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Prescription for the Future: Medications, Medicare Part D, and Managing Expenses in a Difficult Economy

December 2008



Prescription for the Future: Medications, Medicare Part D, and Managing Expenses in a Difficult Economy

**Data Collected by Woelfel Research
Report Prepared by Teresa A. Keenan, Ph.D.**

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Table of Contents

Executive Summary	1
Introduction	1
Background	2
Key Findings	2
Detailed Findings	6
Health Insurance and Medical Care	6
Confidence in Affording Medicare Care	6
Use of Over-the-Counter and Prescription Medications	7
Use of Generic Drugs	8
Activities Related to Medication Use	10
Prescription Drug Coverage	12
Medicare Part D	14
Summary and Conclusions	17
Appendix A: Demographic Characteristics of Respondents	18
Appendix B: Annotated Questionnaire	20
Appendix C: Methodological Note	31

List of Figures

Figure 1: Have You Done Any of the Following in the Past Year?	10
Figure 2: Since Enrolling in Your New Prescription Drug Plan, Have You Done Any of the Following?	16

List of Tables

Table 1: Activities Related to Medication Use by Age and Gender	11
Table 2: Source of Prescription Drug Coverage by Age and Gender	13

Executive Summary

Introduction

Results from this survey call to mind the old, familiar adage that opinions about the glass being half-full or half-empty vary, depending on your perspective. Those who believe the glass is half-full will focus on the six in ten respondents who said they are *extremely* or *very confident* that they will be able to afford medical care in the coming year, the similar proportion who are equally confident that they will be able to afford prescription drugs in the same time period, and the three-quarters who said they have never been prescribed a brand name drug that they couldn't afford to pay for.

They will also point to the nearly two-thirds of respondents ages 65 and older who are enrolled in a Medicare Part D plan who reported they are *extremely* or *very satisfied* with the plan, the nearly half who are equally satisfied with the monthly premiums they pay, the half who are *not very* or *not at all likely* to switch plans, and the nearly eight in ten who believe they *made a good choice* in picking a Medicare Part D plan.

In contrast, those who believe the glass is half-empty will point out that having health insurance and prescription drug coverage is often the marker of confidence in being able to afford care, noting the roughly one-fifth of respondents who are *not very* or *not at all confident* that they will be able to afford their prescription drugs or not be able to pay for a brand name prescription if it is prescribed to them.

They will also note that younger and less affluent respondents are more likely to report difficulties in affording care, pointing to those ages 45-64 who are more likely than those 65+ to lack health insurance, to be more likely to lack prescription drug coverage, to be less confident that they will be able to afford medical care in the coming year, and to be more likely to *always* ask for generics in the hopes of reducing their drug costs. They will also point to the less affluent respondents who report that they *always* ask about generics and choose them when they have a generic option, who are not able to pay for a brand drug if it is prescribed, and who are more likely to report cutting back on their prescriptions in an effort to cut costs.

Given the current economic uncertainty, it is heartening to know that, as these results show, progress has been made in ensuring that many adults 45 and older have access to medical care and prescription drugs that they can afford. However, more still needs to be done, especially when it comes to making sure that those who do not have health care coverage receive it and those that currently have it continue to be covered. While many things are uncertain, one thing is clear: no matter your view of the glass, we can always do more to ensure that access to quality health coverage is the strong foundation upon which to build and maintain economic security.

Background

In November 2008, AARP Knowledge Management contracted with Woelfel Research to field a telephone survey among a nationally representative sample of adults ages 45 and older to learn more about their confidence in being able to afford medical coverage and prescription drugs in the coming year and their use of over-the-counter and prescription medications. Respondents ages 65 and older were asked about their prescription drug coverage and those with Medicare Part D were asked additional questions about their experiences with the program.

At the conclusion of the fielding period, responses had been received from 1,001 individuals. The sampling error is +/- three percentage points at the 95% confidence level. This means that in 95 out of 100 samples of this size, the results would fall in a range of no more than three percentage points of what would have been obtained if every person age 45 or older had been surveyed¹.

Key Findings

Health Insurance and Medical Care

Four in ten respondents said they have health insurance coverage through their (32%) or their spouse's (9%) current employer. One-fifth (21%) reported having health insurance coverage through Medicare. One in eight (12%) respondents said they had individually-purchased health insurance, while ten percent noted having a retiree health benefit from their own (8%) or their spouse's former employer (2%). Another eight percent of respondents reported that they had no health insurance coverage.

Confidence in Affording Medical Care

Roughly six in ten respondents said they are either *extremely* (26%) or *very confident* (33%) that they will be able to afford medical care next year. In contrast, nearly one-fifth said they are either *not very* (9%) or *not at all confident* (10%) that they will be able to afford such care.

Use of Over-the-Counter and Prescription Medications

When asked about the number of different over-the-counter medications they take on a regular basis, about one-third (35%) said they take one or two medications, about three in ten (28%) take three to six medications, and about one in eleven (9%) take seven or more medications. In contrast, more than one-quarter (28%) of respondents said they don't take any over-the-counter medications.

Similarly, when asked about the number of prescription drugs they take on a regular basis, about one-quarter (26%) said they take one or two medications, about one-third (32%) take three to six medications, and about one in eight (13%)

¹ More detailed methodological information is available in Appendix C.

take seven or more medications. In contrast, nearly three in ten (29%) respondents said they don't take any prescription drugs.

Nearly seven in ten (69%) respondents said a health professional had reviewed the medications they take in the last six months, while another one in nine (11%) said their medications had been reviewed in the past year. Thirteen percent of respondents said a health professional had never reviewed all the medicines they take.

About one-third of respondents reported spending between \$1 and \$49 in a typical month on prescription drugs in both 2007 and in 2008 (32% and 34%, respectively). Another quarter of respondents said they had spent between \$50 and \$199 in a typical month in those two years (25% and 23%), and about one in six respondents said they had spent \$200 or more (16% and 15%). About one-fifth of respondents said they typically spent no money on prescription drugs (21% and 23%).

When asked about their confidence in being able to afford all their prescription drugs next year, six in ten respondents reported they are *extremely* (30%) or *very confident* (31%). Another fifth (22%) said they are *somewhat confident* that they will be able to afford all their prescription drugs. But, seventeen percent said they are *not very* (9%) or *not at all confident* (8%) that they will be able to afford all their prescription drugs next year.

Use of Generic Drugs

Nearly six in ten (58%) respondents said they *always* ask their doctor about a generic drug option when their doctor prescribes something new for them. Nine percent said they *usually* ask their doctor, while eight percent said they *sometimes* do. Notably, one in six (16%) said they *never* ask their doctor about a generic alternative.

More than six in ten (62%) respondents said they *always* choose a generic over the brand name drug when a generic is available. Another quarter said they *usually* (15%) or *sometimes* (10%) do. Notably, one in nine (11%) reported that they *never* choose a generic over a brand name drug.

