



Seniors' Opinions About Medicare Rx: Sixth Year Update

October 2011



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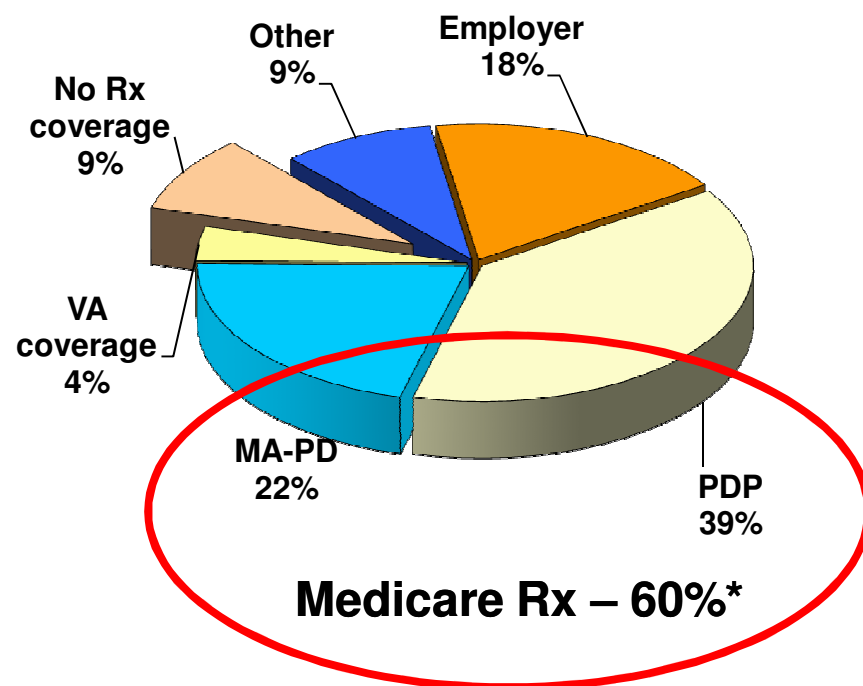
METHOD

Method

Nationally representative telephone sample of 992 seniors 65+ conducted October 3-6, 2011. The margin of error (MOE) for the full sample is ± 3.1 percentage points (pps). We discuss the following groups in this report:

- **Medicare Rx coverage (both stand-alone and Advantage)** (N=403 MOE is ± 4.9 pps.)
- **Medicare stand-alone plan** (N=223 MOE is ± 6.6 pps.)
- **Medicare Advantage plan** (N=180 MOE is ± 7.3 pps.)
- **Dual eligibles** (N=47 MOE is ± 14.3 pps.)
- **Income <\$15K** (N=156 MOE is ± 7.9 pps.)
- **Take 6+ prescriptions** (N=260 MOE is ± 6.1 pps.)
- **Have disability** (N=126 MOE is ± 8.7 pps.)

Primary Rx Coverage: All Seniors *91% say they have Rx coverage—9% 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.

Tracking is based on identical questions asked 9 times

	Mar. 2006	Sept. 2006	Jan. 2007	Sept. 2007	Sept. 2008	Mar. 2009	Oct. 2009	Aug. 2010	Oct. 2011
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
Research firm	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
# of interviews	896	802	1,003	1,001	1,007	1,063	945	1,243	992
MOE 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	±3.1 percentage points
Objective	• Experience of seniors enrolled in a Medicare Rx plan • Opinions and information needs of those not enrolled	• Satisfaction of enrollees • Aware of upcoming enrollment period and coverage gap • Likelihood to change plans	• Satisfaction of enrollees • Attitudes and outcomes from the second enrollment period	• Satisfaction of enrollees • Aware of low-income subsidy • Likelihood to change plans	• Satisfaction of enrollees • Advice to other seniors • Likelihood to change plans	• Satisfaction of enrollees • Rating of benefit features	• Satisfaction of enrollees • Aware of coverage gap • Opinions of coverage gap proposal	• Satisfaction of enrollees • Aware of and opinions about coverage gap • Intent to compare plans during annual enrollment	• 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	44
Female	56
Age	
65-74	56
75+	44
Ethnicity	
Caucasian	80
African-American	6
Hispanic/Latino(a)	8
Asian/Pacific Islander	3
American Indian/Native	1
Take prescriptions daily	92
Have Rx coverage	100
Do not have Rx coverage	9
Spend over \$30 p/month on premium	22

Region	%
Northeast	17
Midwest	22
South	36
West	25
Population density	
Large city	17
Suburban area	21
Small town	37
Rural area	24
Have disability	31
Have difficulty paying for prescriptions	10
Spend over \$50 p/month out-of-pocket	36
Take more than 10 Rx	6

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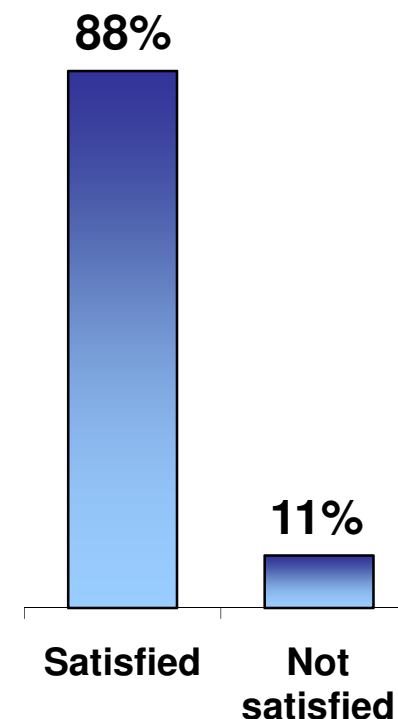


EXECUTIVE SUMMARY

Executive Summary

- Seniors with Medicare Rx remain very satisfied with the program. Nearly 9 in 10 are satisfied, and more than half are very satisfied. They say they are satisfied because the cost is reasonable, coverage is good, and the plan works well.
- Large majorities (over 8 in 10) say the program is delivering what it said it would when they enrolled, it offers good value, and they would recommend it to their peers.
- Some 7 in 10 say they are better off now than before they had Medicare Rx. In fact, nearly as many report they are spending less on their medications and a third report they no longer need to skip or reduce the dose of their medications.
- On the eve of open enrollment, many seniors say they received their Annual Notice of Change, information about Medicare Rx plans from plan providers, as well as information from Medicare. However, as in previous years, only 3 in 10 say they are likely to shop around for a new plan.
 - Only about a third say they heard about Medicare Rx in the news. Those who heard reported hearing that the future of Medicare is uncertain or that costs may be going up and coverage doing down. Only about 1 in 10 said they heard news about open enrollment and even fewer mentioned new plan benefits.

Satisfaction with Medicare Rx



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DETAILED FINDINGS

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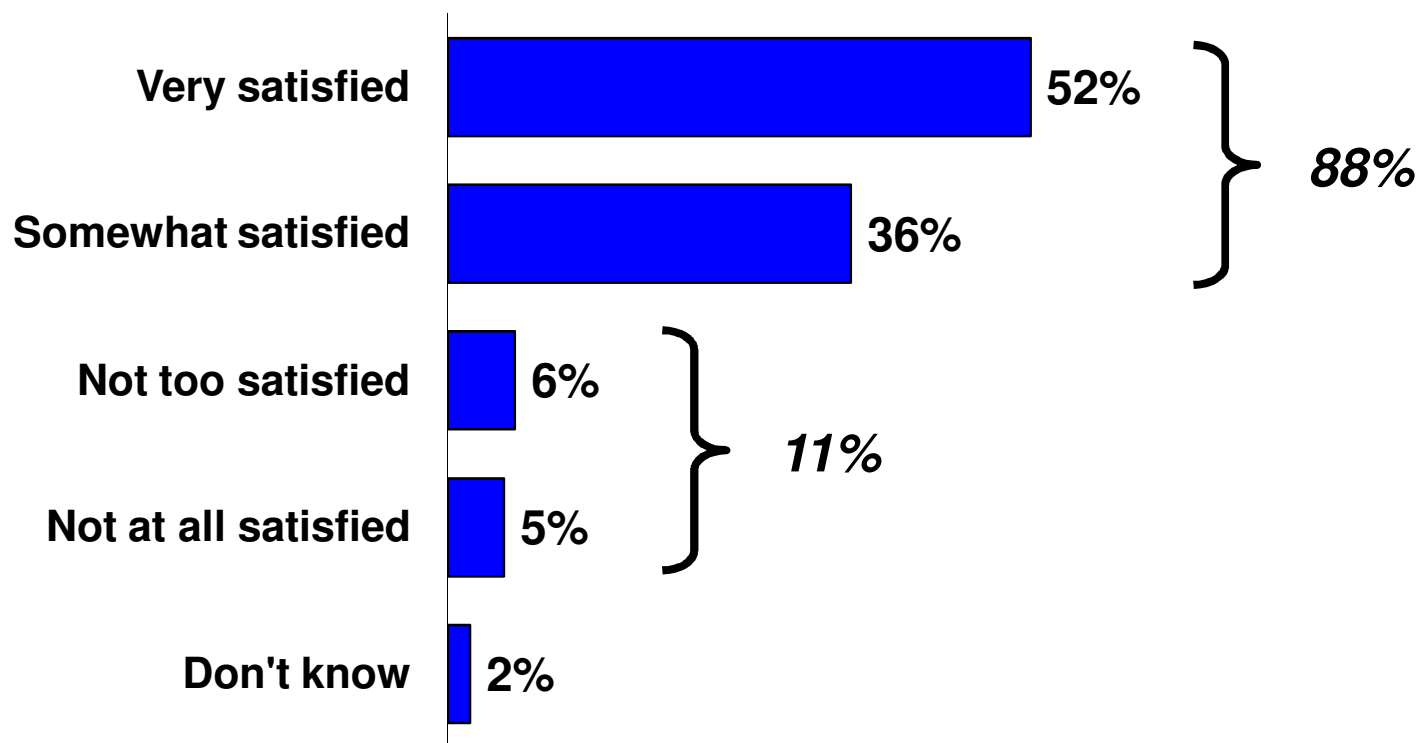


