A decorative graphic is present on the page. It features a large, thin, gold-colored arc that starts near the top right and curves down towards the bottom right. A horizontal line and a vertical line intersect at the end of this arc, with a small gold square at the intersection point. Another horizontal line and a vertical line intersect at the end of the arc on the left side, with a small gold square at the intersection point. A green rectangular area is located in the top left corner of the page.

# **Filling the Rx: An Analysis of the Perceptions and Attitudes of Medicare Rx Discount Card Holders**

December 2004



Filling the Rx: An Analysis of the  
Perceptions and Attitudes of Medicare Rx  
Discount Card Holders

**Data Collected by NFO  
Report Prepared by  
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## **Background**

Part of AARP's role of watchdog is monitoring the successes and challenges of the new Medicare Rx discount card. In April of 2004, AARP initiated a series of three surveys among people aged 65 and over eligible for the Medicare Rx discount card. Results from the first survey were reported in the AARP Watchdog report last Summer. This report examines data from the second survey, and notes differences between individuals who signed up for the Medicare Rx discount card and those who did not.

A third and final survey of Medicare Rx discount cardholders is planned for February 2005. This final survey will provide an overall assessment of cardholders' experiences and investigate the Medicare-eligible population's interest in the new Part D prescription drug plan under Medicare.

Among the sample of older persons surveyed, 14% have either secured a Medicare Rx discount card, or applied but not yet received their card. Among this group of cardholders, economic need is clearly the driving force behind their decision to enroll in the program. Clearly, low-income individuals (or those that fit a low income profile – widowed women) are the most likely to have enrolled, recall receiving information about the program, and exhibit information-seeking behaviors related to making a choice among cards.

Despite, media reports of confusing or incorrect information, difficulties in applying, and dissatisfaction with the discounts available, those who enrolled in a card program seem to have saved money, did not regard the application process as confusing, and do not want to switch cards when given the opportunity.

## **Survey Sample**

This report presents an analysis of the behavior and attitudes of 4,001 people aged 65 and over, 510 of which have signed up for and received the Rx discount card, and 64 who have signed up for an Rx discount card but have not received it. The survey was conducted by mail in October 2004, among a panel of Medicare eligible persons aged 65 and over.

The sample for this survey reflects the general 65+ population. Specifically, it is largely female (70%), moderate income (half have annual household incomes of less than \$17,000), equally likely to be widowed (41%) or married (41%) and Caucasian (91%). Sixty percent of the sample are AARP members. While our respondents' annual household income is modest, 77% do own their own homes.

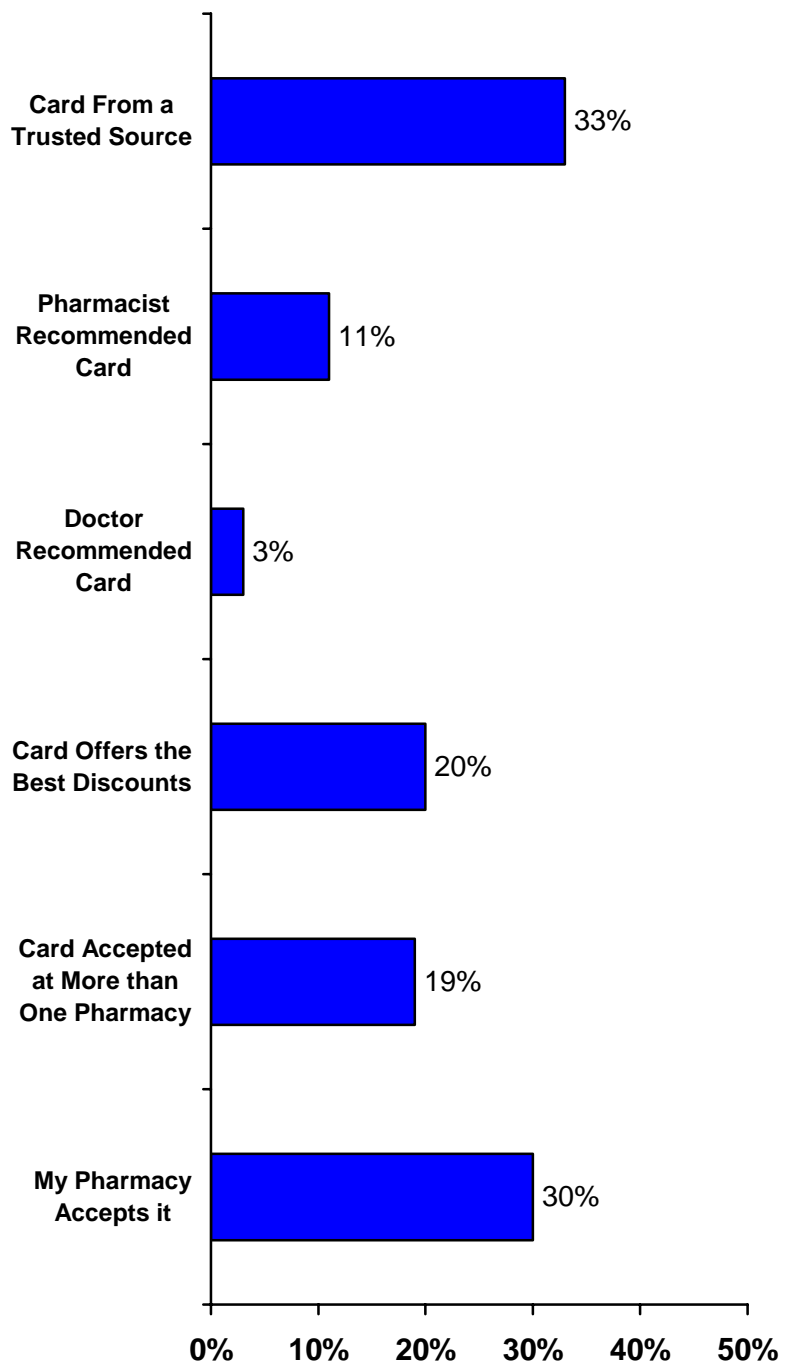
## Experiences in Getting an Rx Discount Card