Nearly eight in ten respondents said they would be either *extremely willing* (46%) or *very willing* (33%) to use a generic medicine to reduce their out-of-pocket drug costs. Another fifteen percent said they would be *somewhat willing* to do so.

Three-quarters (77%) of respondents reported that they have not been prescribed a brand name drug that they could not afford to pay for, and more than eight in ten (85%) said in the past year they have not had to cut back on taking a medication or filling a prescription because they couldn't afford to pay for it.

Activities Related to Medication Use

Respondents were asked about eight activities they may have undertaken in the past year related to medication use. More than eight in ten (82%) said they have read the literature that comes with their medications, seven in ten (70%) have talked with their doctor or pharmacist about drug side effects, and nearly two-thirds (62%) have kept a record of all the prescription and over-the-counter medications they take. More than half (57%) of respondents reported that they have asked their doctor to prescribe generic medications to save money, while slightly fewer than half (49%) said they asked their doctor if there are things they can do to reduce the number of medications they take (such as engaging in physical activity or changing their diet). Slightly more than one-third (36%) of respondents said they have looked for information in order to compare drug prices, and slightly more than one-quarter (27%) have asked their doctor or pharmacist for more information about a medication they saw in an advertisement.

Of those respondents who have kept a record of their medications, about half (54%) took it with them to a doctor's appointment or to the pharmacist.

Nearly eight in ten (79%) respondents reported that they have not had a medication mistake, such as taking the wrong medicine, having a bad drug interaction or side effect, or had to go to the emergency room or hospital due to a medication issue.

Prescription Drug Coverage

More than four in ten respondents said they have prescription drug coverage through their (33%) or their spouse's (10%) current employer. One in eleven (9%) reported having prescription drug coverage through Medicare Part D. Roughly one in eight (13%) said they had individually-purchased coverage, while eleven percent noted having a retiree prescription drug benefit from their own (9%) or their spouse's (2%) former employer. Ten percent of respondents reported that they had no prescription drug coverage.

Medicare Part D

About four in ten respondents ages 65 and older reported that they were enrolled in a Medicare Part D plan. When they were asked why they enrolled in a Medicare Part D prescription drug plan, nearly one-quarter (23%) said because they turned 65, about one-fifth (21%) said because they have high drug costs, and about one in six said because they thought they would save money (17%) or because they wanted to be able to budget their monthly expenses (16%).

Slightly more than one in ten respondents ages 65 and older enrolled in Medicare Part D said they enrolled because they wanted peace of mind (13%), because they thought the cost of their prescription drugs would increase (13%), because a drug plan cost less than they expected (12%), and because enrolling seemed less costly than waiting and paying a penalty (11%).

Among respondents ages 65 and older with Medicare Part D, about two-thirds said they are either *extremely satisfied* (23%) or *very satisfied* (44%) with the Medicare prescription plan they are enrolled in now. More than half said they are *extremely* (19%) or *very satisfied* (35%) with the amount of the monthly premium they pay for their prescription drug coverage. Not surprisingly, then, when asked the likelihood of their looking at a different drug plan and its options, roughly half said it is *not very likely* (18%) or *not at all likely* (31%) they would do so.

Similarly, when asked a slightly different question, roughly six in ten (59%) said the statement, *as long as my plan doesn't change, I don't intend to switch*, most closely reflected their attitude toward plan switching. Additionally, nearly eight in ten (77%) respondents said they think they *made a good choice* in selecting their Medicare Part D plan.

However, concern with the cost of prescription drugs is reflected in responses to two questions posed to respondents. Six in ten said they would look for lower co-pays (63%) or lower monthly premiums (61%) if they were looking for a plan different from their current one. Moreover, half (51%) said they would look for coverage in the gap or "doughnut hole." About a third of respondents reported they would look for better customer service (36%) or different drugs on the formulary (35%). In a separate question related to the monthly premium, seven in ten (70%) respondents said *the monthly premium is the most they can afford to pay*.

When asked what steps they might have taken since enrolling in a prescription drug plan, nearly two-thirds (62%) said they asked if a generic drug was available. About one-quarter said they asked their pharmacist (26%) or doctor (23%) for help in getting their plan to cover the drugs they need. Roughly one-fifth of respondents reported that they skipped a dose (19%), took less than the prescribed dose of a medication (17%), or asked a drug manufacturer about their prescription assistance program (16%). Twelve percent said they decided not to fill a prescription.

Detailed Findings

Health Insurance and Medical Care

Four in ten respondents said they have health insurance coverage through their (32%) or their spouse's (9%) current employer. One-fifth (21%) reported having health insurance coverage through Medicare. One in eight (12%) respondents said they had individually-purchased health insurance, while ten percent noted having a retiree health benefit from their own (8%) or their spouse's former employer (2%). Another eight percent of respondents reported that they had no health insurance coverage.

- Men are more likely than women (37% vs. 28%) to report having health insurance coverage from their current employer.
- Respondents ages 45-54 and 55-64 are more likely than those ages 65 or older to report having health insurance coverage from their current employer (54% and 29% vs. 8%) or their spouse's current employer (14% and 12% vs. 2%), while those ages 65+ are more likely to have Medicare coverage (52% vs. 3% and 11%).
- Respondents ages 45-54 and 55-64 are also more likely than those ages 65 or older to report that they do not have health insurance (12% and 11% vs. 2%).
- Respondents with annual household incomes of \$30,000 or more are more likely than those with incomes below that level to report having health insurance coverage from their current employer (40% for those with incomes between \$30,000 and \$74,999 and 51% for those with incomes of \$75,000 or more vs. 14% for those with incomes less than \$30,000).

Confidence in Affording Medical Care

Roughly six in ten respondents said they are either *extremely* (26%) or *very confident* (33%) that they will be able to afford medical care next year. In contrast, nearly one-fifth said they are either *not very* (9%) or *not at all confident* (10%) that they will be able to afford such care.

- Men are more likely than women (66% vs. 53%) to say they are either *extremely confident* or *very confident* that they will be able to afford medical care next year.
- Respondents ages 65 and older are more likely than those ages 55 to 64 to report being *extremely confident* or *very confident* that they will be able to afford medical care next year (65% vs. 54%).

- Those with incomes less than \$30,000 a year are more likely than those with incomes of \$30,000 or more to say they are *not very confident* or *not at all confident* that they will be able to afford medical care next year (34% for those with incomes less than \$30,000 vs. 15% for those with incomes between \$30,000 and \$74,999 and 5% for those with incomes of \$75,000 or more).

Use of Over-the-Counter and Prescription Medications

When asked about the number of different over-the-counter medications they take on a regular basis, about one-third (35%) said they take one or two medications, about three in ten (28%) take three to six medications, and about one in eleven (9%) take seven or more medications. In contrast, more than one-quarter (28%) of respondents said they don't take any over-the-counter medications.

- Men are more likely than women (33% vs. 23%) and respondents ages 45-54 and 55-64 are more likely than those 65 and older (33% and 27% vs. 21%) to report that they do not take any over-the-counter medications.