Satisfaction

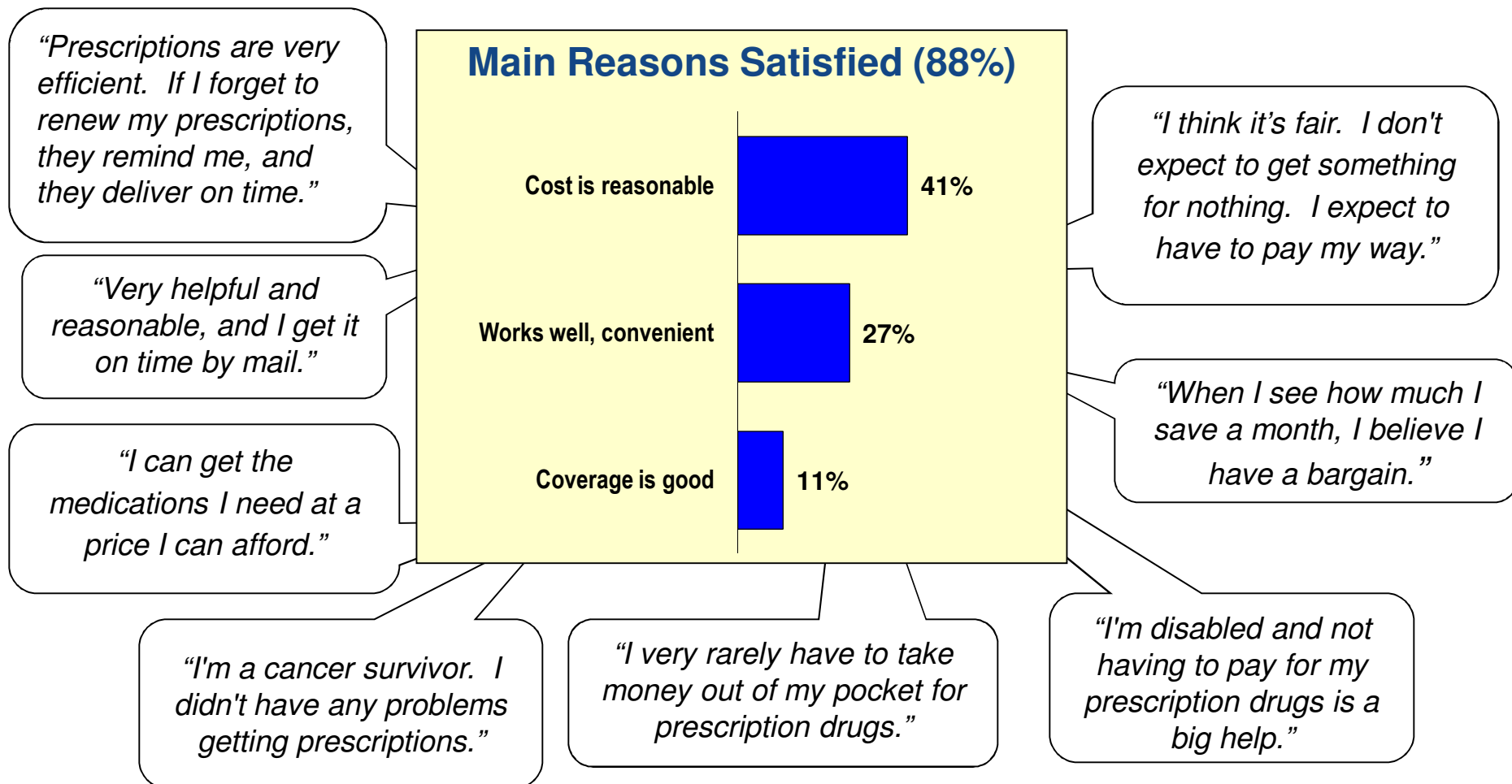
Seniors remain satisfied with their Medicare prescription drug coverage.

Nearly 9 in 10 are satisfied with the program.

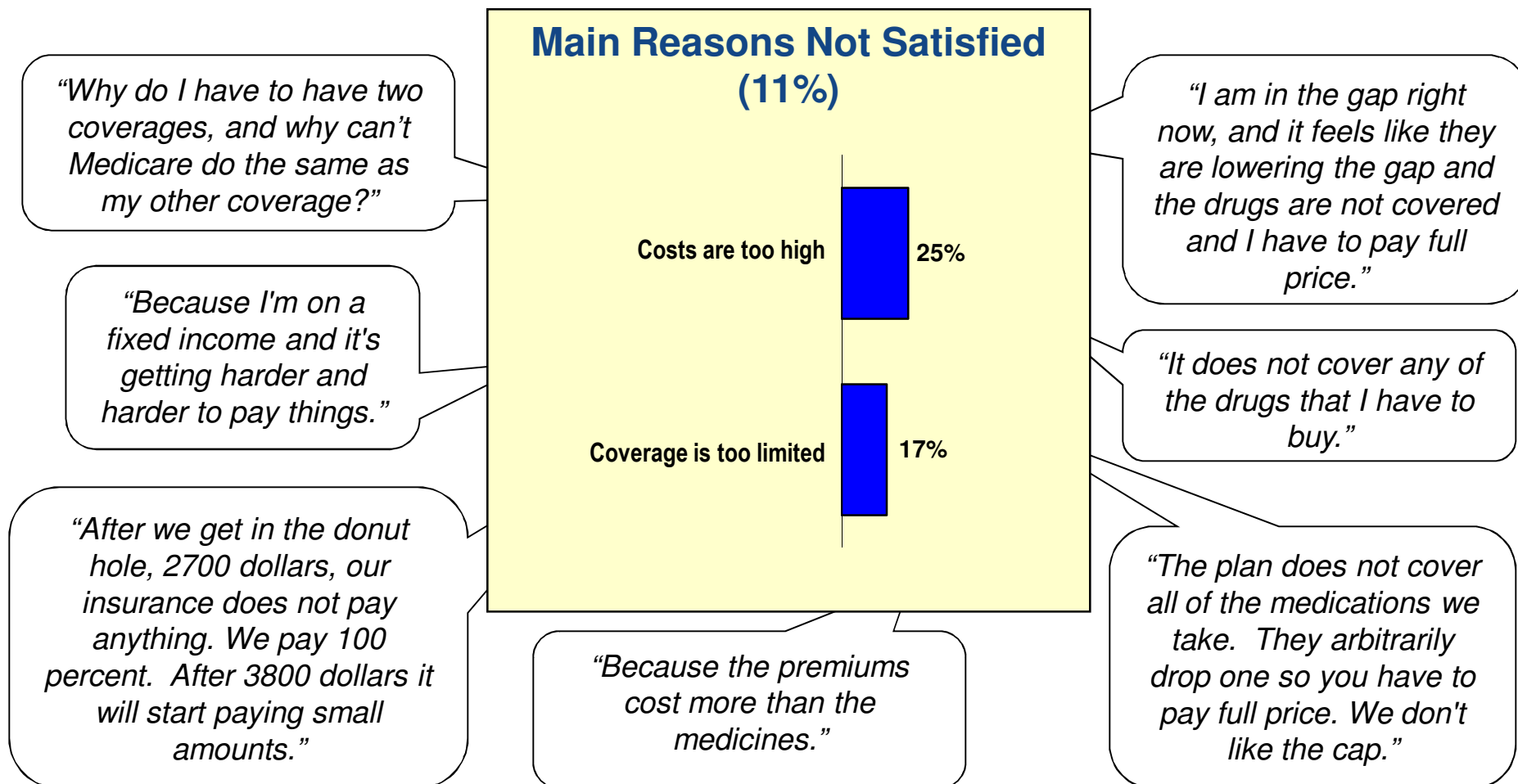
Overall, how satisfied are you with your prescription drug coverage?



Primary Reasons for Satisfaction with Medicare Rx (Unaided)



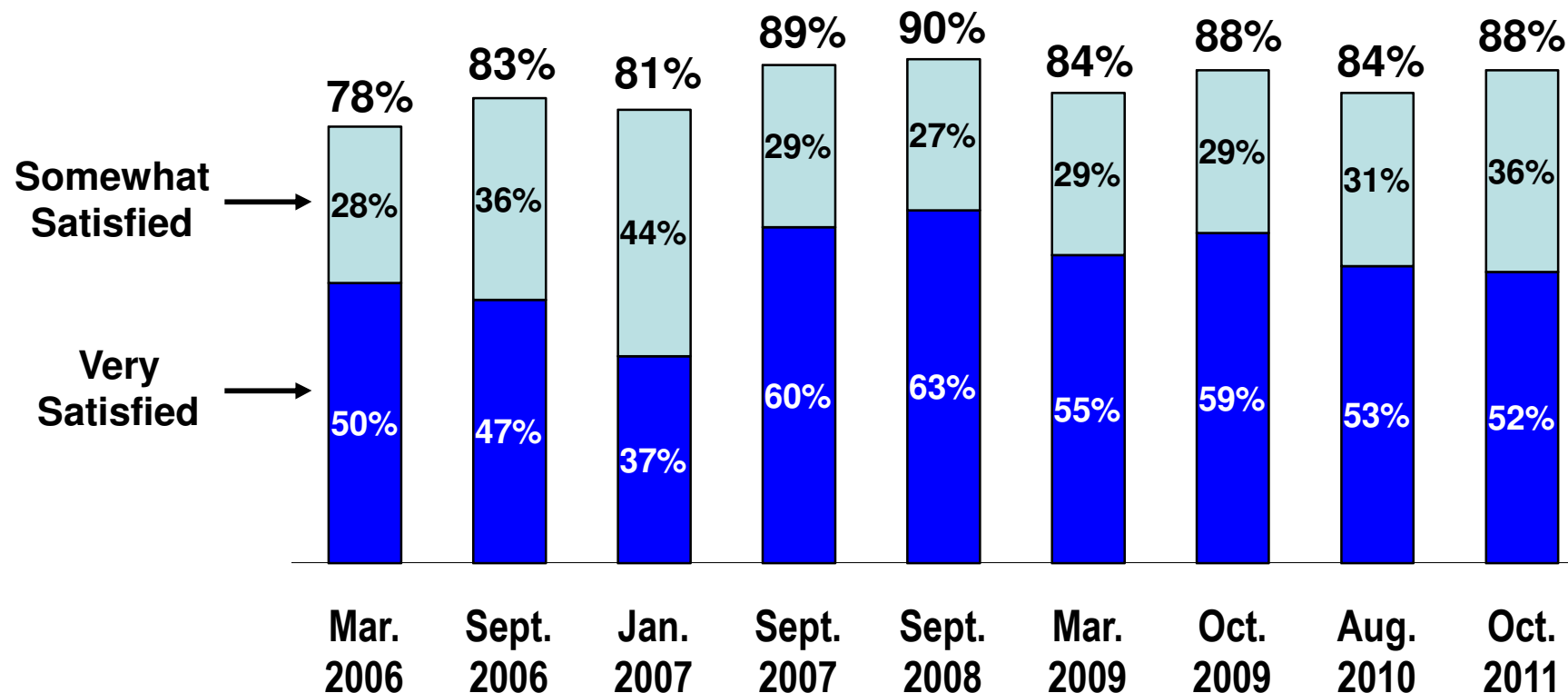
Primary Reasons Not Satisfied with Medicare Rx (Unaided)



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?

