



Press Release

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NEW SURVEY OF SENIORS IN EIGHT STATES FINDS NEARLY ONE IN FOUR SKIPPING DOSES OR NOT FILLING PRESCRIPTIONS DUE TO COST

*Almost One-Quarter of Seniors Reported Spending at Least \$100 per Month
on Prescription Drugs in 2001*

Access and Scope of Drug Coverage Often Depend on Where Seniors Live

(Washington, DC)—A survey of seniors in eight states released today by the Kaiser Family Foundation and the Commonwealth Fund finds nearly one quarter of seniors report skipping doses of medicine or not filling prescriptions because of costs. Close to one in four seniors report spending at least \$100 per month on their prescription medicines in 2001. The survey also finds that access and scope of drug coverage depend substantially on where seniors live. Even in states with the highest rates of prescription drug coverage, roughly one in five seniors lacked drug coverage.

An article published online today in the journal *Health Affairs* and a companion report, “*Seniors and Prescription Drugs: Findings from a 2001 Survey of Seniors in Eight States*,” feature results from the 2001 survey of 10,927 Medicare beneficiaries ages 65 and older conducted in California, Colorado, Illinois, Michigan, New York, Ohio, Pennsylvania, and Texas. These states account for 42 percent of adults ages 65 and older, and 41 percent of low-income elderly adults (below 200 percent of poverty) nationwide. Dana Gelb Safran, Sc.D., who directs The Health Institute at Tufts-New England Medical Center, led the joint Kaiser/Commonwealth/Tufts research team.

“Medicare beneficiaries are already spending over one-fifth of their incomes on health care,” said Karen Davis, Ph.D., president of The Commonwealth Fund, “For the sickest among them, the specter of wiping out retirement savings on rising prescription drug costs is truly frightening.”

“With one in four seniors skipping medications, lack of drug coverage is more than a financial burden—it’s a health risk for seniors,” said Drew Altman, Ph.D., president and CEO of the Kaiser Family Foundation.

COVERAGE

The survey finds that the percentage of seniors who do not have prescription drug coverage varies substantially by state: California (18%), New York (19%), Pennsylvania (21%), Ohio (22%), Colorado (23%), Michigan (25%), Illinois (31%) and Texas (31%). The range was even wider among for low-income seniors, where the share lacking drug coverage ranged from 20% in New York and California to 38% in Michigan and Texas.

The survey also finds substantial differences among states in the sources of drug coverage available to seniors. Employer-sponsored plans, for example, provide drug coverage to approximately half of seniors in Michigan (50%) and Ohio (47%), followed by New York (42%) and Illinois (38%), but to about a third of all seniors in California, Pennsylvania, Colorado and Texas. In contrast, Medicare HMOs were a major source

of drug coverage in California (30%) and Colorado (24%), but assisted fewer than 15% of seniors in the other six states.

Four of the states included in the survey offer pharmacy assistance programs for low-income seniors (IL, MI, NY, PA), but in each, large gaps in coverage remain. In New York and Pennsylvania, whose pharmacy assistance programs are among the largest and most extensive in the nation, a significant share of low-income seniors lack prescription coverage (20% and 25 %, respectively). In Illinois and Michigan, the percentage of low-income seniors without drug coverage (34% and 38%, respectively) was at least as high as that in states without pharmacy assistance programs.

“States are not succeeding at solving the prescription drug coverage problem,” said Dana Gelb Safran, Sc.D., the principal investigator and lead author of the *Health Affairs* article. “The fact that we found gaps in coverage of this magnitude, even in states with programs that are widely viewed as the gold standard, underscores the need for a national policy solution.”

SKIPPING DOSES OR FORGOING MEDICATIONS DUE TO COST

A significant number of seniors reported that they forgo prescribed medications due to high out-of-pocket costs. Nearly one-quarter of all seniors (22%) said they did not fill a prescription because it was too expensive or skipped doses of their medications to make them last longer. Not surprisingly, these numbers are even higher among seniors who lack coverage—35% of whom skipped doses or did not have prescriptions filled.

Even patients with severe and chronic conditions like heart disease and diabetes often go without medications because of costs. Among seniors with diabetes, nearly one third of those without drug coverage skipped doses (30%) or did not fill a prescription (31%). Among seniors with heart disease and without drug coverage, 33% reported skipping doses and 25% didn't fill a prescription because of cost.

Low-income seniors, regardless of whether they had coverage or not, had difficulty meeting their prescription drug needs: 31% of all low-income seniors and 42% of low-income seniors who lacked drug coverage, either skipped doses or did not fill a prescription because of costs. Among low-income seniors with some form of drug coverage, 37% of those enrolled in a Medicare HMO, 31% of those with Medigap, 28% of those helped by state pharmacy assistance programs, and 24 percent of those with Medicaid coverage reported skipping doses or forgoing medication due to cost.