Similarly, when asked about the number of prescription drugs they take on a regular basis, about one-quarter (26%) said they take one or two medications, about one-third (32%) take three to six medications, and about one in eight (13%) take seven or more medications. In contrast, nearly three in ten (29%) respondents said they don't take any prescription drugs.

- Just as with over-the-counter medications, when it comes to prescription drugs, men are more likely than women (37% vs. 22%) and respondents ages 45-54 and 55-64 are more likely than those 65 and older (46% and 24% vs. 14%) to report that they do not take any prescription drugs on a regular basis.
- Respondents with incomes of \$30,000 or more are more likely than those with incomes of less than \$30,000 to say they do not take any prescription drugs on a regular basis (31% for those with incomes between \$30,000 and \$74,999 and 39% for those with incomes of \$75,000 or more vs. 21% for those with incomes less than \$30,000).

Nearly seven in ten (69%) respondents said a health professional had reviewed the medications they take in the last six months, while another one in nine (11%) said their medications had been reviewed in the past year. Thirteen percent of respondents said a health professional had never reviewed all the medicines they take.

- Women are more likely than men (72% vs. 66%) to say their medications were reviewed by a health professional in the last six months.
- Additionally, respondents ages 55 and older are more likely than those ages 45-54 to report that a health professional had reviewed their medications in

the last six months (72% for those ages 55-64 and 81% for those 65+ vs. 57% for those ages 45-54). Notably, those ages 45-54 are more likely than those in the other two age groups to say they have never had their medications reviewed by a health professional (21% vs. 10% and 7%).

About one-third of respondents reported spending between \$1 and \$49 in a typical month on prescription drugs in both 2007 and in 2008 (32% and 34%, respectively). Another quarter of respondents said they had spent between \$50 and \$199 in a typical month in those two years (25% and 23%), and about one in six respondents said they had spent \$200 or more (16% and 15%). About one-fifth of respondents said they typically spent no money on prescription drugs (21% and 23%).

- Not surprisingly given their low reported use of prescription drugs, men and respondents ages 45-54 are more likely than their counterparts to say they have spent no money on prescription drugs in a typical month in either year (2007—gender: 28% vs. 15%; age: 30% vs. 17% and 14%; 2008—gender: 30% vs. 17%; age: 33% vs. 19% and 14%).

When asked about their confidence in being able to afford all their prescription drugs next year, six in ten respondents reported they are *extremely* (30%) or *very confident* (31%). Another fifth (22%) said they are *somewhat confident* that they will be able to afford all their prescription drugs. But, seventeen percent of respondents said they are *not very* (9%) or *not at all confident* (8%) that they will be able to afford all their prescription drugs next year.

- Men are more likely than women (67% vs. 56%) to say they are *extremely* or *very confident* in being able to afford all their prescription drugs next year.
- More affluent respondents are more likely than less affluent ones to say they are *extremely* or *very confident* in being able to afford all their prescription drugs next year (63% for those with incomes between \$30,000 and \$74,999 and 81% for those with incomes of \$75,000 or more vs. 42% for those with incomes of less than \$30,000).
- Notably, there are no age differences in respondents' reported confidence in affording all their prescription drugs in 2009.

Use of Generic Drugs

Nearly six in ten (58%) respondents said they *always* ask their doctor about a generic drug option when their doctor prescribes something new for them. Nine percent said they *usually* ask their doctor, while eight percent said they *sometimes* do. Notably, one in six (16%) said they *never* ask their doctor about a generic alternative.

- In terms of demographic differences, younger, less affluent respondents are more likely to say they *always* ask their doctor about a generic option (age:

60% and 62% vs. 52%; income: 61% and 63% vs. 52%). However, there are no gender differences.

More than six in ten (62%) respondents said they *always* choose a generic over the brand name drug when a generic is available. Another quarter said they *usually* (15%) or *sometimes* (10%) do. Notably, one in nine (11%) reported that they *never* choose a generic over a brand name drug.

- Respondents with incomes of less than \$75,000 a year are more likely than those with incomes above that level to report they *always* choose a generic over a brand when a generic is available (65% for those with incomes less than \$30,000 and 64% for those with incomes between \$30,000 and \$74,999 vs. 55% for those with incomes of \$75,000 or more).
- Notably, men are more likely than women (14% vs. 8%) to report they *never* choose a generic over a brand name drug.

Nearly eight in ten respondents said they would be either *extremely willing* (46%) or *very willing* (33%) to use a generic medicine to reduce their out-of-pocket drug costs. Another fifteen percent said they would be *somewhat willing* to do so.

- Younger respondents are more likely than older ones to say they are *extremely willing* to use a generic to reduce drug costs (49% and 50% vs. 39%). However, there are no gender or income differences in respondents' willingness to use generics for cost-cutting purposes.

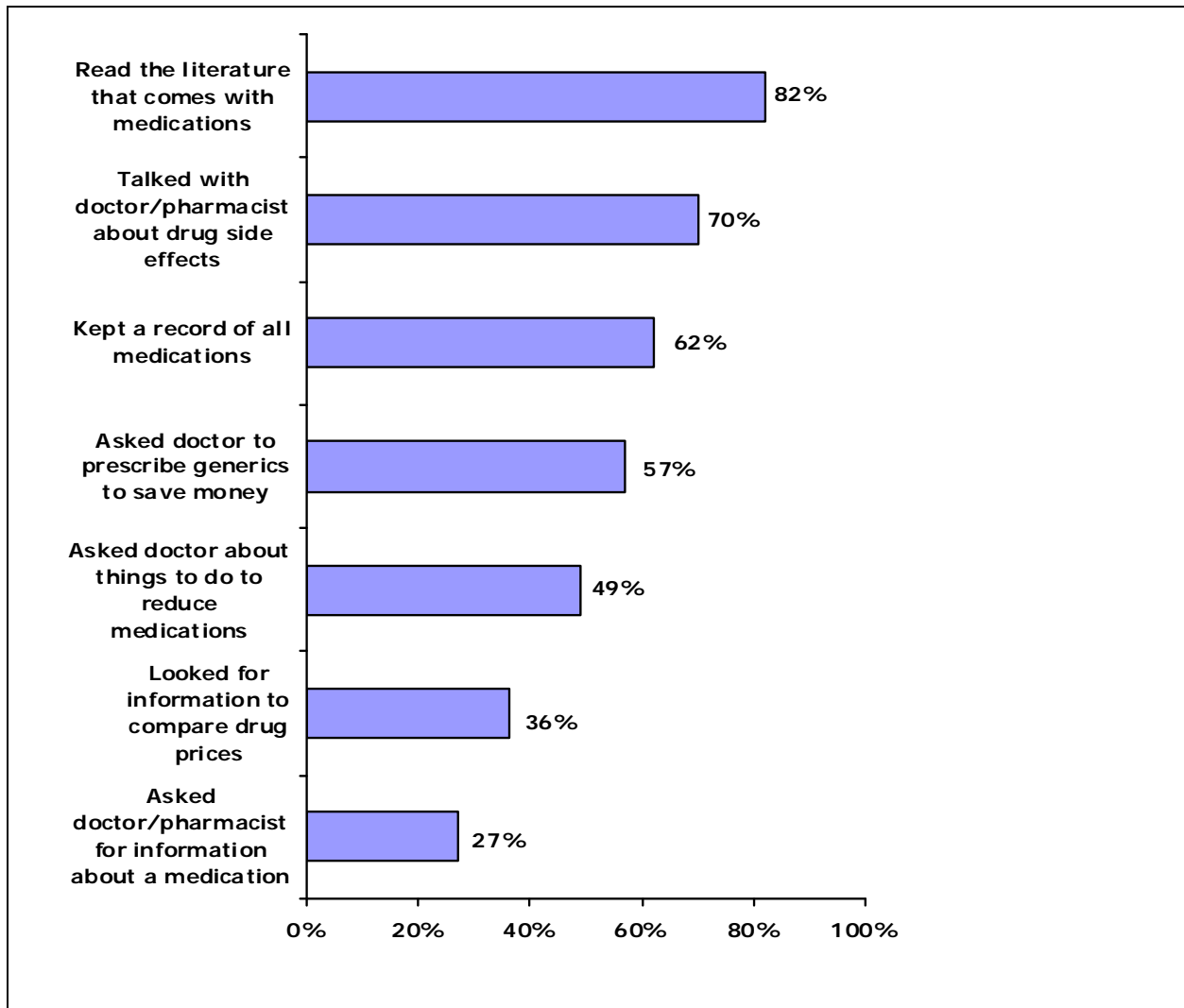
Three-quarters (77%) of respondents reported that they have not been prescribed a brand name drug that they could not afford to pay for, and more than eight in ten (85%) said in the past year they have not had to cut back on taking a medication or filling a prescription because they couldn't afford to pay for it.