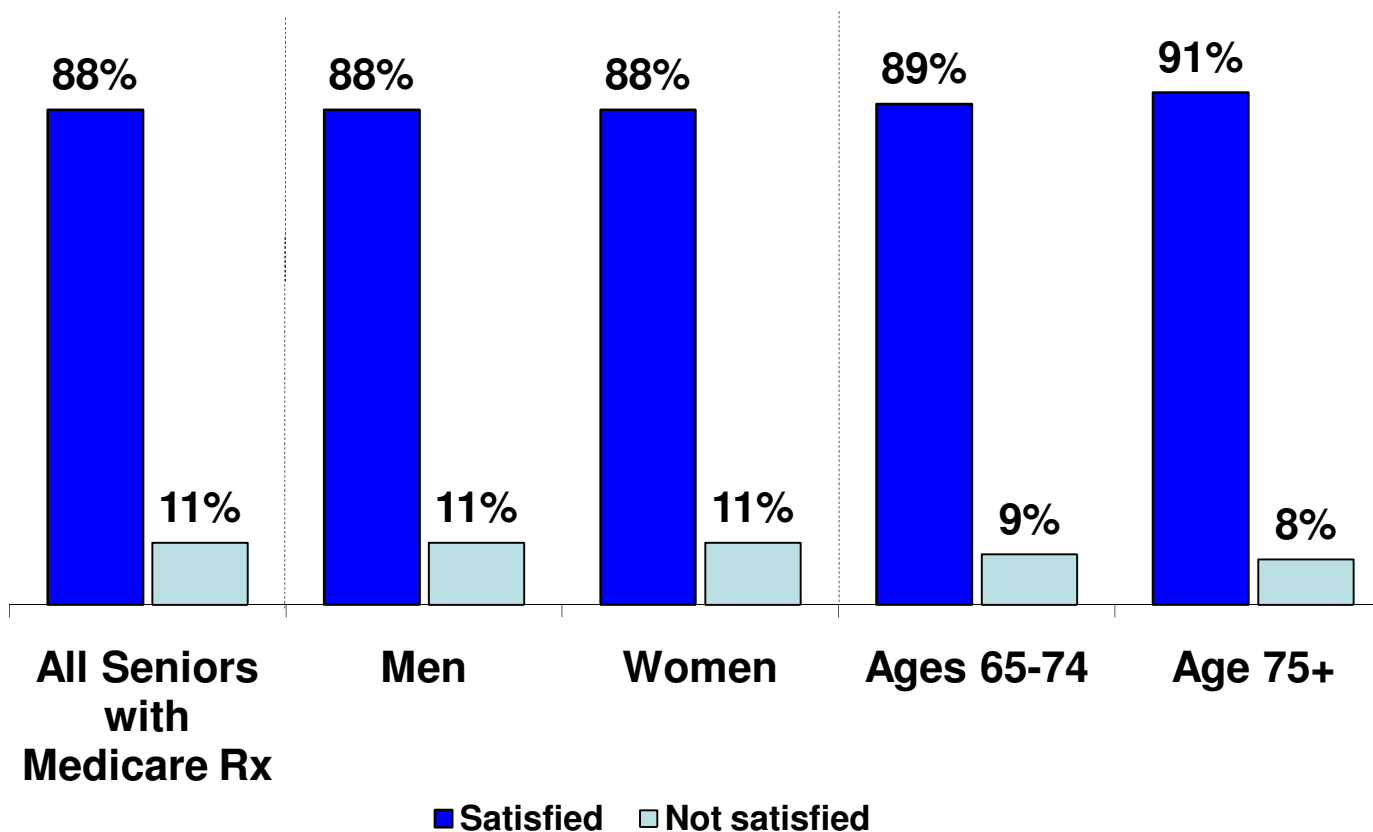


Large majorities across all groups are satisfied.

<i>Percent Satisfied with their Medicare Rx Plan</i>	
90% or more satisfied:	• Low income—less than \$15,000 annual income (96%) • Have Rx premium cost less than \$30/month (93%) • Spend less than \$50 out-of-pocket (92%) • Earn more than \$50,000 (91%) • Age 75+ (91%) • Democrats (91%) • Receive Medicaid (90%) • Have Rx premium cost greater than \$50/month (90%)
80-89% satisfied:	• Ages 65-74 (89%) • Plan does <u>not</u> have coverage gap (89%) • Take 1-5 prescriptions (89%) • Men (88%) • Republicans (88%) • Women (88%) • Oppose changes to Medicare to reduce federal deficit (86%) • Take 6+ prescriptions (85%) • Have a disability (84%) • Those that make between \$15,000-\$50,000 (83%) • Hit coverage gap (83%) • Spend more than \$50 out of pocket per month (82%)
Less than 80% satisfied:	• Have Rx premium cost of \$31-50/month (77%)

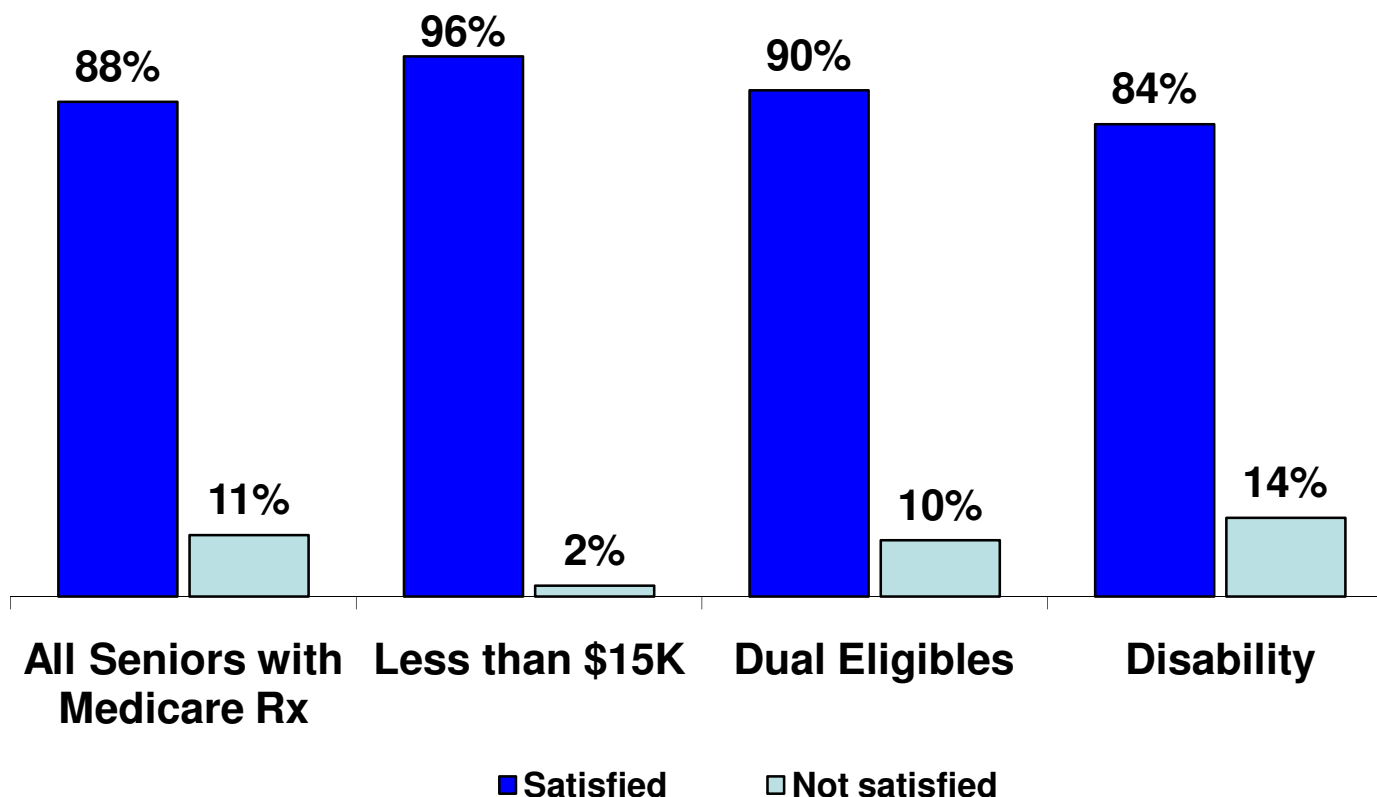
Men and women as well as younger and older seniors are satisfied with their Rx coverage.

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



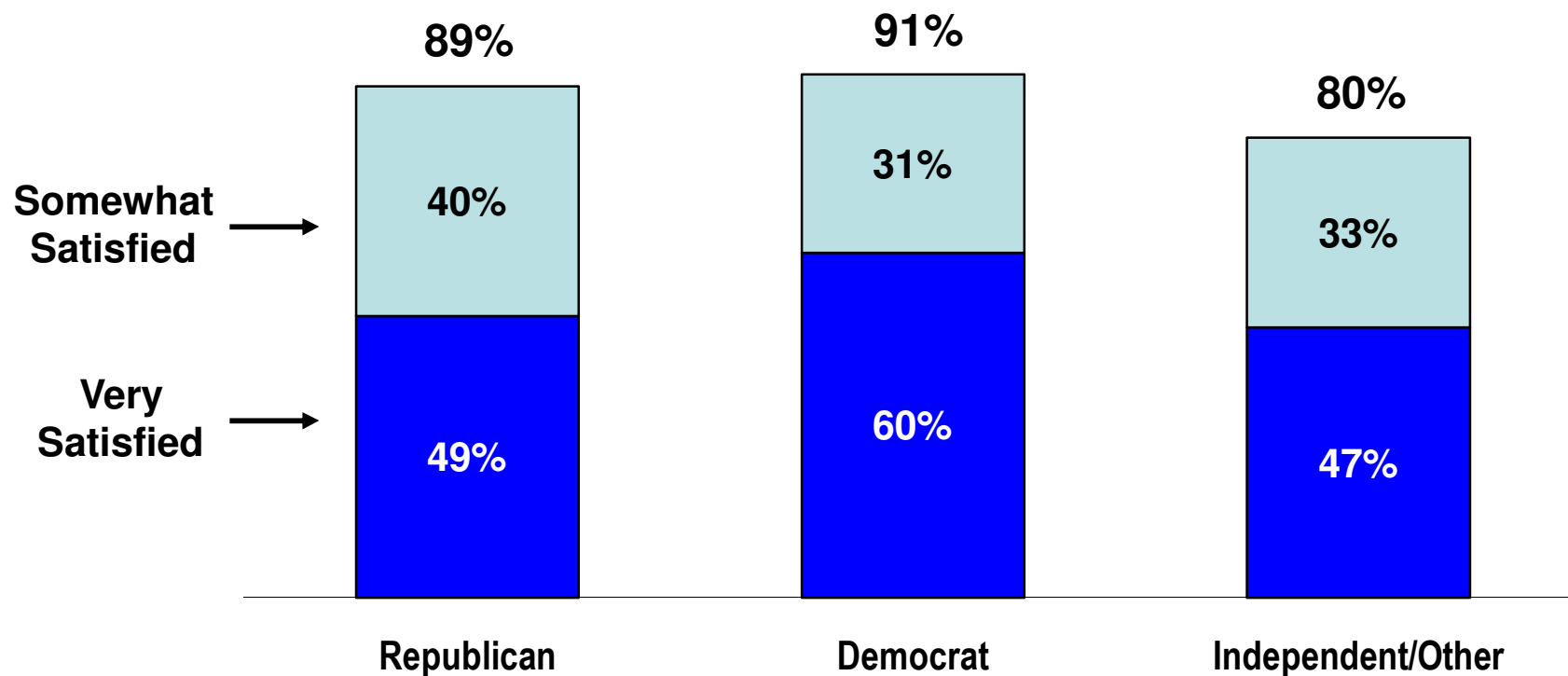
Dual eligibles, those with low incomes, and those living with disabilities are also satisfied.

