A decorative graphic is present on the page. It features a large, thin, light-brown arc that starts near the top right and curves towards the bottom right. A vertical grey line is positioned to the right of the arc's end, and a horizontal grey line is positioned below the arc's end. A small yellow square is located at the intersection of these two lines. Another small yellow square is located at the bottom right corner of a green rectangular area in the top left corner of the page.

# **Experiences with Medicare Part D Among Enrollees and Non-Enrollees**

November 2006



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**Data Collected by TNS-NFO  
Report Prepared by Teresa A. Keenan, Ph.D.**

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## Introduction

In February 2006, AARP Knowledge Management contracted with TNS-NFO of Atlanta, Georgia to field a mail survey among adults to learn more about their experience with the Medicare Prescription Drug Plan. The survey was fielded during the month of March and yielded a panel of 38,116 respondents.

In this initial survey, respondents were asked about any prescription drug coverage they may have had in 2005, how much they estimated that they spent out-of-pocket for prescription drugs, and how many prescription drugs they took on a regular basis. They were then asked how knowledgeable they were about the prescription drug plan and whether or not they had enrolled.

In September 2006, a second survey was fielded with 5,000 questionnaires mailed to the panelists age 65 and over. In mid-October, 3,602 questionnaires had been received for a response rate of 72%.

In this follow-up survey, respondents were asked about their awareness and understanding of the Medicare prescription drug plan and their enrollment status. Depending on their enrollment status, respondents were directed to three separate sections, one for those who had enrolled in a Medicare drug plan, one for those who were automatically enrolled, and one for those who had not yet decided to enroll or who had decided not to do so.

Respondents who enrolled were asked when they enrolled, for what reason, and with which company or organization. They were also asked their experiences enrolling, their attitudes toward various aspects of the plan, their plans to switch in the upcoming enrollment period (beginning on November 15, 2006), their experiences in filling prescriptions, their impressions of the plan, and any changes they might like to see made to the drug benefit.

Auto-enrollees were asked when they were enrolled and in which plan, their plans for switching, and their experiences in having prescriptions filled. Respondents who had decided not to enroll in a drug plan or who had not yet decided were asked the main reason for their decision (or for delaying enrollment) and their plans to enroll in the future.

The results of these companion surveys follow.

## Key Findings

- Awareness of the Medicare prescription drug plan is high, with nearly nine out of ten respondents reporting having read, seen, or heard at least *something* about it. However, understanding the plan well is less universal, with about one-quarter saying they understood it either *extremely* or *very well*. This figure contrasts with nearly four in ten respondents saying they understood the drug plan *not very well* or *not well at all*.
- One-half (50%) of the respondents said they did not enroll in a Medicare drug plan, while three in ten respondents (30%) said they did. Half that figure (15%) said they received information saying that they were “automatically enrolled” in a plan, while four percent said they had not yet decided to enroll.
- The top three reasons cited by respondents who enrolled in a drug plan were because they thought enrolling now seemed less costly than waiting, because they have high drug costs, and because they thought they would save money with a Medicare prescription drug plan.
- Three-quarters of respondents who enrolled in a drug plan said that it was *extremely, very, or somewhat easy* to select a plan, and respondents who enrolled on their own generally did not find the process difficult. In fact, seven in ten said it was *not very* or *not at all difficult* to enroll.
- When asked about ease of filling prescriptions, nearly nine in ten enrollees said it was either *extremely easy* or *very easy* to get the medicines they need. Among auto-enrollees, a similar pattern was found, with more than eight in ten saying it was *either extremely or very easy* to get the medicines they need.
- High levels of satisfaction with their drug plans are reflected in two-thirds of enrollees saying they are *extremely* or *very satisfied* with the plan they are enrolled in. Also, more than two-thirds believe they made a good choice, and more than eight in ten said they are *not very likely* or *not at all likely* to switch plans in the next open enrollment period.
- Satisfaction is also high among those who were auto-enrolled, with six in ten saying they are either *extremely* or *very satisfied* with their plan. Additionally, more than eight in ten auto-enrollees said they are *not very* or *not at all likely* to switch plans.
- Among those who enrolled in a drug plan, coverage of specific drugs, the amount charged for monthly premiums, and the amount charged

for co-pays were *extremely* or *very important* to roughly eight in ten respondents as they made their choice between varying drug plans.