- But, among the roughly one-fifth of respondents who reported not being able to pay for a brand name drug that had been prescribed to them, there are notable demographic differences. For example, women are more likely than men (25% vs. 20%) and those ages 45-54 and 55-64 are more likely than those ages 65 and older (26% and 24% vs. 19%) to report not being able to pay. Moreover, less affluent respondents—those with incomes of less than \$75,000 per year—are more likely to also say they are unable to pay for a brand name drug that has been prescribed to them (36% and 20% vs. 12%).
- In terms of cutting back or not filling a prescription, women are more likely than men (18% vs. 11%), those 45-54 are more likely than those 65+ (19% vs. 11%), and less affluent respondents are more likely than more affluent ones (27% and 13% vs. 2%) to say they took these two actions because of the cost of prescription drugs.

Activities Related to Medication Use

Respondents were asked about eight activities they may have undertaken in the past year related to medication use. More than eight in ten (82%) said they have read the literature that comes with their medications, seven in ten (70%) have talked with their doctor or pharmacist about drug side effects, and nearly two-thirds (62%) have kept a record of all the prescription and over-the-counter medications they take (see Figure 1).

Figure 1
Have you done any of the following in the past year?
(n=1,001)



Source: *Prescription for the Future: Medications, Medicare Part D, and Managing Expenses in a Difficult Economy*, December 2008

More than half (57%) of respondents reported that they have asked their doctor to prescribe generic medications to save money, while slightly fewer than half (49%) said they asked their doctor if there are things they can do to reduce the number of medications they take (such as engaging in physical activity or changing their diet). Slightly more than one-third (36%) of respondents said they have looked for information in order to compare drug prices, and slightly more than one-quarter (27%) have asked their doctor or pharmacist for more information about a medication they saw in an advertisement. Of those respondents who have kept a record of their medications, about half (54%) took it with them to a doctor's appointment or to the pharmacist.

Table 1 ² Activities Related to Medication Use By Age and Gender					
	Age			Gender	
	45-54 (n=377) A	55-64 (n=281) B	65+ (n=325) C	Male (n=465) D	Female (n=536) E
Read the literature that comes with your medications	78%	85%^a	83%	74%	88%^d
Looked for information so you could compare drug prices	36%	38%	34%	32%	39%^d
Talked with your doctor or pharmacist about drug side effects	68%	73%^{ac}	67%	62%	76%^d
Asked your doctor or pharmacist for more information about a particular medication you saw in an advertisement on television or in a magazine	26%	30%	26%	24%	29%
Asked your doctor to prescribe generic medications to save money	54%	60%	57%	54%	59%
Asked your doctor if there are things you can do to reduce the number of medications you take (such as engaging in physical activity or changing your diet)	42%	59%^{ac}	47%	47%	50%
Kept a record of all prescription and over-the-counter medications you take	52%	68%^a	70%^a	56%	68%^d
If you keep a record, did you take it with you to a doctor's appointment or to the pharmacist	46%	57%^a	61%^a	45%	61%^d

² How to Read the Tables: **Bold face** percents in columns (which represent demographic subgroups) are significantly higher than percents in adjacent columns. Superscripts (^{a/b/c, d/e, f/g/h, i/j}) indicate those columns in which there is a statistically significant difference. Dashes (---) indicate non-significant differences are not reported.

- Respondents ages 55-64 are more likely than those ages 45-54 to say they have read the literature that comes with their medications, talked with their doctor or pharmacist about drug side effects, and asked their doctor if there are things they can do to reduce the number of medications they take (see Table 1). They are also more likely than those ages 65 and older to talk to their doctor or pharmacist about drug side effects or ask their doctor if there are things they can do to reduce their number of medications.
- Moreover, respondents ages 55-64 and 65 and older are more likely than those ages 45-54 to say they both keep a record of the medications they take and take it with them for visits to the doctor or pharmacist.
- Women are more likely than men to report they have done five of the eight activities: read the literature that comes with their medications, looked for information to compare drug prices, talked with their doctor or pharmacist about drug side effects, kept a record of all medications they take, and took the medication record to their doctor's appointments or to visits to the pharmacist.
- In terms of income differences, less affluent respondents are more likely than more affluent ones to say they asked their doctor to prescribe generic medications to save money (65% and 60% vs. 44%) (not shown). They are also more likely to say they took a medication record with them to a doctor's appointment or to the pharmacist (59% for those with incomes less than \$30,000 vs. 48% for those with incomes of \$75,000 or more).

Nearly eight in ten (79%) respondents reported that they have not had a medication mistake, such as taking the wrong medicine, having a bad drug interaction or side effect, or had to go to the emergency room or hospital due to a medication issue.

- Among those respondents who have had a medication mistake, women are more likely than men to say they have experienced one (26% vs. 16%).