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



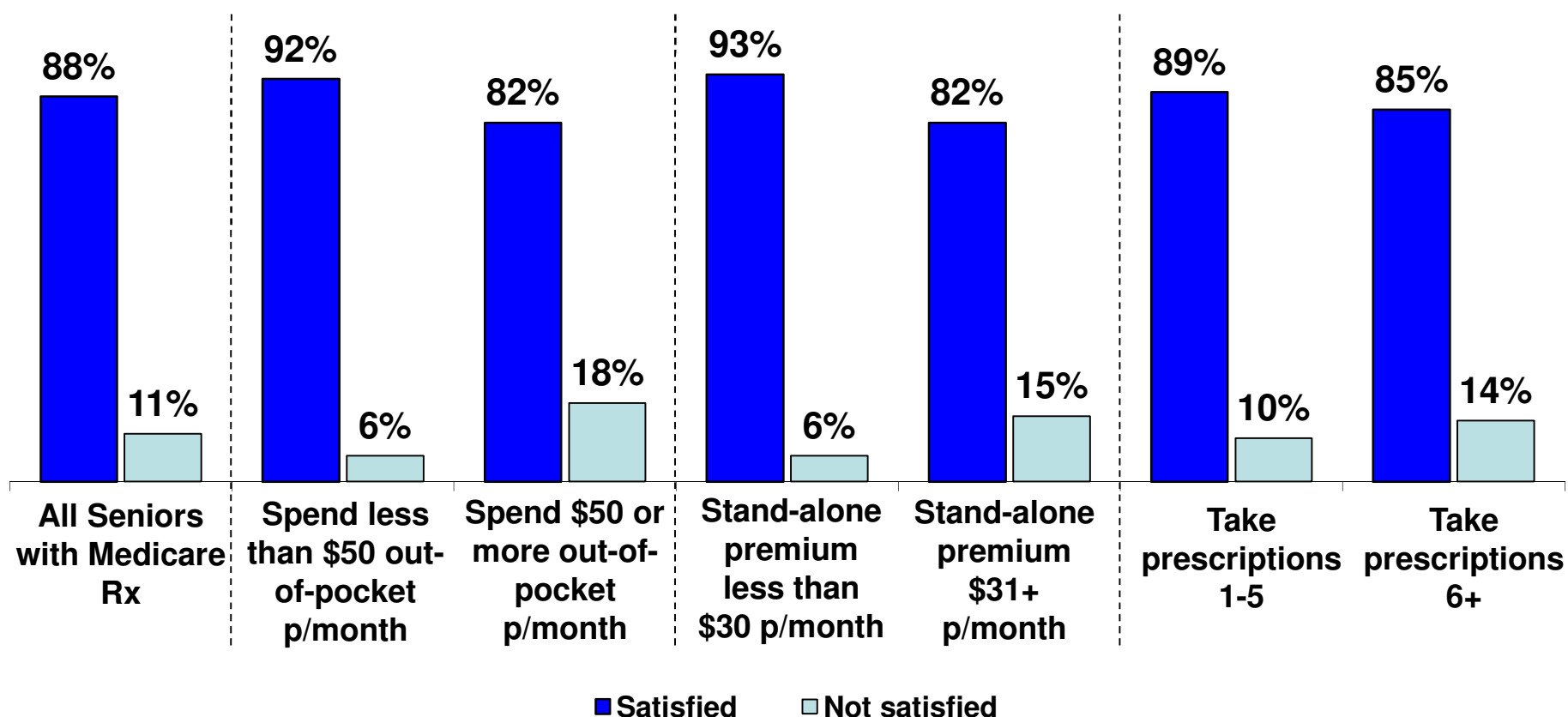
Across political party lines, the majority of seniors are satisfied with their prescription drug coverage.

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



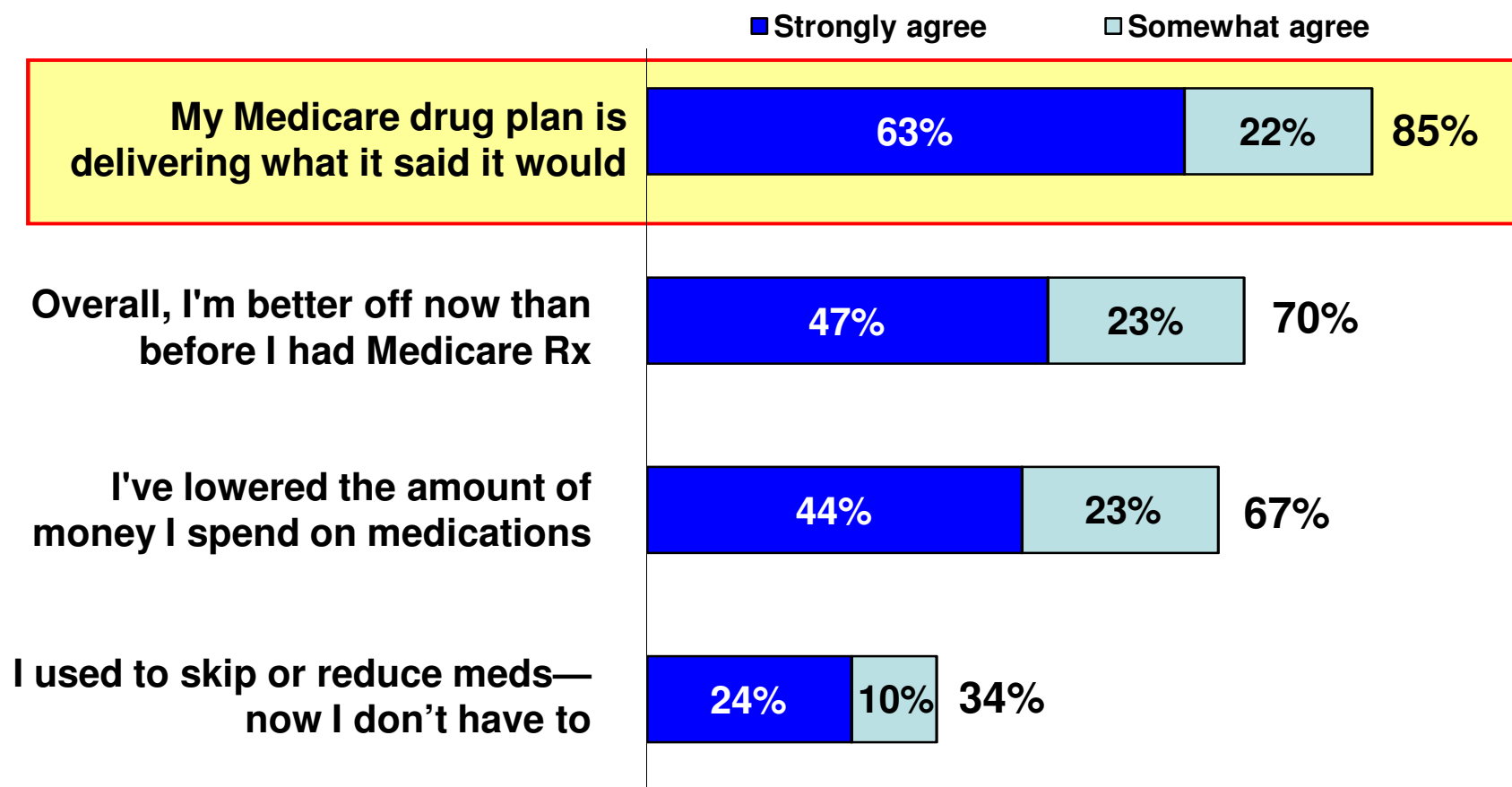
Satisfaction is *highest* among seniors with the lowest monthly premiums and out-of-pocket costs.

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



Medicare Rx continues to meet seniors' expectations.

Nearly 9 in 10 say their plan is delivering what they expected upon enrollment, and nearly 7 in 10 say they have lowered the amount of money they spend on medications.

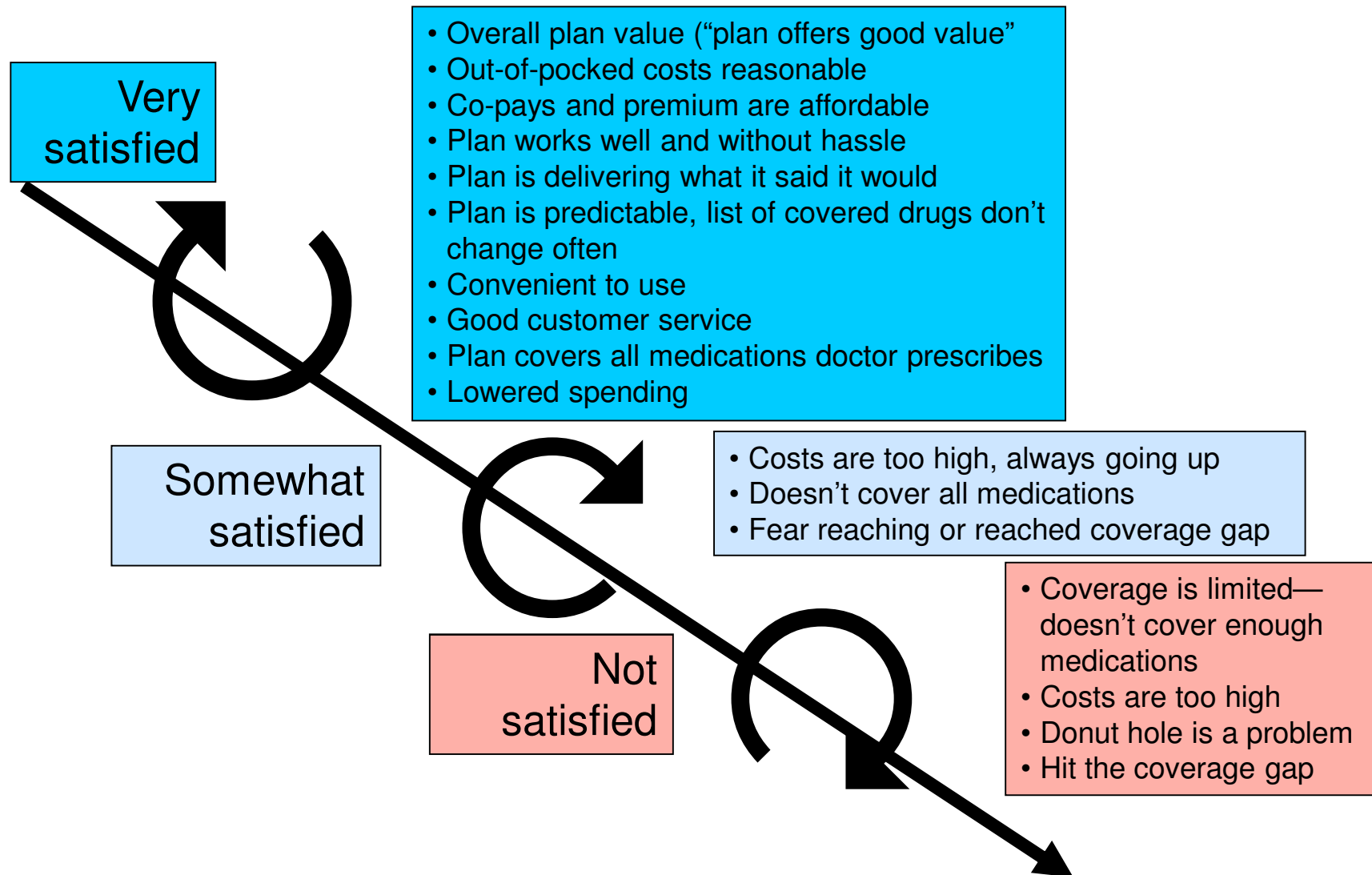


I'm going to read you some statements to hear how you feel now that you have enrolled in a Medicare prescription drug plan. For each one, tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree.

