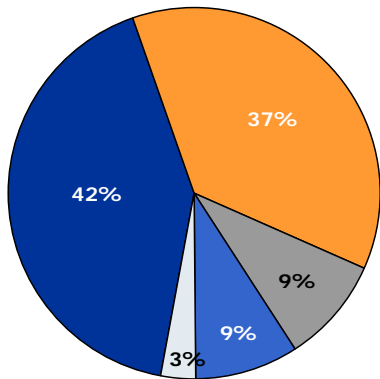
Behind the strong support for measures such as prescription drug importation and government price negotiation is the belief that these policies would lower drug costs in the U.S. In April 2005, around eight in ten said that importing prescription drugs from Canada (79%) and allowing the federal government to negotiate prices with drug companies (79%) would help to reduce prescription drug costs “a lot” or “some”. Fewer than two in ten disagreed with these views, saying importation (18%) and negotiation (18%) would reduce costs “not much” or “not at all”.

**Perceived Impact of Government Policies On Prices**

If Congress changed the law to allow Americans to buy prescription drugs imported from Canada, how much do you think this would help in reducing prescription drug costs in the U.S.?

If Congress changed the law to allow the federal government to negotiate with drug companies, how much do you think this would help in reducing prescription drug costs in the U.S.?

■ A lot     
 ■ Some     
 ■ Not much     
 ■ Not at all     
 ■ Don't know



Source: Kaiser Family Foundation *Health Poll Report Survey* (conducted March 31 – April 3, 2005)