Prescription Drug Coverage

More than four in ten respondents said they have prescription drug coverage through their (33%) or their spouse's (10%) current employer. One in eleven (9%) reported having prescription drug coverage through Medicare Part D. Roughly one in eight (13%) said they had individually-purchased coverage, while eleven percent noted having a retiree prescription drug benefit from their own (9%) or their spouse's (2%) former employer. Ten percent of respondents reported that they had no prescription drug coverage.

Table 2 ³ Source of Prescription Drug Coverage By Age and Gender					
	Age			Gender	
	45-54 (n=377) A	55-64 (n=281) B	65+ (n=325) C	Male (n=465) D	Female (n=536) E
Provided by my current employer	54% ^{bc}	30% ^c	10%	38% ^e	28%
Provided by my spouse's current employer	15% ^c	12% ^c	4%	7%	13% ^d
Retiree benefit from my former employer	2%	12% ^a	16% ^a	10%	8%
Retiree benefit from my spouse's former employer	<1%	2%	4% ^a	<1%	3%
Individually-purchased health insurance	10%	15% ^a	15% ^a	12%	14%
Medicaid	4%	5%	12% ^{ab}	6%	8%
State prescription assistance plan	1%	<1%	2%	<1%	1%
Private Medicare Advantage plan with benefits, e.g., HMO	<1%	2%	6%	2%	3%
Medicare Part D	1%	6% ^a	19% ^{ab}	8%	9%
Veterans' Administration / Military	2%	5%	5%	6% ^e	2%
I do not have prescription drug coverage	11% ^c	13% ^c	7%	12%	9%

- Given the greater likelihood of their being in the workforce, younger respondents are, not surprisingly, more likely to report they have prescription drug coverage through their current employer or their spouse's current employer (see Table 2). Older respondents, in contrast, are more likely to say they have drug coverage through a retiree health benefit, individually-purchased health insurance, Medicaid, or Medicare Part D.
- Notably, younger respondents are more likely than those ages 65 and older to report that they do not have prescription drug coverage.

³ How to Read the Tables: **Bold face** percents in columns (which represent demographic subgroups) are significantly higher than percents in adjacent columns. Superscripts (^{a/b/c, d/e, f/g/h, i/j}) indicate those columns in which there is a statistically significant difference. Dashes (---) indicate non-significant differences are not reported.

Medicare Part D

About four in ten respondents ages 65 and older reported that they were enrolled in a Medicare Part D plan. When they were asked why they enrolled in a Medicare Part D prescription drug plan, nearly one-quarter (23%) said because they turned 65, about one-fifth (21%) said because they have high drug costs, and about one in six said because they thought they would save money (17%) or because they wanted to be able to budget their monthly expenses (16%)⁴.

Slightly more than one in ten respondents ages 65 and older enrolled in Medicare Part D said they enrolled because they wanted peace of mind (13%), because they thought the cost of their prescription drugs would increase (13%), because a drug plan cost less than they expected (12%), and because enrolling seemed less costly than waiting and paying a penalty (11%).

Among respondents ages 65 and older with Medicare Part D, about two-thirds said they are either *extremely satisfied* (23%) or *very satisfied* (44%) with the Medicare prescription plan they are enrolled in now. More than half said they are *extremely* (19%) or *very satisfied* (35%) with the amount of the monthly premium they pay for their prescription drug coverage. Not surprisingly, then, when asked the likelihood of their looking at a different drug plan and its options, roughly half said it is *not very likely* (18%) or *not at all likely* (31%) they would do so.

- There are no gender or income differences in levels of satisfaction with their drug plan among respondents 65 and older who are enrolled in a Medicare Part D plan. In terms of satisfaction with the monthly premiums, there is only one demographic difference: women are more likely than men (60% vs. 44%) to report being *extremely* or *very satisfied* with the premium.
- But, perhaps not surprisingly, respondents with incomes less than \$30,000 per year are more likely than those with incomes of \$75,000 or more look at different prescription drug plans and their various options (36% vs. 18%).

Similarly, when asked a slightly different question, roughly six in ten (59%) said the statement, *as long as my plan doesn't change, I don't intend to switch*, most closely reflected their attitude toward plan switching. Additionally, nearly eight in ten (77%) respondents said they think they *made a good choice* in selecting their Medicare Part D plan.

- There are no gender or income differences in attitudes toward switching prescription drug plans.

However, concern with the cost of prescription drugs is reflected in responses to two questions posed to respondents. Six in ten said they would look for lower co-pays (63%) or lower monthly premiums (61%) if they were looking for a plan

⁴ The number of responses by response category are too small to allow for demographic comparisons.

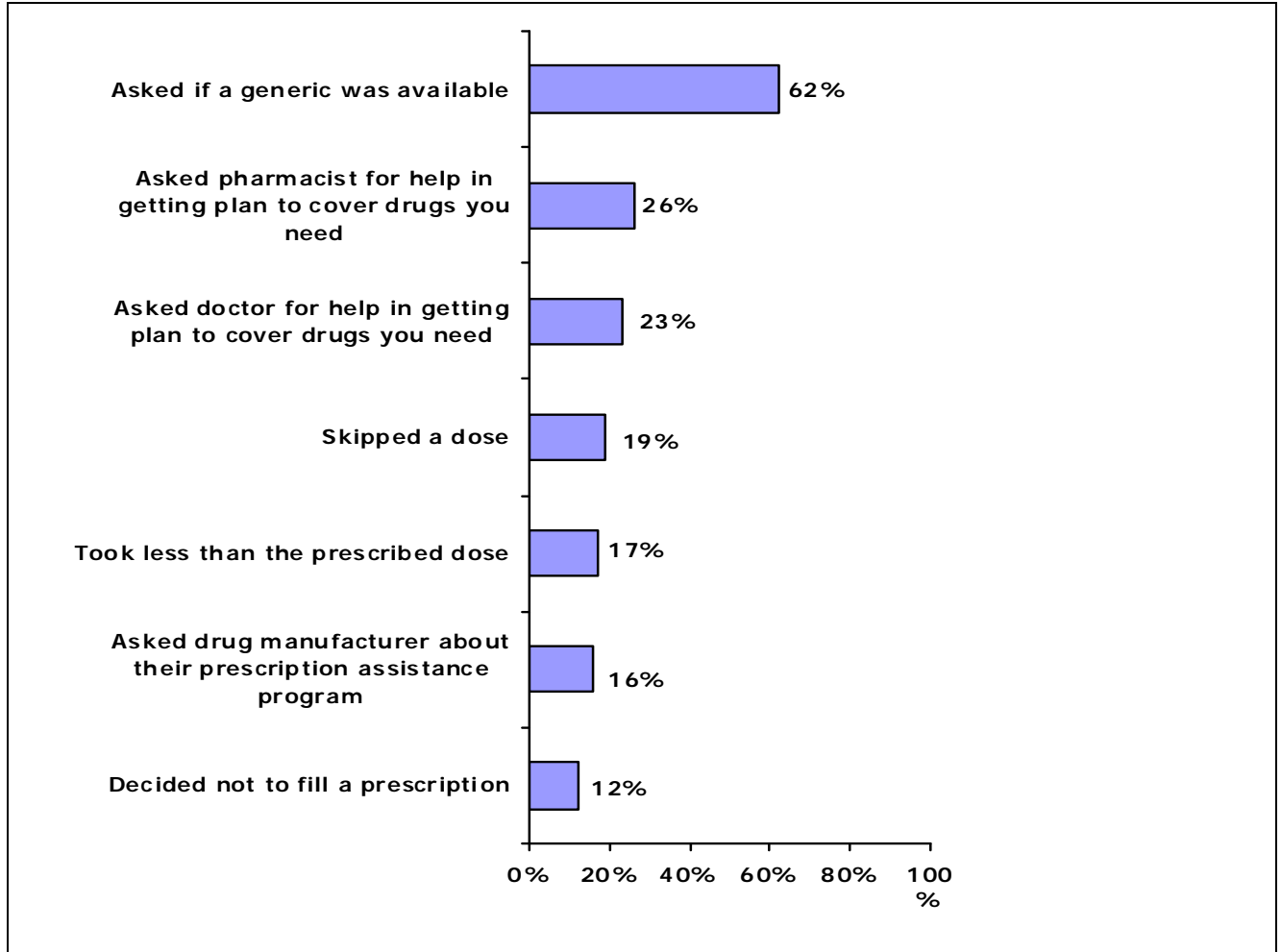
different from their current one. Moreover, half (51%) said they would look for coverage in the gap or “doughnut hole.” About a third of respondents reported they would look for better customer service (36%) or different drugs on the formulary (35%). In a separate question related to the monthly premium, seven in ten (70%) respondents said *the monthly premium is the most they can afford to pay*.