Those who say they feel *peace of mind* having Medicare Rx coverage has increased 17 points since the program start. Furthermore, those reporting they have lowered their Rx spending has increased 8 points.

	Mar. 2006	Sept. 2006	Jan. 2007	Sept. 2007	Sept. 2008	Mar. 2009	Oct. 2009	Aug. 2010	Oct. 2011
Feel fortunate that I'm covered	N/A	N/A	N/A	96	97	93	95	94	95
Feel peace of mind	78	82	83	94	97	91	93	94	95
I'm better off than before I had Medicare Rx	66	69	67	68	78	72	68	66	70
I've lowered costs on Rx medicines	59	61	58	65	71	68	62	62	67
Feel frustrated with my coverage	33	35	35	28	22	26	30	27	32
Feel nervous about my coverage	28	26	25	19	23	23	27	27	25

Drivers of Plan Satisfaction



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How Medicare Rx Works

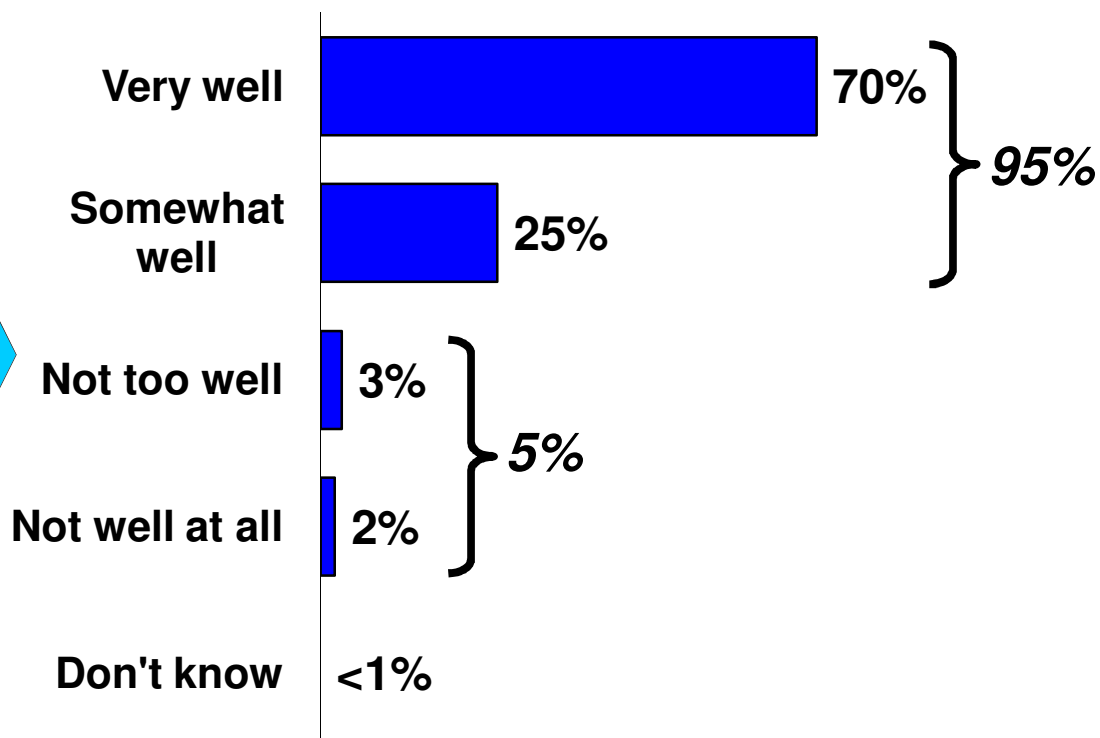
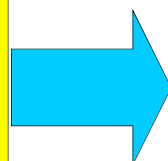
More than 9 in 10 seniors who have used their plan and have received medications say their plan works well.

7 in 10 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?

83% Received meds
15% Have not

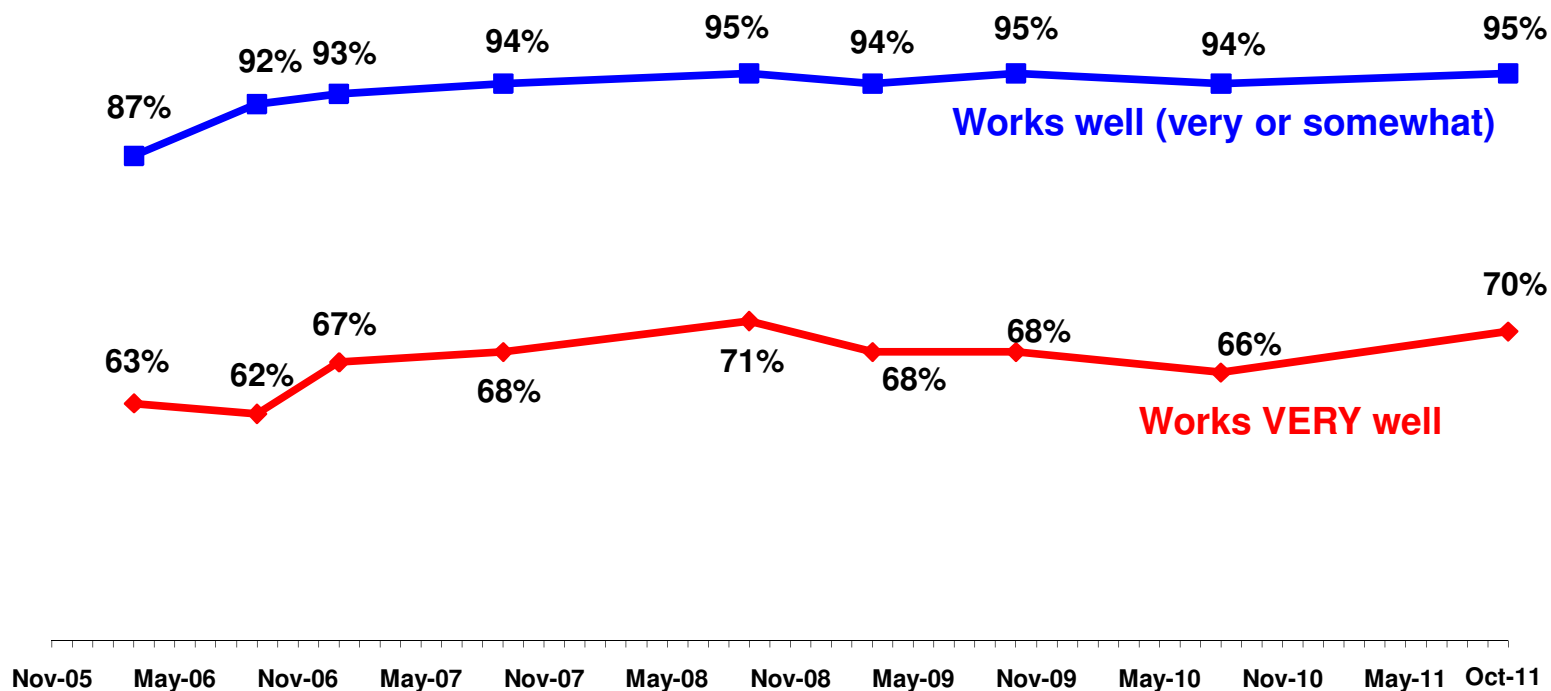


IF RECEIVED MEDICINES THROUGH PLAN: How well has your prescription drug plan worked for you—has it worked very well, somewhat well, not too well, or not well at all?

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

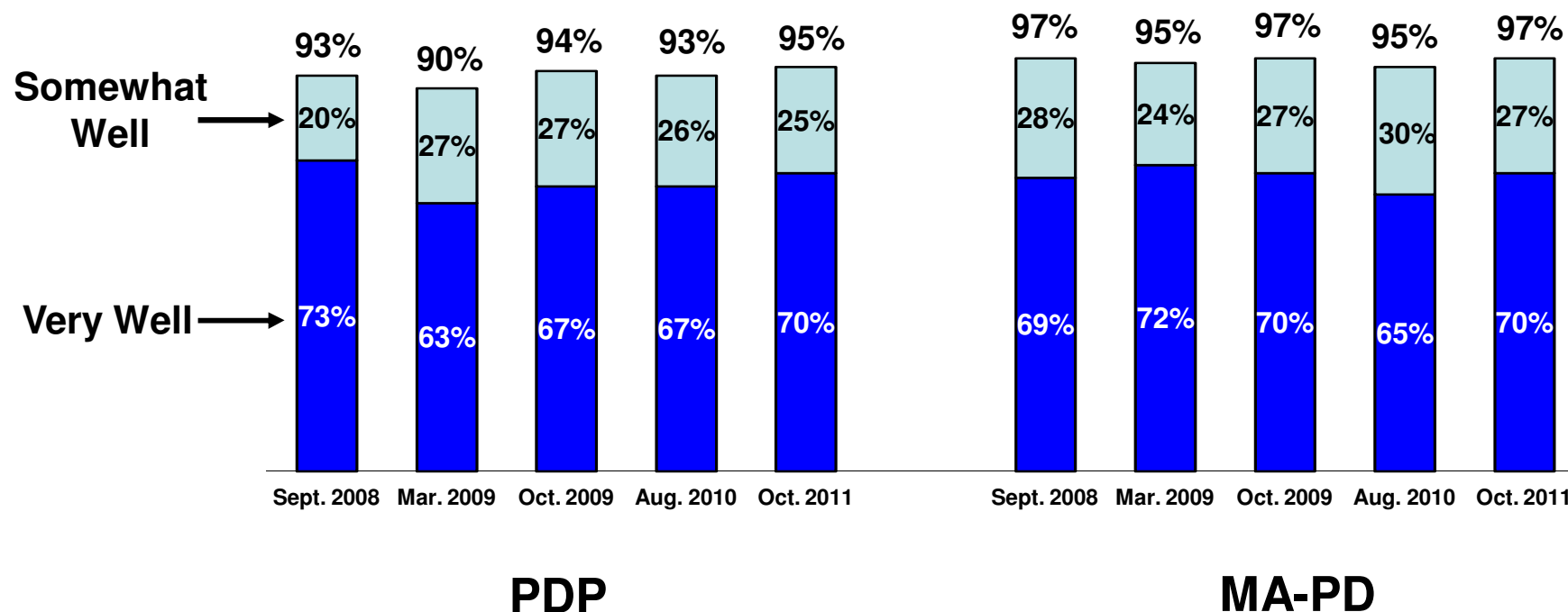
Those saying VERY well has increased 7 points since the program started.