- Enrollees who had prescription drug coverage in 2005 gave the new Medicare prescription drug benefit high marks, with more than four in ten saying the new coverage is either *better* or the *same* as their previous coverage in terms of premiums and benefits and for coverage overall. Additionally, about six in ten said they saved either a *great deal* of money or *some* money in the new plan compared with what they spent last year, and more than seven in ten said the savings are *better* or *about what they expected* to save in the new plan.
- Among auto-enrollees, when asked about four aspects of the plan and how their new plan compares with how they got prescriptions before, two-thirds (or more) said they thought their plan was about the *same* in terms of getting answers to their questions and getting the medications they needed. More than four in ten said the new plan was about the *same* as their old one in terms of the cost of monthly premiums and how much they pay for prescriptions.
- Four in ten (41%) respondents who enrolled on their own said that their drug plan has a “doughnut hole” or coverage gap—a point where the plan stops paying for prescriptions and individuals are required to pay the full cost of their medications for awhile. Of these, more than eight in ten (86%) said they knew about the coverage gap when they enrolled in their drug plan, one in seven (14%) said they had considered buying an enhanced plan with gap coverage, and nearly three in ten (28%) said they recalled receiving advance notice that they were nearing the gap. Nearly one-quarter (23%) said they will look for a plan with gap coverage in 2007.
- Having clearer information on how the program works and what drugs are covered, simplifying the drug benefit, and reducing or eliminating the coverage gap are the top three changes enrollees would like to see made to the Medicare prescription drug benefit.
- Having good coverage now is the main reason cited by respondents who opted not to enroll in a prescription drug plan, noted by more than seven in ten. Enrolling for 2007 does not seem to be a priority for them, with about half of those who opted not to enroll in 2006 saying they will not enroll for 2007. Looking a bit further into the future, the percentage drops slightly with about one-third saying they don’t intend to enroll in a drug plan. But, resistance to enrolling seems clear: when asked if a one-year waiver of the premium penalty would make a difference, nearly six in ten said that it would not.

## Detailed Findings

### ***Initial Panel Survey***

In the initial survey, respondents were asked about any prescription drug coverage they may have had in 2005, how much they estimated that they spent out-of-pocket for prescription drugs, and how many prescription drugs they took on a regular basis. They were then asked how knowledgeable they were about the prescription drug plan and whether or not they had enrolled.

### ***Health Self-Assessment***

Respondents rated their health fairly well, with nearly three-quarters saying their health was either *very good* (36%) or *good* (36%) and another one in eight (12%) saying their health is *excellent*.

### ***Prescription Drug Use, Coverage, and Out-of-Pocket Spending on Prescription Drugs***

Three in ten (29%) respondents reported not taking any prescription drugs on a regular basis while a similar figure say they take *one* (16%) or *two* (13%). Another one in six respondents (16%), however, reported taking *six or more* prescription drugs on a regular basis.

One-half of respondents reported having prescription drug coverage either through their current employer (34%) or their spouse's current employer (16%) in 2005. Roughly one in seven respondents said they had coverage as part of a retiree benefit, either from their own employer (10%) or that of their spouse (5%). A similar figure (16%), however, said that they did not have any type of prescription drug coverage.

About one-quarter (23%) said they had no out-of-pocket prescription drug costs. In contrast, nearly one-quarter (22%) said they had spent \$250 or more in 2005 and nearly three in ten (27%) said they had spent between \$50 and \$249 in out-of-pocket costs.