- Less affluent respondents are more likely to say they would look for different drugs on the formulary when looking at different prescription drug options (46% vs. 28% and 23%). They are also more likely to say *the monthly premium is the most they can afford to pay* (85% vs. 50% and 41%).

When asked what steps they might have taken since enrolling in a prescription drug plan, nearly two-thirds (62%) said they asked if a generic drug was available⁵. About one-quarter said they asked their pharmacist (26%) or doctor (23%) for help in getting their plan to cover the drugs they need. Roughly one-fifth of respondents reported that they skipped a dose (19%), took less than the prescribed dose of a medication (17%), or asked a drug manufacturer about their prescription assistance program (16%). Twelve percent said they decided not to fill a prescription.

⁵ The number of responses by response category are too small to allow for demographic comparisons.

Figure 2
Since enrolling in your new prescription drug plan,
have you done any of the following?
(65+ in a Medicare Part D plan; n=144)



Source: *Prescription for the Future: Medications, Medicare Part D, and Managing Expenses in a Difficult Economy*, December 2008

Summary and Conclusions

Results from this survey call to mind the old, familiar adage that opinions about the glass being half-full or half-empty vary, depending on your perspective. Those who believe the glass is half-full will focus on the six in ten respondents who said they are *extremely* or *very confident* that they will be able to afford medical care in the coming year, the similar proportion who are equally confident that they will be able to afford prescription drugs in the same time period, and the three-quarters who said they have never been prescribed a brand name drug that they couldn't afford to pay for.

They will also point to the nearly two-thirds of respondents ages 65 and older who are enrolled in a Medicare Part D plan who reported they are *extremely* or *very satisfied* with the plan, the nearly half who are equally satisfied with the monthly premiums they pay, the half who are *not very* or *not at all likely* to switch plans, and the nearly eight in ten who believe they *made a good choice* in picking a Medicare Part D plan.

In contrast, those who believe the glass is half-empty will point out that having health insurance and prescription drug coverage is often the marker of confidence in being able to afford care, noting the roughly one-fifth of respondents who are *not very* or *not at all confident* that they will be able to afford their prescription drugs or not be able to pay for a brand name prescription if it is prescribed to them.

They will also note that younger and less affluent respondents are more likely to report difficulties in affording care, pointing to those ages 45-64 who are more likely than those 65+ to lack health insurance, to be more likely to lack prescription drug coverage, to be less confident that they will be able to afford medical care in the coming year, and to be more likely to *always* ask for generics in the hopes of reducing their drug costs. They will also point to the less affluent respondents who report that they *always* ask about generics and choose them when they have a generic option, who are not able to pay for a brand drug if it is prescribed, and who are more likely to report cutting back on their prescriptions in an effort to cut costs.

Given the current economic uncertainty, it is heartening to know that, as these results show, progress has been made in ensuring that many adults 45 and older have access to medical care and prescription drugs that they can afford. However, more still needs to be done, especially when it comes to making sure that those who do not have health care coverage receive it and those that currently have it continue to be covered. While many things are uncertain, one thing is clear: no matter your view of the glass, we can always do more to ensure that access to quality health coverage is the strong foundation upon which to build and maintain economic security.

Appendix A

Demographic Characteristics of Respondents

Demographic Characteristics of Respondents

- About four in ten (38%) respondents are ages 45-54, about three in ten (28%) are ages 55-64, and one-third (33%) are ages 65 or older.
- Slightly more than half (54%) are female; slightly less than half (47%) are male.
- More than one-third (36%) are AARP members.
- Six in ten (63%) respondents are married or partnered, one in seven (14%) are widowed, one in ten (10%) are divorced, and one in eleven (9%) are never married. Two percent report being separated.
- One-third of respondents have either a high school education (27%) or less (6%), one-quarter (26%) have some college or technical training, and one-fifth (22%) are college graduates. Fifteen percent have a post-graduate or professional degree.
- Nearly four in ten (38%) respondents are retired and not working, while half of the respondents are either employed full-time (43%) or part-time (7%).
- More than eight in ten (82%) respondents are white, while eight percent are black/African American. In a separate question, five percent identify themselves as Hispanic.
- Sixteen percent of respondents reported annual household incomes of less than \$20,000; another sixteen percent reported incomes between \$20,000 and \$40,000; and one-quarter (25%) said their income was between \$40,000 and \$75,000. Less than one-quarter (23%) reported an annual household income of \$75,000 or more.

Appendix B
Annotated Questionnaire



Prescription for the Future
Medications, Medicare Part D, and Managing
Expenses in a Difficult Economy

N=1001, Sampling Error = ±3.1%.

Hello, this is _____ calling from Woelfel Research, Inc., a national opinion research firm. We are not telemarketers and are not trying to sell you anything. We would like to find out your opinions on some important issues concerning health care. Your views are important and we would greatly appreciate your participation. All your responses will be kept entirely confidential.

QS1. Are you between the ages of 18 and 44, 45 and 64, or are you 65 years of age or older?