Results of questions that assess respondents' experiences in getting a card suggest that those who signed up did not primarily use CMS resources to compare and shop for the best card. Rather, they seem to have responded to a solicitation from a pharmacy or insurance company, filled out the requested paperwork, and received their cards. This means that these individuals were less likely to have experienced the widely reported problems with the CMS web site and 800 number, and had a generally positive experience in securing a card.

Specifically, the majority (64%) of the 574 people who have signed up for the Medicare Rx discount card signed up themselves and were not automatically enrolled. Seventy-seven percent of those who signed up themselves did so by filling out a paper application and mailing it. Only 3% used the Internet or visited a Social Security office to apply for a card.

Sixty-three percent considered it very or somewhat easy to choose among the Medicare approved discount cards offered. Almost 7 in 10 paid

**Figure 1: Reasons For Selecting a Medicare Rx Discount Card (n=574)**



nothing to get a card, and almost no one (1%) paid over \$30 for their card.

Sixty-two percent consider the Medicare Rx discount cards to be worthwhile because they either give people on Medicare immediate help or provide another way to cut prescription drug costs.

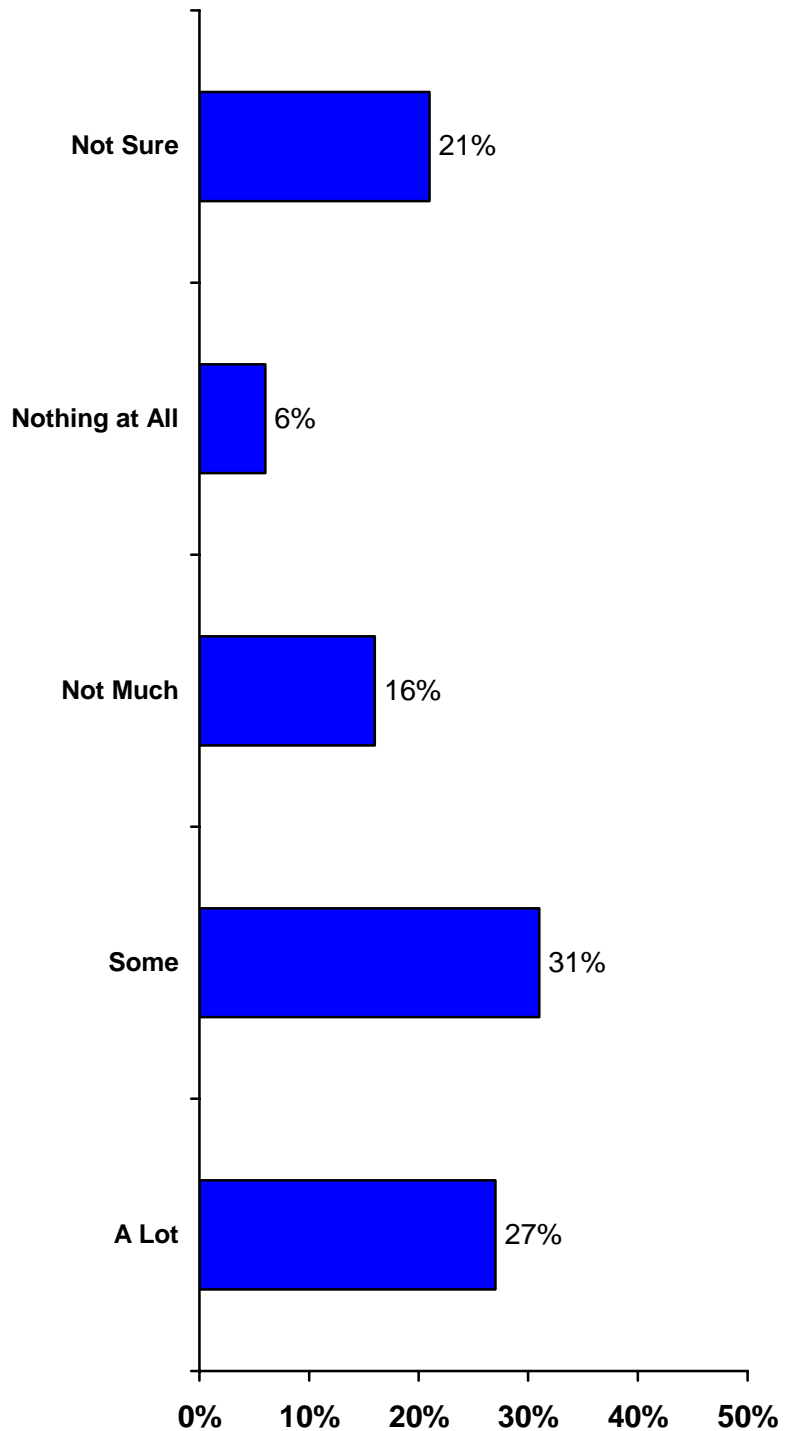
Convenience, level of discounts, and trust in the source of the cards were clearly reasons for choosing one card over others. While recommendations from specific doctors or pharmacists did not seem to be that compelling, whether or not respondents' pharmacies accept the card was important to decisions about the cards.