### ***Knowledge and Understanding of the Medicare Prescription Drug Program***

Respondents age 65 and older were then asked a series of questions about Medicare Part D, including their knowledge of the new prescription drug coverage, their understanding of the details of the program, their qualification for extra help for low-income assistance, and their current enrollment status.

Nearly six in ten (58%) respondents age 65+ reported reading, seeing, or hearing either *a great deal* (30%) or *a fair amount* (28%) about the new coverage. Another fifth (19%) said they knew *some* (thing) about the coverage. Only one in ten respondents age 65+ said they knew *very little* (8%) or *nothing at all* (2%) about the new prescription drug coverage.

When asked about their understanding of how the program works, more than one-quarter of respondents age 65+ said they understood it *somewhat well* (27%), while a similar figure said they understood it *not very well* (28%) at all. One in seven (14%) respondents age 65+ said they understood the program *not at all well*.

When asked if they thought they would qualify for extra help (for individuals with annual incomes of \$14,700 or less), only one in eight (12%) respondents age 65+ answered in the affirmative. A full six in ten (60%) said they did not think they would qualify for extra help, while roughly one in seven (15%) did not know.

- Among those who thought they would be eligible for extra help but who did not apply, about one in six (16%) reported not knowing how to apply, about one in seven (15%) said they did not know about the help, and one in eight (13%) noted that they had not gotten around to applying. One in twelve (8%) said they had difficulty filling out the application.

Nearly half (46%) of respondents age 65+ reported receiving information from Medicare about the extra help for low income beneficiaries. Of these, one-half (51%) did not know if they applied for the extra help. Among those who said they had applied for extra help, nearly six in ten (58%) said they were accepted into the program, while three in ten (31%) said they were not.

- About half (49%) of those respondents age 65+ who said their application for extra help was rejected reported signing up for a Medicare prescription drug plan. The remaining half did not enroll.

## **Follow-Up Survey**

In this survey, a sample of individuals from the initial survey were mailed a follow-up questionnaire where they were asked about their awareness and understanding of the Medicare prescription drug plan and their enrollment status. Depending on their enrollment status, respondents were then directed to three separate sections, one for those who had enrolled in a Medicare drug plan, one for those who were automatically enrolled, and one for those who had not yet decided to enroll or who had decided not to do so.

### ***Awareness of the Medicare Prescription Drug Plan***

When respondents were asked how much they had read, seen or heard about Medicare's prescription drug plan, one-third (34%) said they had heard *a great deal* about it. Another third (33%) said they had heard *a fair amount*, while one-fifth (20%) said they had heard *some*. In contrast, slightly more than one in ten respondents said they heard either *very little* (9%) or *nothing at all* (2%) about the plan.

- In terms of demographic differences, women are more likely than men (69% vs. 63%) to say they have read, seen, or heard either a *great deal* or a *fair amount* about the new prescription drug plan.
- Additionally, respondents age 70-74 and 80 years and older are more likely than those 65-69 to say they have read, seen, or heard either a *great deal* or a *fair amount* about the new prescription drug plan (69% and 70% vs. 64%).

When asked how well they understood how the drug plan coverage works, about one-quarter (24%) of the respondents said they understood it either *extremely* (4%) or *very well* (20%), while nearly four in ten (37%) said they understood it *somewhat well*. In contrast, nearly four in ten respondents said they understood it *not very well* (29%) or *not well at all* (9%).

- While there are no gender differences in terms of understanding the plan, respondents age 65-69 are more likely than those 70-74 and 75-79 to say they understand it either *not very well* or *not at all well* (42% vs. 37% for both age categories).
- Notably, respondents with annual household incomes below \$50,000 or \$75,000 or more are more likely than those with incomes between \$50,000 and \$74,999 to say they understand the drug plan *not very well* or *not well at all* (38% for those with incomes below \$30,000 and 39% for those with incomes between \$30,000 and \$49,999 or \$75,000 or more vs. 32% for those with incomes between \$50,000 and \$74,999).