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



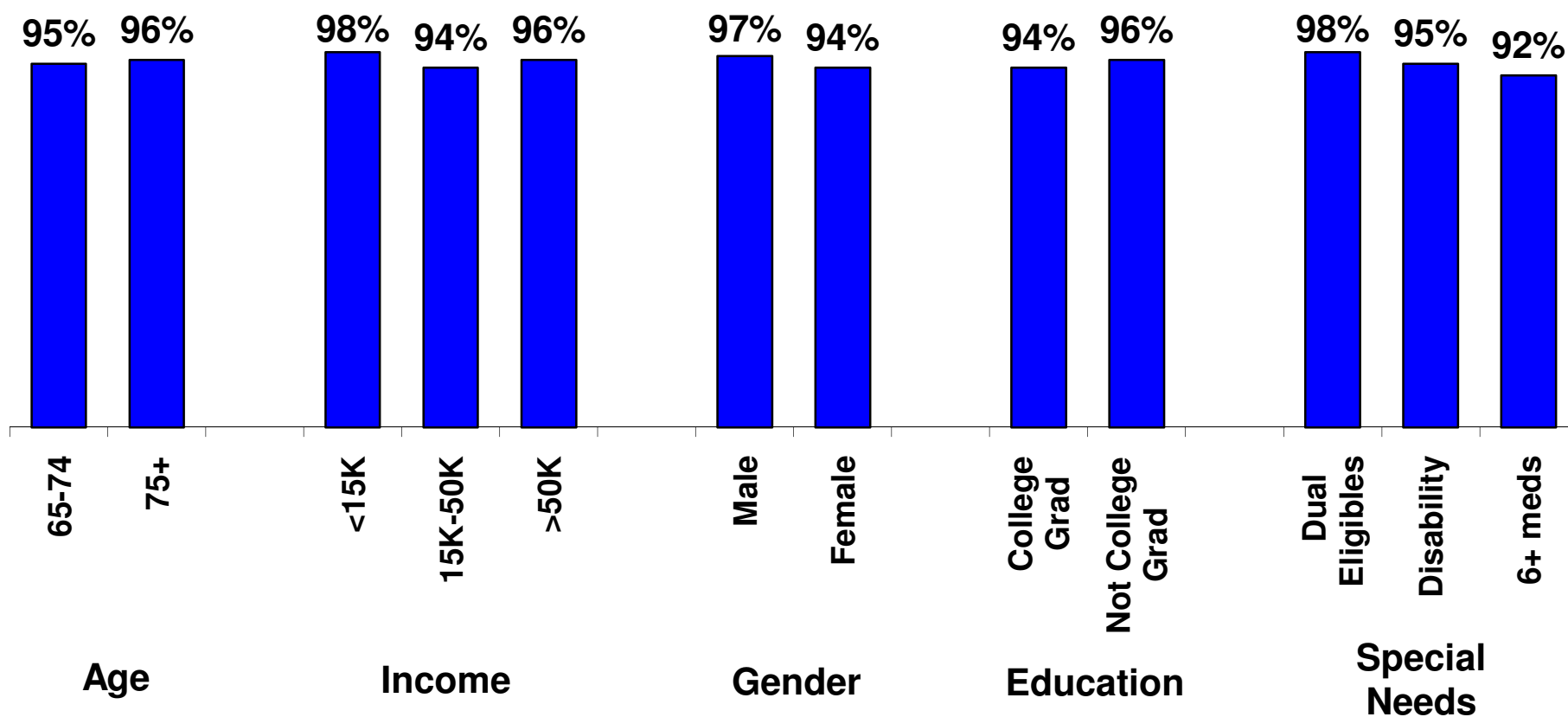
Both those with Original Medicare (PDP) and with Medicare Advantage plans (MA-PD) report their plans work very well.

How well has your prescription drug plan worked for you?

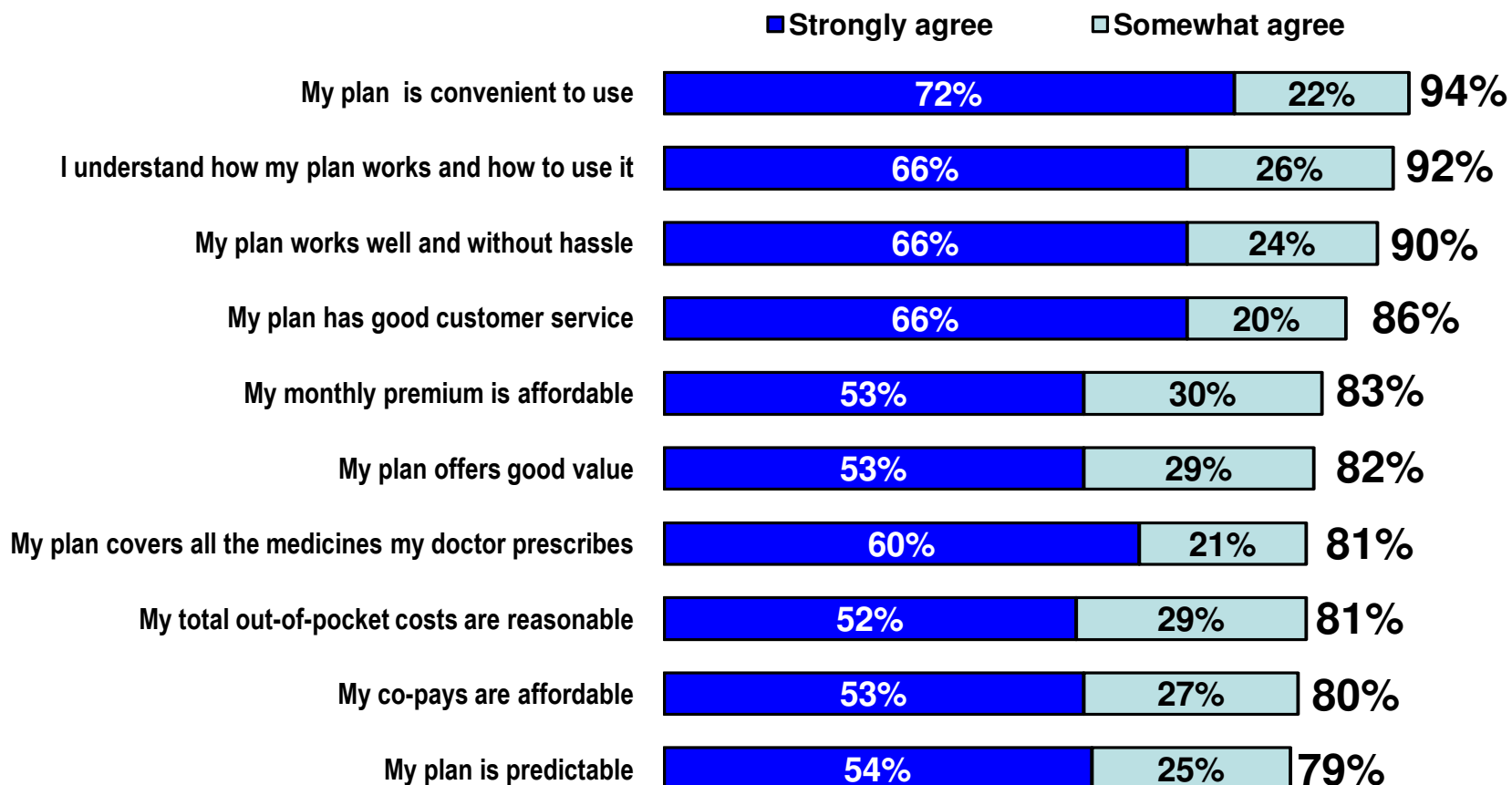


Seniors across demographic cohorts say their Rx plans work well.

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



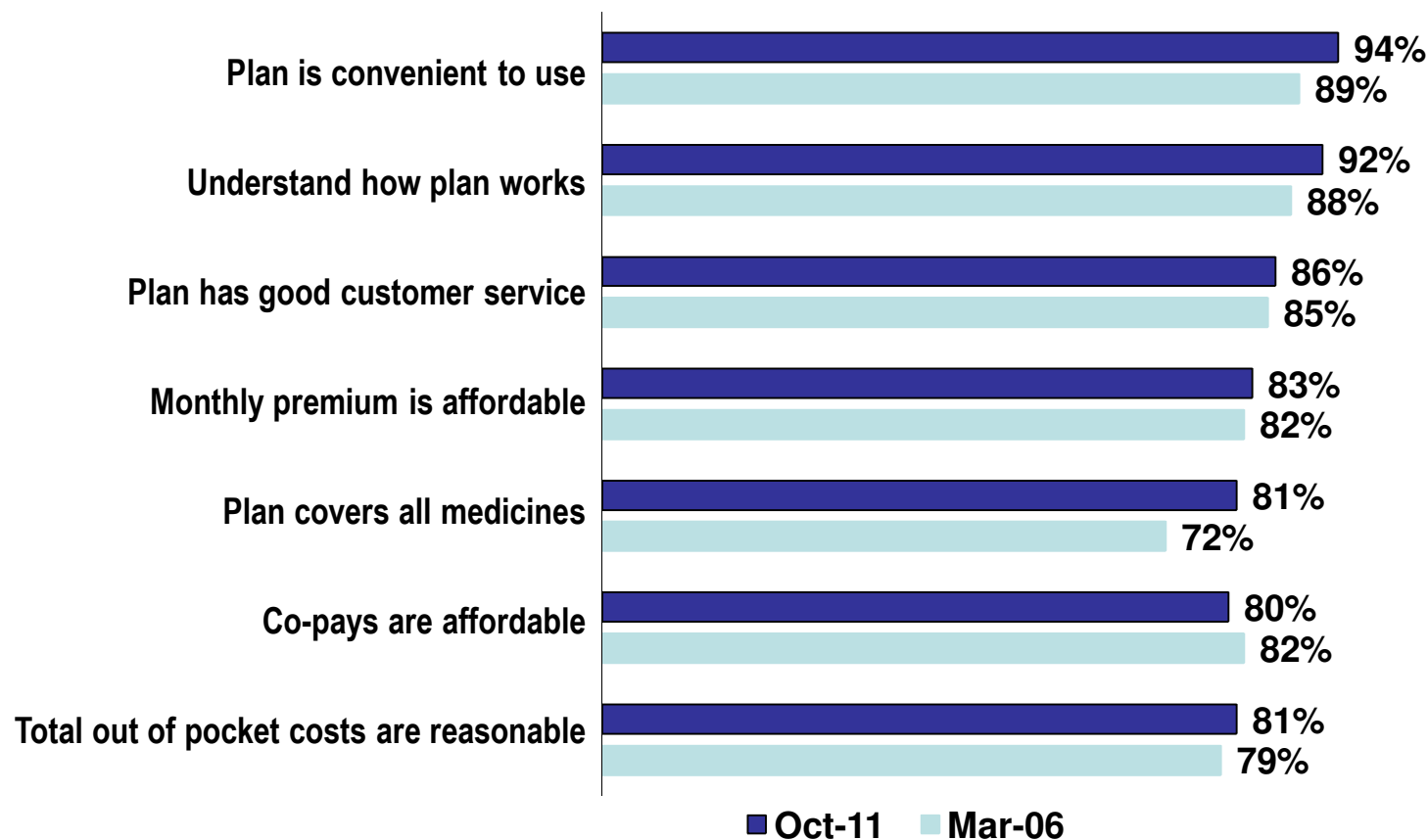
Approximately two-thirds of seniors strongly agree that their plan is convenient, has good customer service, they understand how their plan works, and that it works well and without hassle.



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.

On all measures, seniors give Medicare Rx as high or higher marks in 2011 as they did at the beginning of the program.

Those saying their plan covers all their medicines has grown by 9 points.