Base: Un-weighted Total	N=1001 %
18-44 [ASK TO SPEAK TO SOMEONE IN HOUSEHOLD AGE 45+, IF NOBODY 45+, THANK AND TERM]	
45-64	50
65+	50
[DO NOT READ] UNDER 18 [ASK TO SPEAK TO SOMEONE IN HOUSEHOLD AGE 45+, IF NOBODY 45+, THANK AND TERM]	
[DO NOT READ] REFUSED [ASK TO SPEAK TO SOMEONE IN HOUSEHOLD AGE 45+, IF NOBODY 45+, THANK AND TERM]	

NOTE: ALL RESULTS FOLLOWING ARE BASED ON WEIGHTED DATA

Health Insurance and Medical Care

Q1. What is the source of your health insurance coverage?

Base: Total Respondents	N=1001 %
Provided by my current employer	32
Provided by my spouse's current employer	9
Retiree benefit from my former employer	8
Retiree benefit from my spouse's former employer	2
Individually-purchased health insurance	12
Individually-purchased Medigap policy, usually lettered H, I or J	<0.5
Medicaid	4
Medicare	21
Private Medicare Advantage plan	1
Veterans' Administration / Military	3
I do not have health insurance	8

Q2. How confident are you that you will be able to afford medical care next year?

Base: Total Respondents	N=1001 %
Extremely confident	26
Very confident	33
Somewhat confident	22
Not very confident	9
Not at all confident	10
Don't know	<0.5

Use of Over-the Counter and Prescription Medications

Now, I'd like to shift gears a bit and ask you a few questions about any medications that you take.

Q3. In a typical month, how many different over-the-counter medications do you take on a regular basis (including vitamins and supplements)?

Base: Total Respondents	N=1001 %
None / Zero	28
One or Two	35
Three to Six	28
Seven to Nine	4
Ten or more	5

Q4: In a typical month, how many different prescription drugs do you take on a regular basis?

Base: Total Respondents	N=1001 %
None / Zero	29
One or Two	26
Three to Six	32
Seven to Nine	7
Ten or more	6

Q5. When was the last time you had a health professional (i.e., nurse, doctor, or pharmacist) look at or review all the medicines you take?

Base: Total Respondents	N=1001 %
In the last six months	69
In the last year	11
Between one and three years ago	4
Between three and five years ago	3
Never	13
Don't know	<0.5

Q6. Can you estimate how much money you spent on prescription drugs in a typical month in 2007? Would you say...? How about this year?

Base: Total Respondents	2007 N=1001 %	2008 N=1001 %
\$0	21	23
\$1-\$49	32	34
\$50-\$199	25	23
\$200-\$399	8	6
\$400-\$599	3	3
\$600 or more	5	6
Don't know	4	4
Refused	1	1

Q7. How confident are you that you will be able to afford all of your prescription drugs next year?

Base: Total Respondents	N=1001 %
Extremely confident	30
Very confident	31
Somewhat confident	22
Not very confident	9
Not at all confident	8
Don't know	<0.5

Q8. When your doctor prescribes a new drug for you, how often do you ask if there are any generic drugs that would be equally safe and effective for you to take?

Base: Total Respondents	N=1001 %
Always	58
Usually	9
Sometimes	8
Seldom	3
Never	16
Doctor automatically prescribes a generic	6

Q9. When generic drugs are available, how often do you choose a generic over a brand name drug?

Base: Total Respondents	N=1001 %
Always	62
Usually	15
Sometimes	10
Seldom	3
Never	11
Don't know	<0.5

Q10. Have you been prescribed a brand name drug that you could not afford to pay for?

Base: Total Respondents	N=1001 %
Yes	23
No	77

Q11. In the past year, have you had to cut back on taking a medication or filling a prescription because you could not afford to pay for it?

Base: Total Respondents	N=1001 %
Yes	15
No	85

Q12. How willing are you to use generic medicines in order to reduce your out-of-pocket drug costs?

Base: Total Respondents	N=1001 %
Extremely willing	46
Very willing	33
Somewhat willing	15
Not very willing	3
Not at all willing	4
Don't know	<0.5

Q13. I'm going to read you a list of things that some people do and, for each one, I'd like you to tell me if you have or have not done it in the past year. Have you...?

Base: Total Respondents	N=1001 %
Read the literature that comes with your medications?	82
Looked for information so you could compare drug prices?	36
Talked with your doctor or pharmacist about drug side effects?	70
Asked your doctor or pharmacist for more information about a particular medication you saw in an advertisement on television or in a magazine?	27
Asked your doctor to prescribe generic medications to save money?	57
Asked your doctor if there are things you can do to reduce the number of medications you take (such as engaging in physical activity or changing your diet)?	49
Kept a record of all prescription and over-the-counter medications you take?	62
If you keep a record, did you take it with you to a doctor's appointment or to the pharmacist?	54

Q14. Sometimes people have difficulties with the medications they take. Have you ever experienced a medication mistake (that is, you took the wrong medicine, had a bad drug interaction or side effect, or had to go to the emergency or hospital because of a medication issue)?

Base: Total Respondents	N=1001 %
Yes	21
No	79

Q15. What is the source of your prescription drug coverage in 2008?

Base: Total Respondents	N=1001 %
Provided by my current employer	33
Provided by my spouse's current employer	10
Retiree benefit from my former employer	9
Retiree benefit from my spouse's former employer	2
Individually-purchased health insurance	13
Medicaid	7
State prescription assistance plan	1
Private Medicare Advantage plan with benefits, e.g., HMO	3
Medicare Part D [GO TO Q16]	9
Veterans' Administration / Military	4
I do not have prescription drug coverage	10
Don't know	<0.5
Refused	<0.5

Q15A. Are you enrolled in Medicare Part D?

Base: 65+ / Did not mention Medicare Part D in Q15	N=263 %
Yes	31
No	68
Don't know	1

Medicare Part D

Q16. Why did you decide to enroll in a Medicare Part D drug plan? <Please check all that apply.>

Base: 65+ Medicare Part D Respondents	N=144 %
Because I have high drug costs	21
Because I think the cost of my prescription drugs will increase	13
Because I want to be able to budget my monthly expenses	16
Because a Medicare drug plan cost less than I had expected	12
Because enrolling seemed less costly than waiting to enroll and paying a penalty later on	11
Because I wanted peace of mind about the future	13
Because I think I will save money on my drugs	17
Because I turned (age) 65	23

Q17. In general, how satisfied are you with the Medicare prescription drug plan you are enrolled in now?

Base: 65+ Medicare Part D Respondents	N=144 %
Extremely satisfied	23
Very satisfied	44
Somewhat satisfied	19
Not very satisfied	6
Not at all satisfied	7
Don't know	1

Q18. In the next open enrollment period (which begins November 15, 2008) when you can look at different prescription drug plans and their options, how likely are you to do so?

Base: 65+ Medicare Part D Respondents	N=144 %
Extremely likely	14
Very likely	15
Somewhat likely	15
Not very likely	18
Not at all likely	31
Don't know	7

Q19. Which of the following statements most closely reflects your attitude about switching between prescription drug plans?