### Experiences in Using the Rx Discount Card

Almost 6 in 10 Rx discount card holders expect to save a lot (27%) or some (31%) money on their prescription drug costs. Only 22% of cardholders do not expect to save much money with their cards, and 21% are not sure how much they will save, suggesting that for these people, it may be too early to tell how their Rx discount card will work out.

Among those who already have saved money with their

**Figure 2: Expected Savings with the Medicare Rx Discount Card (n= 574)**



Rx discount cards, the average amount saved thus far is \$154.

Although older persons eligible for the Medicare Rx discount card soon will be offered the opportunity to switch cards, only 7% say they are likely to do so. Forty-two percent say they will not switch cards while 51% do not know what they will do when the opportunity to switch arises.

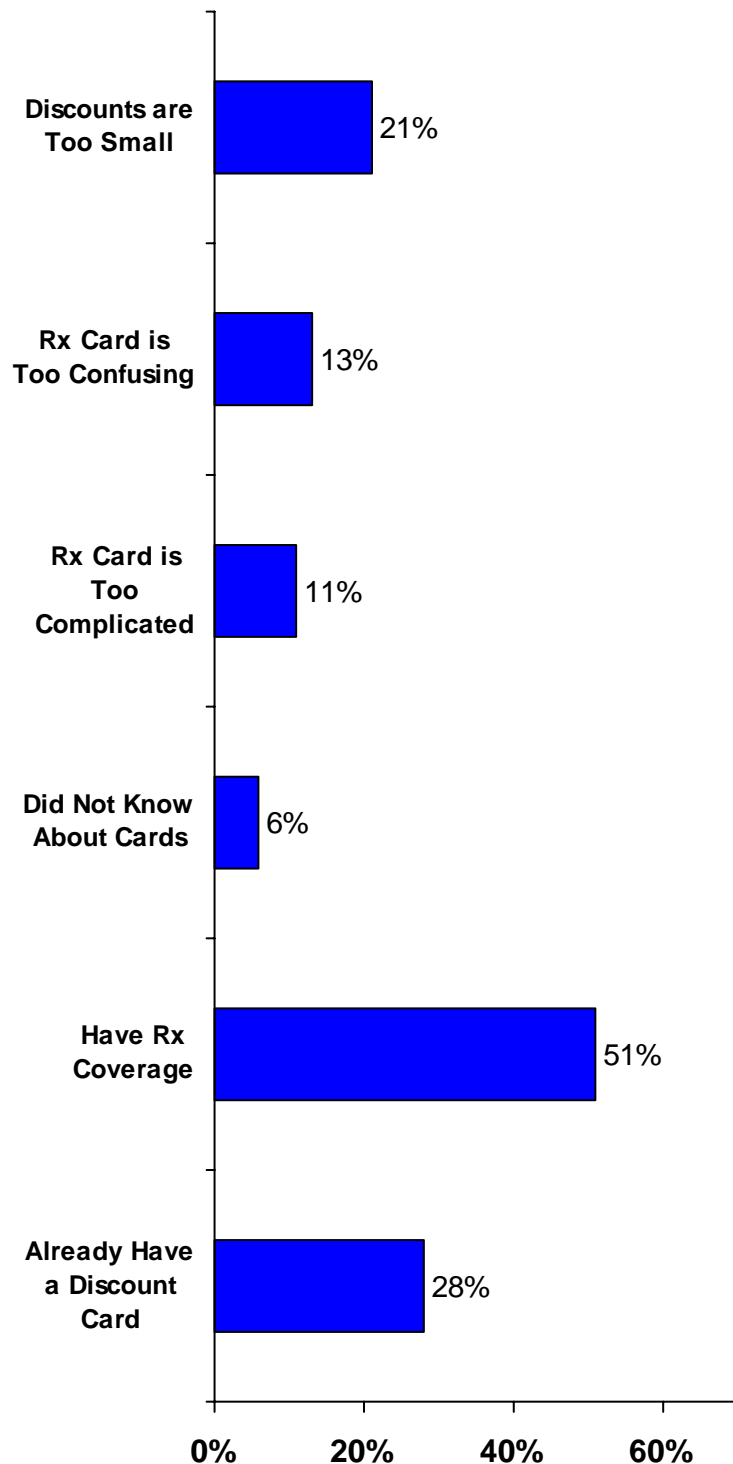
### Non-Cardholders

Those respondents who decided to not sign up for a Medicare Rx discount card, declined the card because they already have prescription drug coverage (51%), or already have a non-Medicare Rx discount card (28%) (Figure 3).