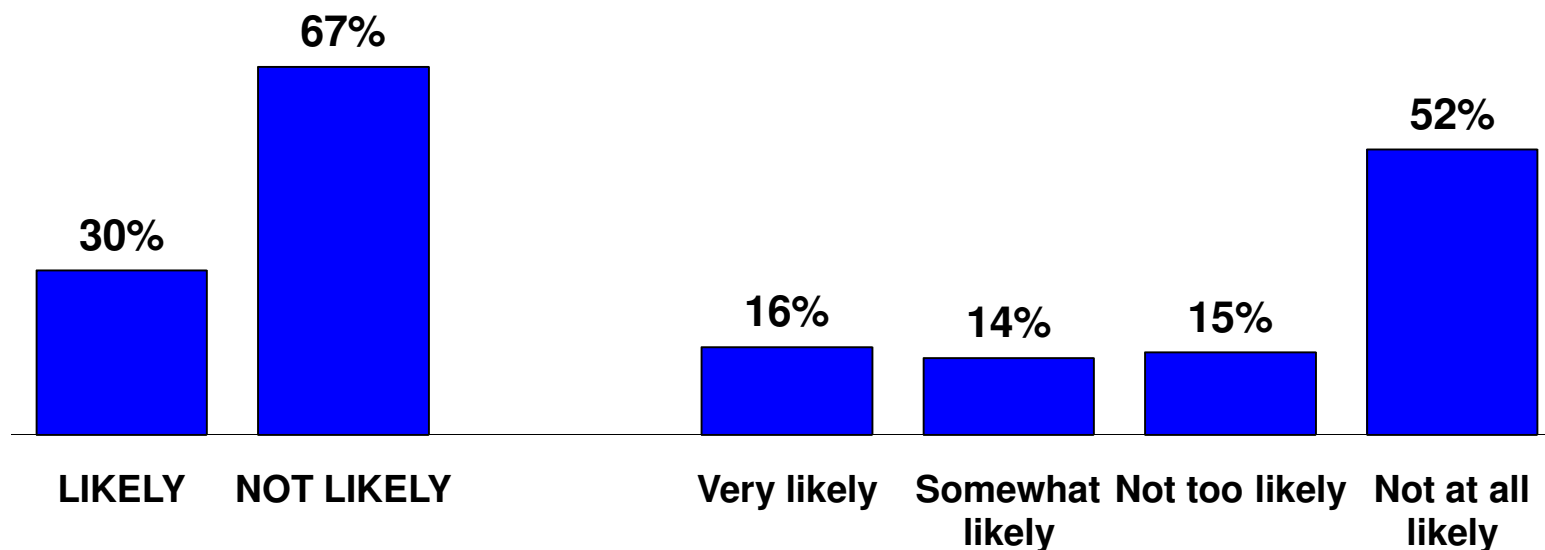


I'm going to read you some statements that may or may not describe your opinions about your Medicare prescription drug plan. For each one, tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree.

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, 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?



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

Drivers of Plan Satisfaction

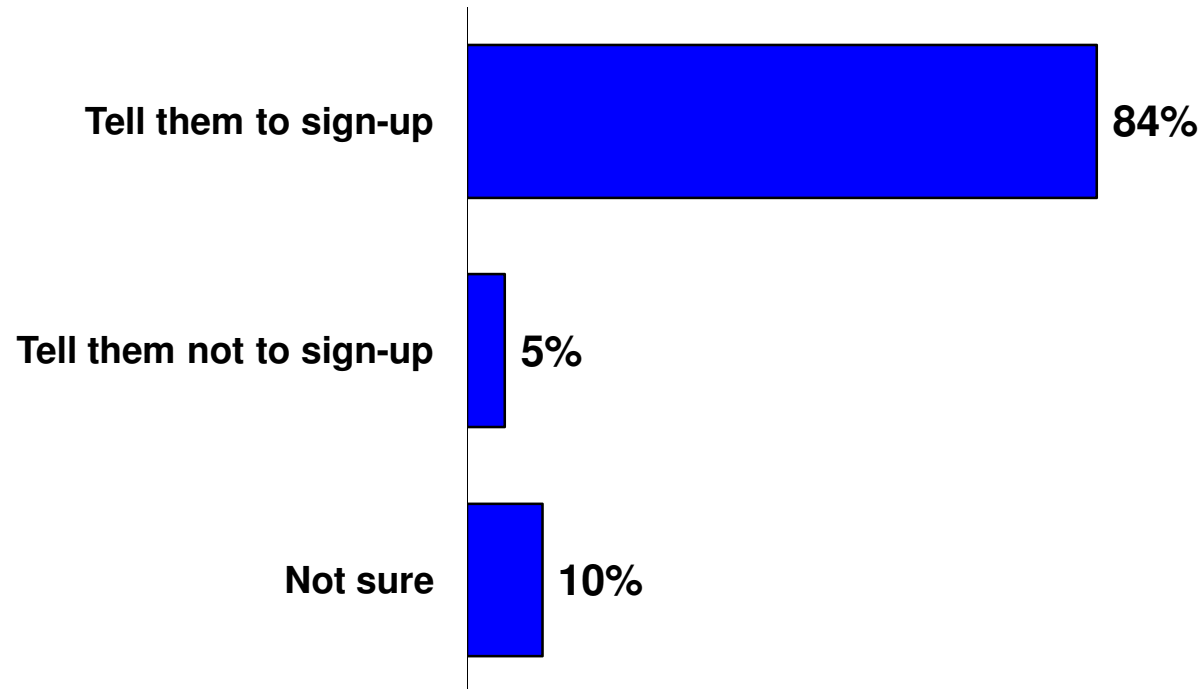
- Overall plan value (“plan offers good value”)
- Out-of-pocket costs reasonable
- Co-pays and premium are affordable
- Plan works well and without hassle
- Plan is delivering what it said it would
- Plan is predictable, list of covered drugs don’t change often
- Convenient to use
- Good customer service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

Drivers of Plan Switching

- Not completely satisfied
- Plan doesn’t offer good value
- Out-of-pocket costs are not reasonable
- Co-pays and premium are not affordable
- Plan is not predictable—formulary changes too often
- Plan doesn’t cover all my medications
- Plan doesn’t work well, is a hassle
- Poor customer service
- Plan isn’t delivering what it said it would
- Haven’t saved money
- Don’t understand how my plan works

More than 8 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?

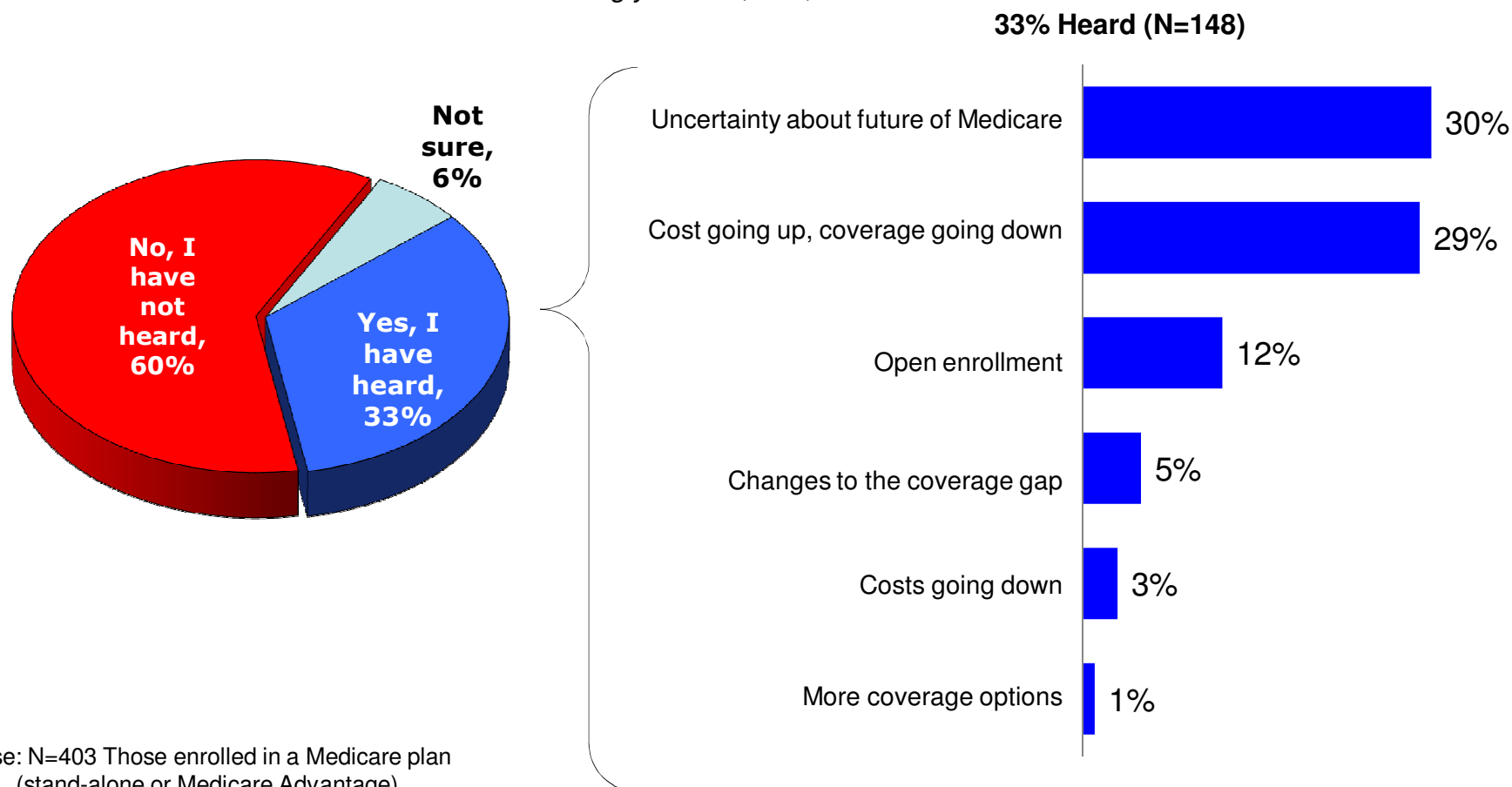


Information and Coverage Gap

One-third of seniors said they heard something about Medicare Rx plans in the news recently.

Few mentioned Open Enrollment, the earlier and expanded dates, or new benefits.

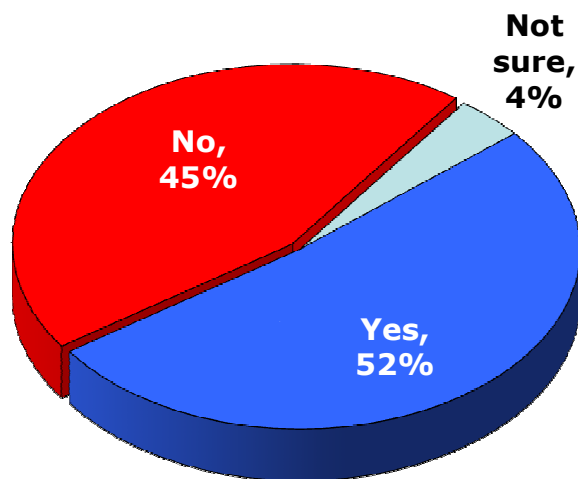
Have you read, seen, or heard anything recently about Medicare prescription drug plans in the news? If so, what is the last thing you read, saw, or heard?



Base: N=403 Those enrolled in a Medicare plan
(stand-alone or Medicare Advantage)

More than half said they recently received information about prescription drug plans—from health plans and Medicare.