## Enrollment Status

One-half (50%) of the respondents said they did not enroll in a Medicare drug plan, while three in ten respondents (30%) said they did. Half that figure (15%) said they received information saying that they were “automatically enrolled” in a plan, while four percent said they had not yet decided to enroll.

- Women are more likely than men to say they have enrolled in a Medicare prescription drug plan. Additionally, in terms of age, those respondents 70 years of age and older are more likely to say they are automatically enrolled than those age 65-69, while those less than age 80 are more likely to say they did not enroll (see Table 1).

**Table 1<sup>1</sup>**  
**Enrollment Status**  
**By Gender and Age**

	Gender		Age			
	Men <sup>a</sup> (n=1009)	Women <sup>b</sup> (n=2564)	65-69 <sup>c</sup> (n=1018)	70-74 <sup>d</sup> (n=878)	75-79 <sup>e</sup> (n=792)	80+ <sup>f</sup> (n=841)
Self-enrolled	22%	<b>33%</b> <sup>a</sup>	30%	31%	28%	30%
Auto-enrolled	14%	15%	11%	<b>16%</b> <sup>c</sup>	<b>15%</b> <sup>c</sup>	<b>18%</b> <sup>c</sup>
Not yet decided	5%	3%	5%	2%	4%	5%
Did not enroll	<b>57%</b> <sup>b</sup>	47%	<b>54%</b> <sup>f</sup>	<b>49%</b> <sup>f</sup>	<b>52%</b> <sup>f</sup>	45%

- Moreover, respondents with annual household incomes less than \$30,000 are more likely than those with higher incomes to say they have either enrolled on their own or were automatically enrolled. In contrast, more affluent respondents (those with incomes above \$30,000) are more likely to say they did not enroll in a Medicare prescription drug plan (see Table 2).

**Table 2**  
**Enrollment Status**  
**By Income**

	Household Income			
	<\$30K <sup>g</sup> (n=1802)	\$30K-<\$50K <sup>h</sup> (n=420)	\$50K-<\$75K <sup>i</sup> (n=287)	\$75K+ <sup>j</sup> (n=260)
Self-enrolled	<b>33%</b> <sup>ij</sup>	26%	25%	29%
Auto-enrolled	<b>18%</b> <sup>ijk</sup>	13%	12%	9%
Not yet decided	4%	4%	3%	4%
Did not enroll	43%	<b>55%</b> <sup>h</sup>	<b>59%</b> <sup>h</sup>	<b>57%</b> <sup>h</sup>

<sup>1</sup> How to Read the Tables: **Bold face** percents in columns (which represent demographic subgroups) are significantly higher than percents in adjacent columns. Superscripts (<sup>a/b/c, d/e, f/g/h/i</sup>) indicate those columns in which there is a statistically significant difference.