OUT-OF-POCKET SPENDING

Nearly one-quarter of all seniors (23%) in the eight states spent \$100 or more per month on prescription drugs in 2001, which can be a significant portion of their incomes (the average monthly income for women ages 65 and older was \$1,301 in 1999 and was \$2,431 for men 65+). Among seniors without drug coverage 43% reported spending \$100 or more per month, compared with 17% of seniors with some type of drug coverage.

Out-of-pocket drug costs varied widely by source of drug coverage. The survey found that 35% of seniors with drug coverage under a Medigap policy, 25% of those enrolled in state pharmacy assistance programs, and 19% of seniors in Medicare HMOs spent at least \$100 per month on prescriptions in 2001. Only 8% of seniors with Medicaid coverage reported these levels of out-of-pocket spending.

ROLE OF MEDICAID

Medicaid is a key source of drug coverage for the poorest seniors in all of the states surveyed, although Medicaid's reach varies across states. In seven of the eight states, less than half of all seniors living below the poverty level have drug coverage under Medicaid. California's Medicaid program, MediCal, provides drug coverage to the largest share of poor seniors (56%) of the states surveyed, followed by New York (45%), Texas (44%), Colorado (34%), Michigan (32%), Pennsylvania (25%) and Ohio (16%) and Illinois (14%).

The level of protection seniors receive under Medicaid also varies by state. In Colorado, Michigan, New York, and Pennsylvania, only four percent of poor seniors with Medicaid reported that they spent \$100 or more per month on drugs. In contrast, 17% of poor seniors with Medicaid in Ohio, 15% in Illinois, and 14% in Texas said they spent \$100 or more per month on drugs, four times the rate reported in the other four states.

Medicare beneficiaries on Medicaid tend to be in poorer health and rely more heavily on multiple medications, compared with other seniors, yet low-income seniors on Medicaid report lower out-of-pocket drug spending than seniors with any other form of drug coverage. Eight percent of low-income seniors with Medicaid spent more than \$100 per month on prescription drugs in 2001 compared with 39% of low-income seniors with Medigap; 24% covered under a state pharmacy assistance program or a Medicare HMO and 18% with employer-sponsored drug coverage.

Many low income seniors who may qualify for Medicaid or state pharmacy assistance programs do not enroll in these programs, often because they believe they do not qualify. In most states, approximately 9 out of 10 poor seniors (living below the poverty level) have heard of the Medicaid program. Among poor seniors who are not on Medicaid, one third said they never thought of applying (35%) or think they have too much money to qualify (30%). Sixteen percent did not apply because they associated Medicaid with welfare, 14% feared losing other benefits or their home if they applied, and 9% were deterred by complicated application forms.

METHODOLOGY

The survey consisted of mail and follow-up phone interviews with 10,927 non-institutionalized seniors in eight geographically diverse states: California, Colorado, Illinois, Michigan, New York, Ohio, Pennsylvania, and Texas. These states account for 42 percent of U.S. adults age 65 and older and 41 percent of low-income elderly adults nationwide. The eight states employ substantially different policies to meet the drug needs of their low-income seniors. They include four states with a pharmacy assistance program that provides direct drug benefits through state coverage programs (IL, MI, NY, and PA) and four states without such programs (CA, CO, OH, and TX).

A chartpack and summary of survey results can be found online at: www.kff.org or www.cmwf.org. Printed copies can be obtained through the KFF publications request line at (800) 656-4533. The *Health Affairs* article, "Prescription Drug Coverage and Seniors: How Well Are States Closing the Gap? Findings from a 2001 Survey of Seniors in Eight States," can be found online at: http://www.healthaffairs.org/WebExclusives/Safran_Web_Excl_073102.htm. A webcast of the press briefing on this survey will be available from KaiserNetwork.org, a free service of the Kaiser Family Foundation, after 5 p.m. EST, Wednesday, July 31 at: <http://www.kaisernetwork.org/healthcast/kff/31jul02>.

The Kaiser Family Foundation is an independent, national health philanthropy dedicated to providing information and analysis on health issues to policymakers, the media, and the general public. The Foundation is not associated with Kaiser Permanente or Kaiser Industries.

The Commonwealth Fund, a New York City-based national foundation, supports independent research on health and social issues. Its mission is to enhance the common good by looking for new opportunities to help Americans live healthy and productive lives, and to assist specific groups with serious and neglected problems.

Tufts-New England Medical Center is an academic medical institution in Boston and is the principal teaching hospital for Tufts University School of Medicine. The mission of Tufts-NEMC is to provide outstanding patient care to adults and children, teach generations of future physicians, and break new ground with ongoing, innovative research.

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