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



*IF RECEIVED INFORMATION (52%, N=210):
From whom did you receive information?*

Health plans/insurance companies(NET)

56%

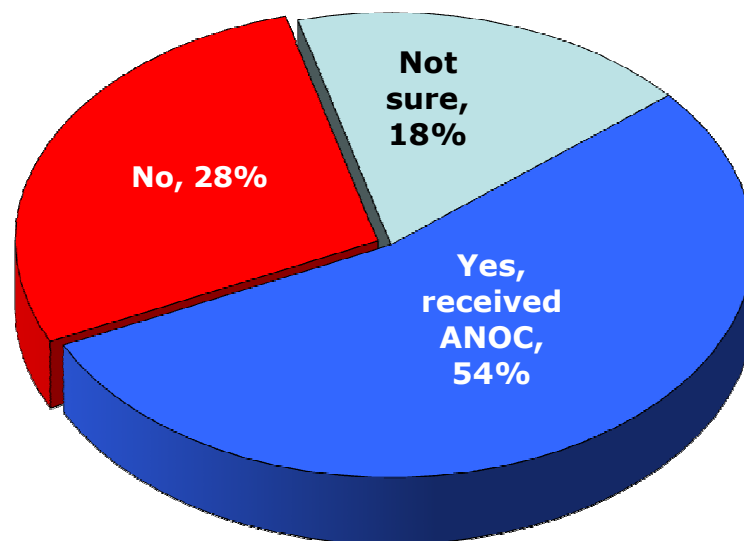
Medicare/government (NET)

31%

Base: N=403 Those enrolled in a Medicare Rx plan
(stand-alone or Medicare Advantage)

At the time of our survey, over half had received their Annual Notice of Change from their plan provider.

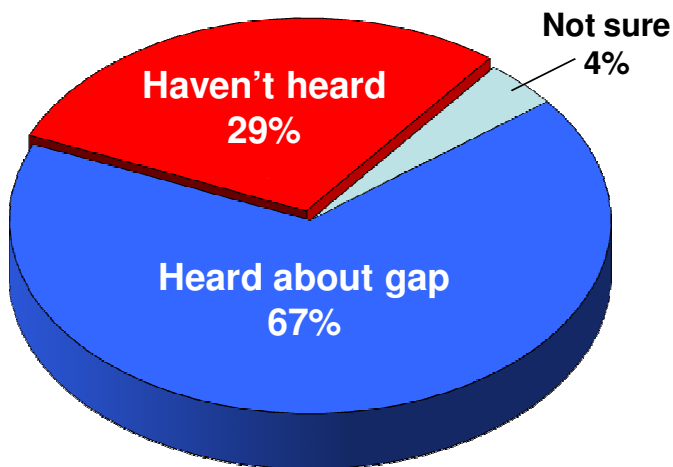
Each year, your health or prescription drug plan can change the premium, the drugs it covers, the deductibles and cost sharing, among other things. Your health or prescription drug plan send you this information in a document called your Annual Notice of Change. Have you received your Annual Notice of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



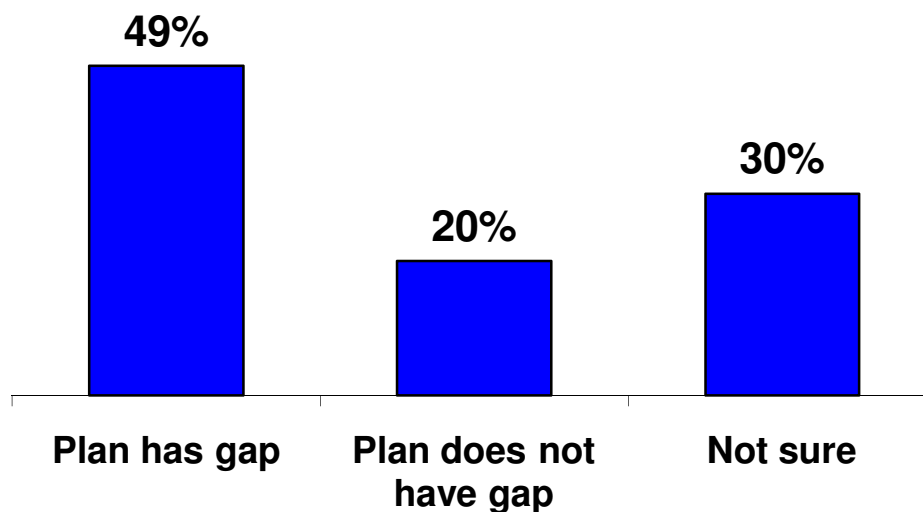
Nearly 7 in 10 seniors said they are aware of the coverage gap, and about half said their plan has one.

1 in 3 said they're not sure if their plan has gap coverage.

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

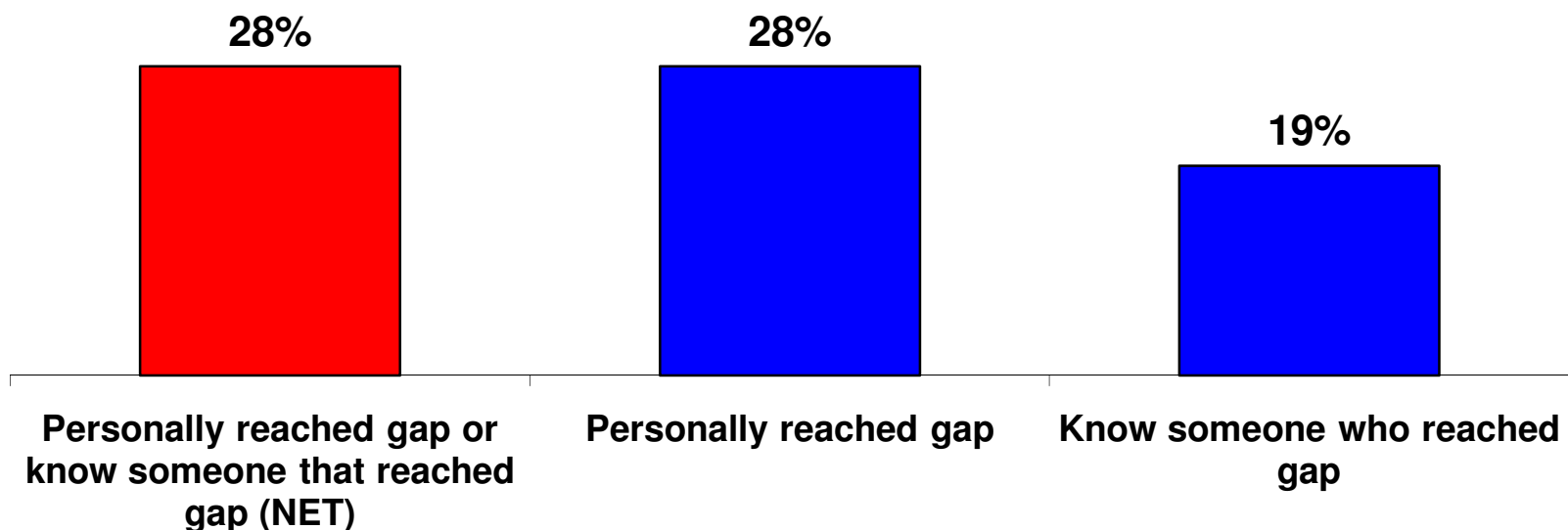


In most Medicare prescription drug plans, if your medicine costs over \$2,840 per year you have to spend the equivalent of \$3,610 before 95% of your prescriptions are completely covered. This is sometimes referred to as the "coverage gap" or "donut hole." Does your plan have a coverage gap or donut hole, or did you purchase extra coverage so you don't have this gap? If you're not sure, just say so.



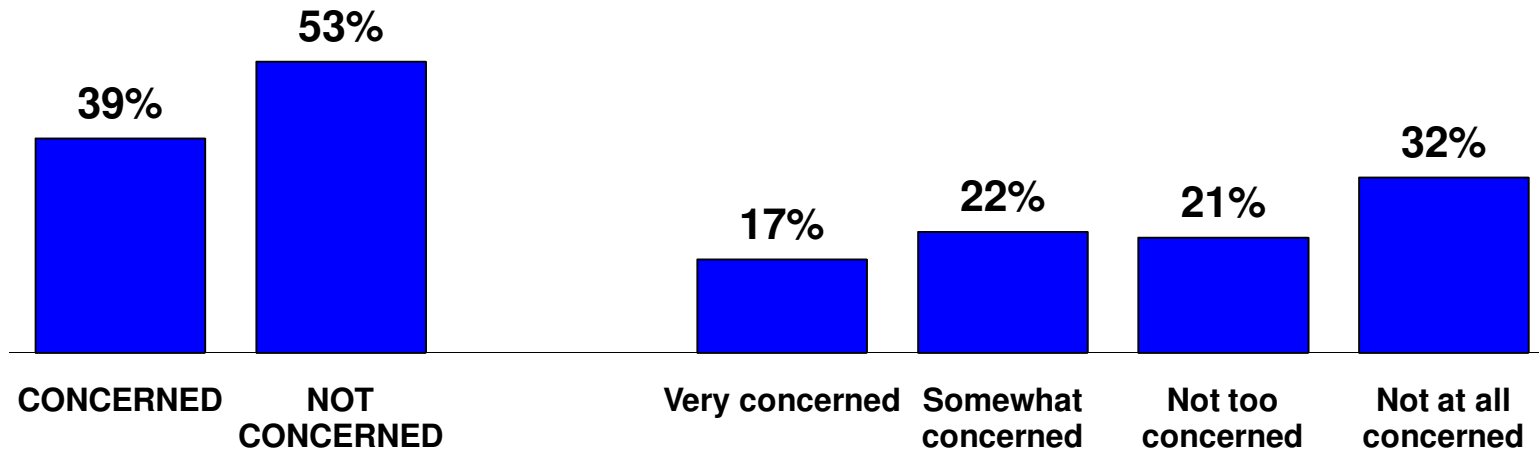
Nearly 3 in 10 said they personally reached the coverage gap, and 2 in 10 said they know someone who reached the gap.

Did you personally reach the coverage gap, either last year or this year, and have to pay for prescriptions out of pocket? 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 out-of-pocket?



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?



CONCLUSIONS

Conclusions

- Medicare Rx beneficiaries continue to feel very satisfied with the program because it offers excellent value.
 - Overall satisfaction has grown from 78% to 88% (10 percentage points) since early 2006; over half (53%) are now very satisfied;
 - 95% feel fortunate to have Part D and say it gives them peace of mind;
 - 95% say their plan works well and 94% say it is convenient to use;
 - 85% say their plan is delivering what it said it would;
 - 82% say their plan offers good value—in fact, 67% say they have lowered their prescription drug spending, up 8 points since early 2006;
 - 70% feel better off now that they have Part D coverage; and,
 - 34% agree that they now get medications they once had to skip or ration.
- Most would advise new beneficiaries to sign up for a Medicare Rx plan. However, with satisfaction so high, few with plans are likely to shop around during open enrollment, even though they may find a plan with better value.
- Few are hearing news about open enrollment and new plan benefits, like the 50% discount for seniors who are in the coverage gap. Instead, beneficiaries are hearing about uncertainty over the future of Medicare.

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