Other reasons for not enrolling in the Medicare Rx discount card program concerned difficulties with the enrollment process (24%), doubts about the discounts available (21%), or lack of awareness of the cards (6%).

As illustrated by Figure 4, non-cardholders are more likely to be married and have higher household incomes. Conversely, cardholder demographics fit the low-income profile of the older population – widowed

**Figure 3: Reasons for Not Enrolling** (n=3,427)

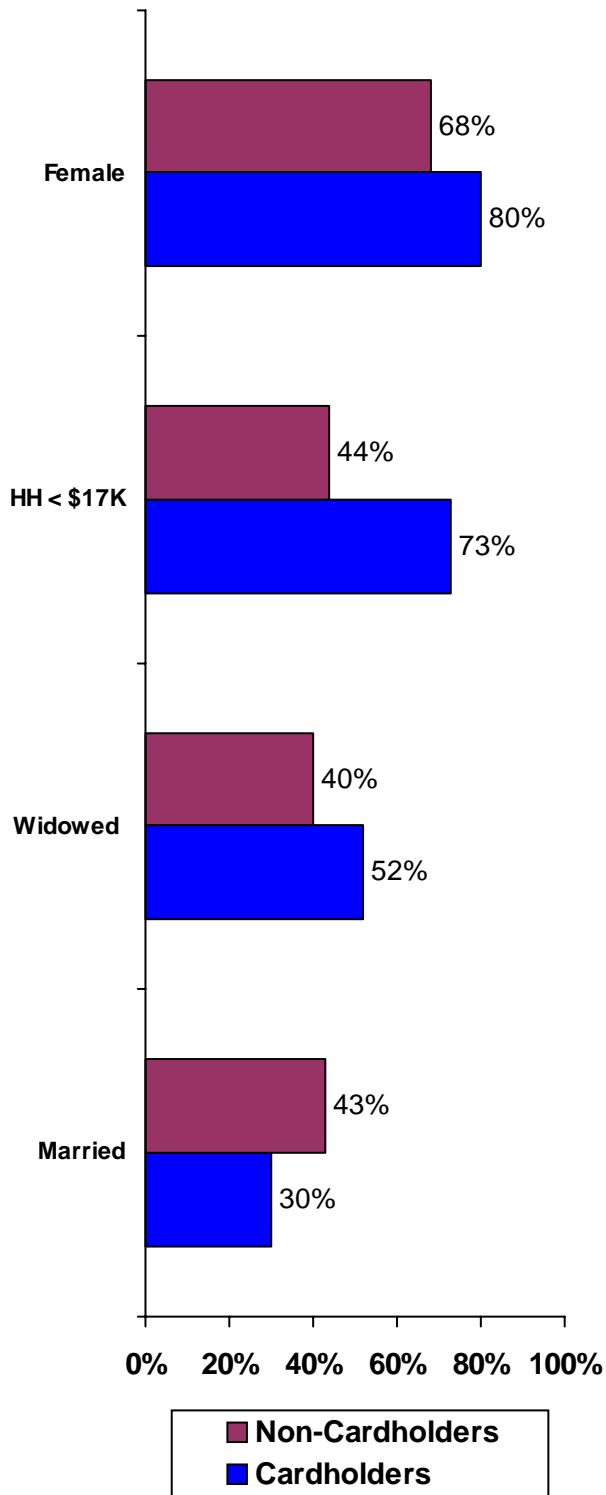


females. There are no age or race/ethnicity differences between cardholders and non-cardholders.

Only 7% of those who did not sign up for a Medicare Rx discount card intend to do so this year or next year. Over half (54%) will not sign up, but 39% are unsure.

Among those who will not sign up for a card, half (50%) cited a lack of need due to existing coverage, 13% cited doubts about discounts with the card or cost of getting a card, and 5% cited difficulties of selecting a card. Thirty-two percent could not say why they would not sign up for a card.