Base: 65+ Medicare Part D Respondents	N=144 %
As long as my plan doesn't change, I don't intend to switch	59
I will be sure to check my options just in case I decide to switch	20
I might like to switch, but the process is too confusing to do so	7
I intend to switch plans during the open enrollment period	3
I would switch plans today if I were able to	4
No answer	8

Q20. What items would you look for in a prescription drug plan that are different from those that you have now? <Please check all that apply.>

Base: 65+ Medicare Part D Respondents	N=144 %
Lower monthly premiums	61
Lower co-pays	63
Coverage in the gap or "doughnut hole"	51
Different drugs on the formulary	35
Better customer service	36

Q21. How satisfied are you with the amount of the monthly premium that you pay for your prescription drug coverage?

Base: 65+ Medicare Part D Respondents	N=144 %
Extremely satisfied	19
Very satisfied	35
Somewhat satisfied	31
Not very satisfied	7
Not at all satisfied	7
Don't know	1

Q22. When considering the monthly premium that you pay, which of the following statements best reflects your opinion?

Base: 65+ Medicare Part D Respondents	N=144 %
I could pay a higher monthly premium to get better coverage but decided not to	30
The monthly premium is the most I can afford to pay	70
Don't know	1

Q23. Overall, do you think you made a good choice in selecting your Medicare prescription drug plan, or do you think you would have been better off with a different plan?

Base: 65+ Medicare Part D Respondents	N=144 %
I made a good choice	77
I'd be better off with a different plan	8
I don't know	15
Refused	<0.5

Q24. Since enrolling in your new prescription drug plan, have you done any of the following? <Please check all that apply.>

Base: 65+ Medicare Part D Respondents	N=144 %
Decided not to fill a prescription	12
Skipped a dose	19
Took less than the prescribed dose of a medication	17
Asked if a generic drug was available	62
Asked a drug manufacturer about their prescription assistance program	16
Asked your doctor for help getting your plan to cover the drugs you need	23
Asked your pharmacist for help getting your plan to cover the drugs you need	26

Demographic Characteristics

We're almost finished. I just have a few additional questions that I'd like to ask for classification purposes.

Q25. What is your age as of your last birthday? _____ years

Base: Total Respondents	N=1001 %
45-54	38
55-64	28
65+	33
Refused	2

Q26. Are you male or female?

Base: Total Respondents	N=1001 %
Male	47
Female	54

Q27. Are you an AARP member?

Base: Total Respondents	N=1001 %
Yes	36
No	61
Don't know	2
Refused	1

Q28. What is your current marital status?

Base: Total Respondents	N=1001 %
Married	62
Partnered	1
Widowed	14
Divorced	10
Separated	2
Never married	9
Refused	3

Q29. What is the highest level of education that you completed?

Base: Total Respondents	N=1001 %
Less than high school	6
High school graduate or equivalent	27
Some college or technical training beyond high school	26
College graduate (4 years)	22
Post-graduate or professional degree	15
Don't know	1
Refused	2

Q30. Which of the following best describes your current employment status?

Base: Total Respondents	N=1001 %
Employed or self-employed <u>full-time</u>	43
Employed or self-employed <u>part-time</u>	7
Retired and not working	38
Unemployed and looking for work	4
Other such as homemaker	5
Don't know	1
Refused	2

Q31. Are you Hispanic, of Spanish descent, or Latino?

Base: Total Respondents	N=1001 %
Yes	5
No	95

Q32. What best describes your race?

Base: Total Respondents	N=1001 %
White/Caucasian	82
Black /African American	8
Asian American	1
Native American	2
Other: _____	5
Don't know	<0.5
Refused	2

Q33. Households are sometimes grouped according to income. Please indicate which group best estimates your annual household income before taxes. *(Check only one.)*

Base: Total Respondents	N=1001 %
Less than \$10,000	7
\$10,000 to \$19,999	9
\$20,000 to \$29,999	12
\$30,000 to \$39,999	8
\$40,000 to \$49,999	10
\$50,000 to \$74,999	15
\$75,000 or more	23
Don't know	3
Refused	15

Thank you very much for your time. Your responses are important to us!

Appendix C
Methodological Note

Telephone interviews were conducted with a sample of 1,001 respondents aged 45 and older drawn at random from the United States. Quotas were established so that half the respondents (501) were 45-64 years old and the other half (500) were 65 and older. The interviews were conducted in English by Woelfel Research, Inc. from November 8 to November 20, 2008. The results from the study were weighted by age and gender. The margin of sampling error for the random sample of 1,001 is $\pm 3.1\%$.

Design and Data Collection Procedures

The random digit dial sample of 45+ US residents was drawn at random from the United States adult population in telephone households. The telephone sample was provided by STS, Inc. according to Woelfel Research, Inc. specifications. The sample was drawn using standard list-assisted random digit dialing or weighted (Type B) (RDD) methodology. Active blocks of telephone numbers (area code + exchange + two-digit block number) were selected with probabilities in proportion to their share of listed telephone households; after selection, two more digits were added randomly to complete the number. This method guarantees coverage of every assigned phone number regardless of whether that number is directory listed, purposely unlisted, or too new to be listed. Sampled phone numbers were compared against business directories and matching numbers purged.

Questionnaire Development and Testing

The questionnaire was developed by AARP staff. In order to improve the quality of the data, the questionnaire was pre-tested with a small number of respondents. The pre-test interviews were monitored by Woelfel Research and AARP staff and conducted using experienced interviewers who could best judge the quality of the answers given and the degree to which respondents understood the questions.

Contact Procedures

As many as ten attempts were made to contact every sampled telephone number. The sample was released for interviewing in replicates, which are representative sub-samples of the larger sample. Using replicates to control the release of sample ensures that complete call procedures are followed for the entire sample. It also ensures that the geographic distribution of numbers called is appropriate. Calls were staggered over times of day and days of the week to maximize the chance of making contact with potential respondents.

Weighting

The sample was weighted by age and gender. The tables below contain information about the weighting. The column labeled "Population" shows the actual age/sex distribution for the particular segment. The column labeled "Sample" shows the age/sex distribution of the sample. The column labeled "Weighted Sample" shows the age/sex distribution in the sample after the weights were applied. Those

respondents who did not provide their age were given a weight of one. The Weighted Sample Distribution does not match the Population Distribution exactly because of the missing data for age.

	Population*	Sample	Weighted Sample
Male			
45-54	18.895%	8.492%	18.581%
55-64	13.779%	9.690%	13.487%
65+	13.920%	16.783%	13.686%
Not Provided		0.699%	0.699%
Female			
45-54	19.469%	14.186%	19.081%
55-64	14.806%	15.884%	14.585%
65+	19.130%	33.167%	18.781%
Not Provided		1.099%	1.099%

*Source: U.S. Census Bureau, 2007 American Community Survey

Response Rate

The response rate for this study was 30% (RR3) and was measured using AAPOR's Outcome Rate Calculator Version 2.1, May 2003.