**Figure 4: Cardholder and Non-cardholder Selected Demographics (n = 4,001)**





## Differences Between Cardholders and Non-Cardholders

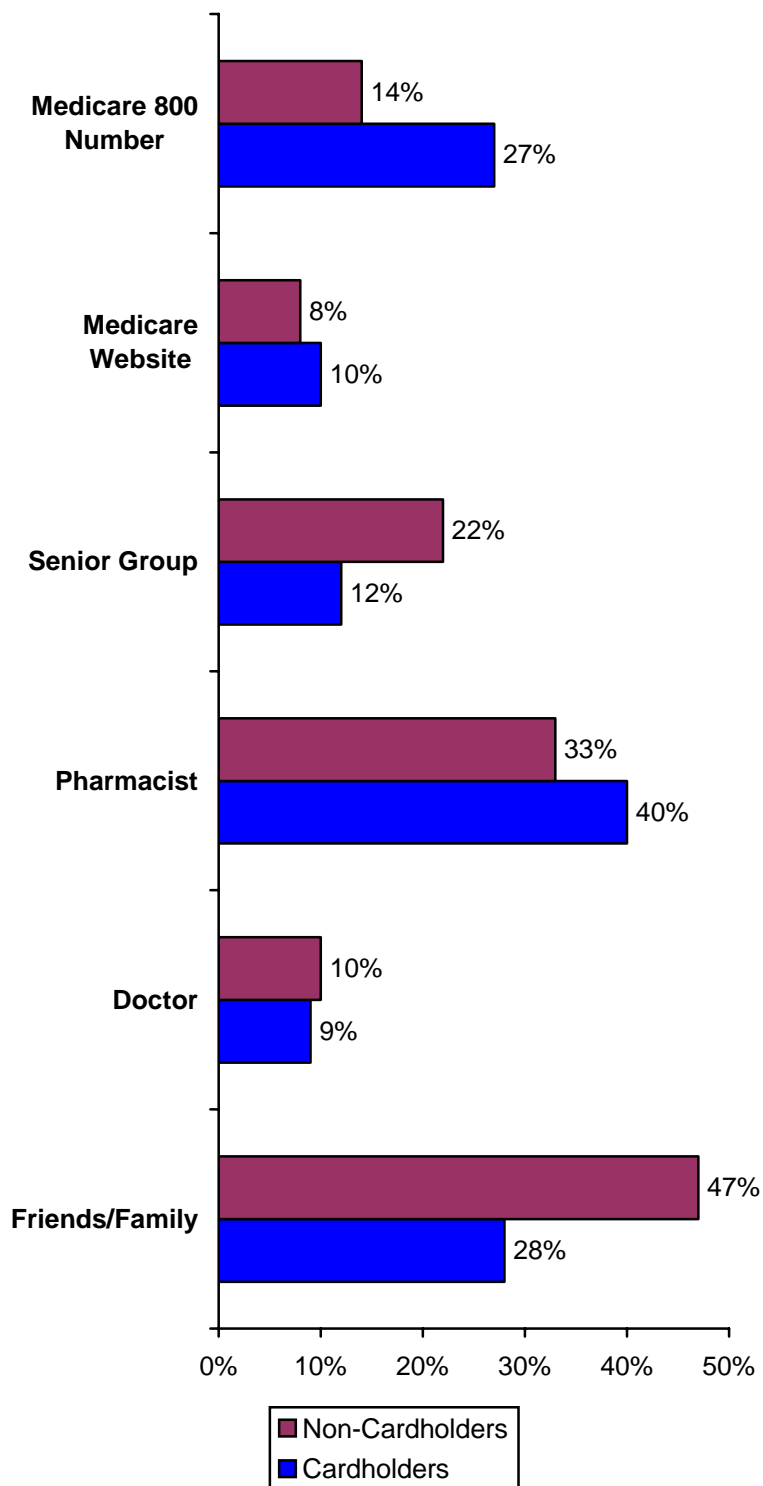
Thirty percent of those who did not enroll in the discount card program actively investigated the cards and still declined to enroll. Sixty percent were aware of the program but did not actively investigate the discount cards.

The fact that most non-cardholders did not actively investigate the discount program points to a major difference between cardholders and those who declined to participate. Those who enrolled in the discount card program were much more aware of the specifics of the program than those who did not enroll. Cardholders were much more likely than non-cardholders to have received information about the cards, to have spoken with health care professionals, health insurance or pharmaceutical companies, or Medicare, than those who did not enroll in the program.

Forty-six percent of cardholders spoke with another person in making their decision about the card compared to 21% of non-cardholders.

Cardholders were more likely than non-cardholders

**Figure 5: Selected Rx Card Information Sources**  
(n=4,001)



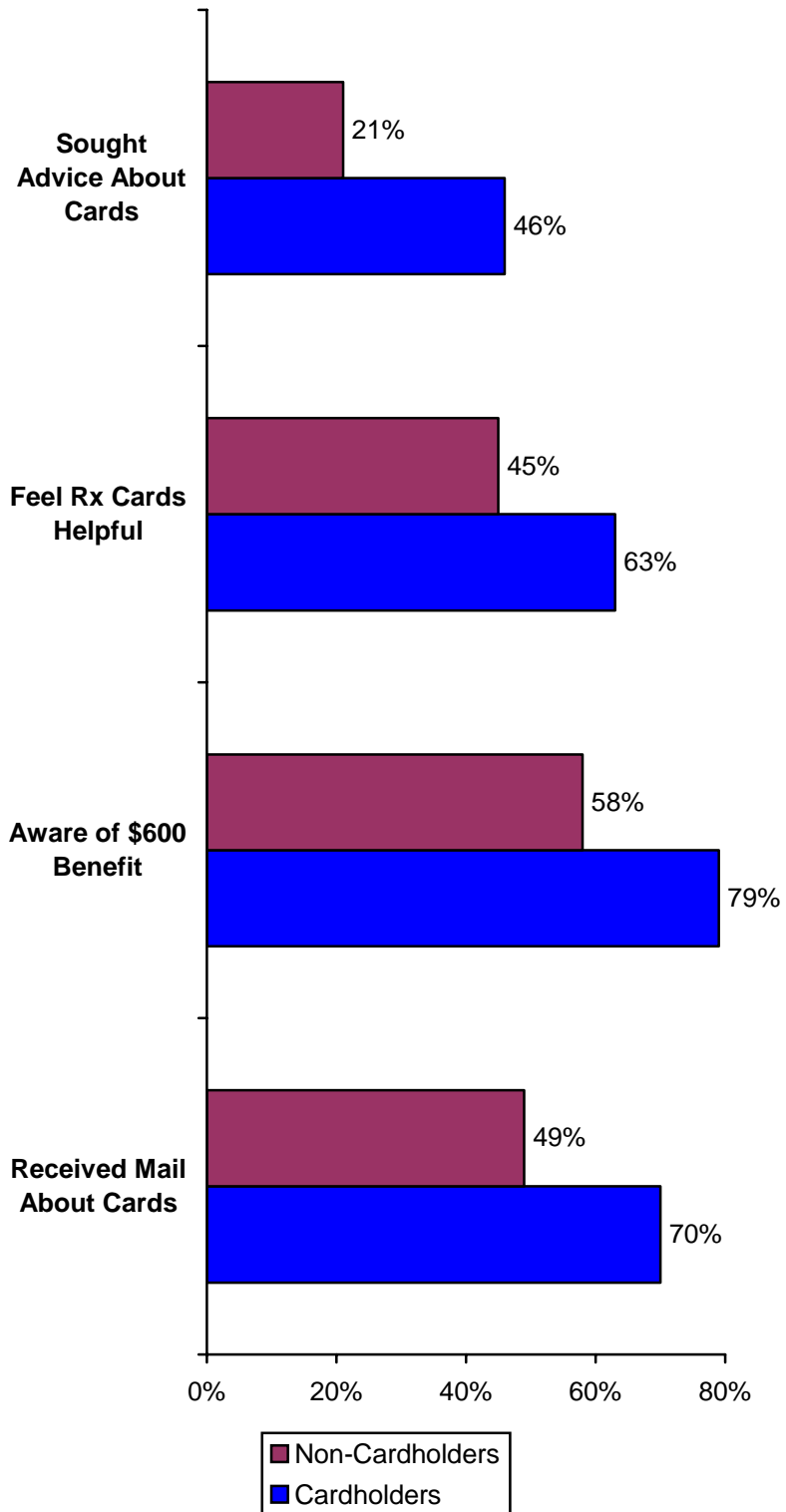
to have spoken with health care professionals, or used resources from Medicare in making their decision, while non-cardholders were more likely to have consulted friends or a senior or community organization.

Specifically, 70% of cardholders received information in the mail about the discount cards compared to 49% of non-cardholders.

Seventy-nine percent of cardholders were aware of the \$600 transitional benefit for low income individuals, while 58% of non-cardholders knew about this benefit.

Sixty-three percent of cardholders feel the discount cards will be very or somewhat helpful to people on Medicare, while 45% of non-cardholders feel this way.

**Figure 6: Rx Card Information Behaviors (n=4,001)**



## Conclusions

Given the complexity and confusion reported in the press about the Medicare Rx discount card program, the positive impression of cardholders in our survey is surprising. It does seem, though, that the majority of cardholders in this survey probably secured their cards by submitting paperwork provided by a pharmacy or card sponsor, instead of using the CMS website and 800 number. Responding to a solicitation by a pharmacy or pharmaceutical company could mean that many cardholders could not compare cards and, perhaps, get the card best suited for their needs. However, these individuals did get a card, seem to have saved money with it, did not regard the process as confusing, and do not want to switch cards when given the opportunity.

The difference in information used by cardholders and non-cardholders in making the decision to enroll is striking. Non-cardholders were less likely to have received information about cards, and were less likely to seek help in making their decision. When they sought help, they looked to sources very different (and perhaps less authoritative) than those used by cardholders.

Perhaps the bottom line to the data from this second wave of our survey is that the Medicare Rx discount cards have value for many. The challenge for anyone interested in boosting enrollments is to provide simple clear information and options, and make accessing those options as direct as possible. Too many choices may prevent a decision. For this program, a decision to enroll in any card is better than not receiving discounts at all.

## **Methodology**

This survey was conducted in October, 2004 by mail among a National Family Opinion (NFO) panel of persons aged 65 and older. 4,001 questionnaires were returned, for a return rate of 87%. This panel was constructed to be representative of the 65+ population. The annotated questionnaire appears in Appendix A.

For more information about this study, contact Jeffrey Love, Ph.D., Director, AARP Strategic Issues Research, (202) 434-6279.

## Appendix A: Annotated Questionnaire

1. Medicare-approved drug discount cards began offering discounts to people on Medicare on June 1st of this year.  
Do you currently have a Medicare-approved drug discount card? **(X ONE Box)**
  - 13** Yes → **(Continue)**
  - 86** No → **(Skip To Qu. 21)**
  - 2** Signed up for card, but haven't received it yet → **(Skip To Qu. 3)**
  - Don't know → **(Stop And Return Questionnaire)**
  
2. How many weeks have you had the Medicare-approved drug discount card? **(Write In)**  
# of Weeks: \_\_\_\_\_                      **Median = 8**                      **Mean = 11.4**
  
3. Below are several statements about the new Medicare-approved drug discount cards. Please indicate which one comes closer to your view. **(X ALL That Apply)**
  - 39** The new cards are WORTHWHILE because they give people on Medicare immediate help before the full prescription drug benefit is available in 2006
  - 45** The new cards are WORTHWHILE because they provide another way to cut prescription drug costs
  - 17** The new cards AREN'T WORTH THE TROUBLE because they don't do enough to help people with their drug costs
  - 5** The new cards AREN'T WORTH THE TROUBLE because they are too confusing to use
  - 20** Don't know
  
- 4a. Did you sign up for your Medicare-approved drug discount card yourself, or were you automatically enrolled through another plan? **(X ONE Box)**
  - 65** Signed up yourself → **(Continue)**
  - 30** Automatically enrolled → **(Skip to Qu. 5)**
  - 5** Don't know → **(Skip to Qu. 5)**
  
- 4b. How did you sign up for the Medicare-approved drug discount card? **(X ONE Box)**
  - 1** On the Internet
  - 2** At a Social Security office
  - 77** Filled out the paperwork and mailed the application
  - 19** Other
  
5. Do you know anyone else who currently has a Medicare-approved drug discount card? **(X ONE Box)**
  - 32** Yes
  - 45** No
  - 20** Don't know

6. As far as you know, does your card say "Medicare-approved" on it? **(X ONE Box)**  
**58** Yes, says Medicare approved  
**11** No, does not say Medicare approved  
**25** Don't know
7. Which of the following best describes about how much you paid for your Medicare approved drug discount card?  
**(X ONE Box)**  
**69** Free  
**3** \$10  
**8** \$20  
**5** \$30  
**1** More than \$30  
**14** Don't know
8. Can your Medicare-approved drug discount card be used at any pharmacy, or only at certain pharmacies?  
**(X ONE Box)**  
**40** Any pharmacy  
**33** Only certain pharmacies  
**28** Don't know
9. Was it easy or difficult for you to choose among the different Medicare-approved drug discount cards offered?  
**(X ONE Box)**  
**41** Very easy  
**22** Somewhat easy  
**13** Somewhat difficult  
**9** Very difficult  
**15** Don't know
10. Why did you select your particular card? **(X ALL That Apply)**  
**30** It's the card my pharmacy accepts  
**19** It is accepted at more than one pharmacy  
**20** It offered the best discounts for the drugs I take  
**3** It was the card my doctor recommended  
**11** It was the card my pharmacist recommended  
**33** It's from a trusted source
11. Before you chose your card, did you receive any information in the mail about the new Medicare-Approved Drug Discount Card program? **(X ONE Box)**  
**70** Yes → **(Continue)**  
**20** No → **(Skip to Qu. 13)**  
**10** Don't know → **(Skip to Qu. 13)**

12. Did this information you received in the mail come from the government, from one of the private companies selling the discount cards, or from some other source? **(X ALL That Apply)**

**59** Government  
**41** Private company  
- Some other source **(Specify):**

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13. Did you talk to anyone or look for information to help you decide whether to sign up for a Medicare-approved drug discount card? **(X ONE Box)**

**46** Yes → **(Continue)**  
**48** No → **(Skip to Qu. 15)**  
**6** Don't know → **(Skip to Qu. 15)**

14. Please indicate if you turned to any of the following sources for help in deciding whether to sign up for a Medicare-approved drug discount card. **(X ALL That Apply)**

**28** Friends or family members  
**9** Your doctor  
**40** Your pharmacist  
**12** A seniors' group or community organization  
- An employer or union  
**18** A health insurance company  
**11** A pharmaceutical company  
**10** The Medicare website  
**27** The Medicare 800 phone number

15. How much money do you expect to save using your Medicare-approved drug discount card? **(X ONE Box)**

**27** A lot  
**31** Some  
**16** Not much  
**6** Nothing at all  
**21** Don't know

16. Since you've had the card, if you were to put a dollar amount on what you have saved with your Medicare-approved drug discount card so far, what would be that amount? **(Write In)**

\$ \_\_\_\_\_ (Round to the nearest dollar)

**Mean = \$154**

17. Do you know that some low-income people are eligible for \$600 in additional financial help from the government to pay for prescription drug costs? **(X ONE Box)**  
**79** Yes  
**14** No  
**7** Don't know
18. When you signed up for your Medicare-approved drug discount card, did you also apply for the \$600 in low-income assistance? **(X ONE Box)**  
**45** Yes  
**43** No  
**12** Don't know
19. How helpful do you think the Medicare-approved drug discount cards will be for people on Medicare in general?  
**(X ONE Box)**  
**34** Very helpful  
**29** Somewhat helpful  
**18** Not too helpful  
**6** Not at all helpful  
**13** Don't know
- 20a. Do you plan to switch cards when it's time to re-enroll? **(X ONE Box)**  
**7** Yes → **(Continue)**  
**42** No → **(Skip to Qu. 30)**  
**51** Don't know → **(Skip to Qu. 30)**
- 20b. If yes, why? **(Specify):**

**If you have signed up for or currently have the Medicare-approved drug discount card, please do not answer Qu. 21- Qu. 29 and skip to Qu. 30.**

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21. What are the reasons why you did not sign up for the Medicare-approved drug discount card?  
**(X ALL That Apply)**  
**28** I already have a card that gives me good discounts  
**51** I have prescription drug coverage  
**6** I didn't know about the Medicare-approved drug discount card  
**11** The card is too complicated  
**13** The card is too confusing  
**21** The discounts are too small



22a. Do you plan to sign up for a Medicare-approved drug discount card this year or next year? **(X ONE Box)**

4 Yes, this year

3 Yes, next year

54 Do not plan to sign up for the card

39 Don't know

22b. If you do not plan to sign up for the card, why is that? **(Please Be As Specific As Possible)**

---

23. Did you investigate getting a Medicare-approved drug discount card this year and decide not to apply?

**(X ONE Box)**

30 Yes

60 No

10 Don't know

24. Have you received any information in the mail about the new Medicare-approved Drug Discount Card program?

**(X ONE Box)**

49 Yes → **(Continue)**

35 No → **(Skip to Qu. 26)**

17 Don't know → **(Skip to Qu. 26)**

25. Did this information you received in the mail come from the government, from one of the private companies selling the discount cards, or from some other source? **(X ALL That Apply)**

64 Government

47 Private company

- Some other source **(Specify):**

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26. Have you talked to anyone or looked for any information to help you decide whether to sign up for a Medicare-approved drug discount card? **(X ONE Box)**

21 Yes → **(Continue)**

73 No → **(Skip to Qu. 28)**

6 Don't know → **(Skip to Qu. 28)**

27. Please indicate if you have turned to any of the following sources for help in deciding whether to sign up for a Medicare-approved drug discount card. **(X ALL That Apply)**
- 47** Friends or family members
  - 10** Your doctor
  - 33** Your pharmacist
  - 22** A seniors' group or community organization
  - 2** An employer or union
  - 12** A health insurance company
  - 5** A pharmaceutical company
  - 8** The Medicare website
  - 14** The Medicare 800 phone number
28. Do you know that some low-income people are eligible for \$600 in additional financial help from the government to pay for prescription drug costs? **(X ONE Box)**
- 58** Yes
  - 29** No
  - 14** Don't know
29. How helpful do you think the Medicare-approved drug discount cards will be for people on Medicare in general? **(X ONE Box)**
- 11** Very helpful
  - 26** Somewhat helpful
  - 28** Not too helpful
  - 10** Not at all helpful
  - 25** Don't know
30. Are you and/or your spouse a member of AARP? **(X ONE Box)**
- 60** Yes
  - 38** No
  - 3** Don't know/Not applicable

**The following questions are used for demographic classification purposes only.**

31. What is your current marital status? **(X ONE Box)**
- 5** Never married → **(Continue)**
  - 41** Married → **(Skip to Qu. 33)**
  - 1** Separated → **(Continue)**
  - 12** Divorced → **(Continue)**
  - 41** Widowed → **(Continue)**

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32. Please indicate your personal individual income level. **(X ONE Box)**
- 32** Under \$10,000
  - 29** \$10,000 - \$12,999
  - 22** \$13,000 - \$17,999
  - 10** \$18,000 - \$24,999
  - 6** \$25,000 - \$49,999
  - 2** \$50,000 +

33. Please indicate the combined annual household income level for those married household members age 65 years or older. **(X ONE Box)**

**16** Under \$10,000

**23** \$10,000 - \$14,999

**9** \$15,000 - \$16,999

**19** \$17,000 - \$24,999

**20** \$25,000 - \$49,999

**8** \$50,000 - \$74,999

**6** \$75,000+

- Not applicable / Not married

34. How many people over the age of 65 years live in your household?

**(Write In)**

# of people: \_\_\_\_\_ **Median = 1 Mean = 1.4**

35. Please indicate your age and sex. Age: \_\_\_\_\_ Sex: **30** Male **70** Female

**Median = 75**

**Mean = 75.6**

**Thank you for your help with this study. Please return your completed questionnaire in the enclosed postage-paid envelope as soon as possible.**