## Questions Asked of Those who Self-Enrolled

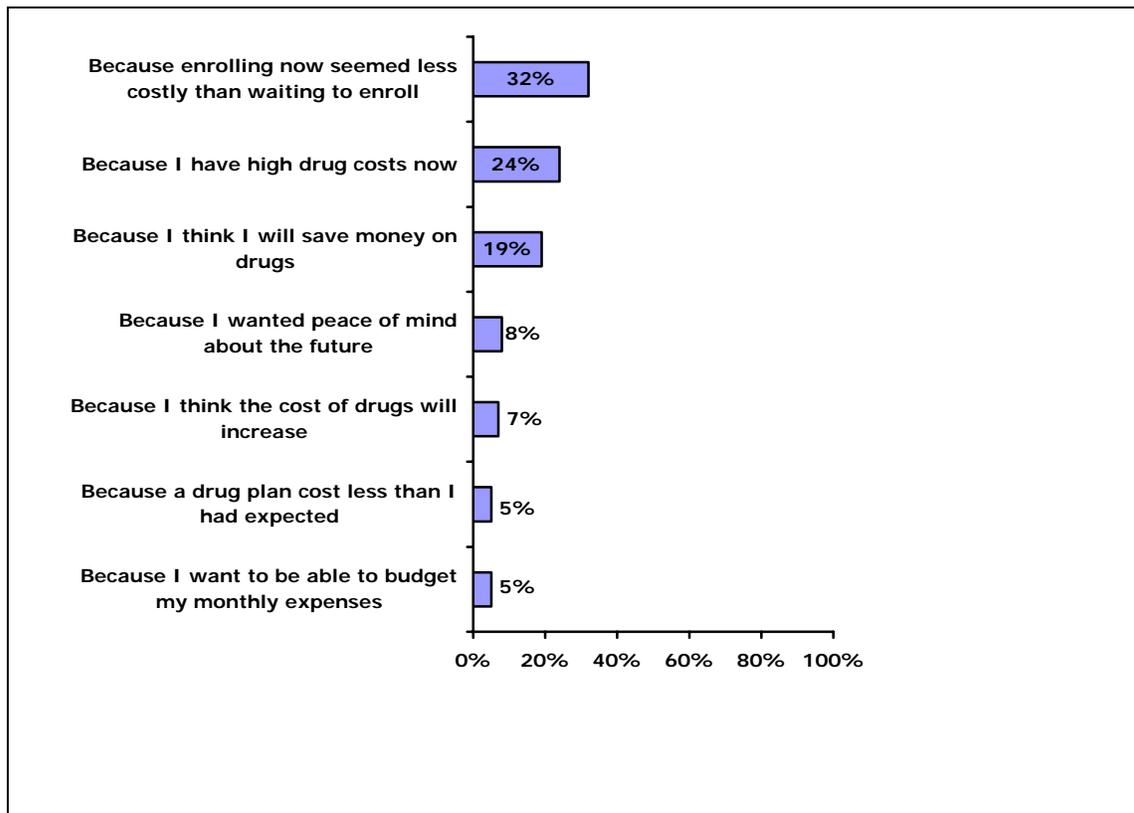
### *New Prescription Drug Coverage*

About half of those respondents who enrolled on their own (49%) said their new prescription drug coverage took effect in January 2006. Slightly less than one-fifth (17%) said it took effect in May. Less than one in ten self-enrollees reported enrolling in February (7%), March (8%), or April (7%).

- There were no statistically significant differences by gender, age, or income in terms of when self-enrollees' drug plans took effect.

Because enrolling now seemed less costly than waiting, because they had high drug costs, and because they thought they would save money with a Medicare prescription drug plan were the top three reasons why respondents said they decided to enroll in a drug plan (see Figure 1).

**Figure 1**  
**What is the main reason you decided to enroll?**  
(Self-Enrolled n=1,068)



Source: *Experiences with Medicare Part D Among Enrollees and Non-Enrollees*, November 2006

- Among self-enrollees, there are no gender differences in reasons for enrolling in a prescription drug plan, but there are age and income differences. Younger respondents (those age 65-69) are more likely than older ones (those age 80+) to say they enrolled because doing so now seemed less costly than waiting (37% vs. 27%). In contrast, self-enrollees age 75 and older are more likely than those between 70 and 74 to say they enrolled because they think drug costs will increase (9% for those 75-79 and 80+ vs. 4% for those 70-74). Additionally, self-enrollees age 80 and older are more likely than those age 65-69 or those age 70-74 to say they enrolled because they think they will save money on their prescription drugs (26% vs. 16% and 18%).
- Not surprisingly, those self-enrollees with incomes less than \$30,000 are more likely than those with incomes of \$75,000 or more to say they enrolled in a prescription drug plan because they want to be able to budget their monthly expenses (6% vs. 2%).

Self-enrollees were given a list of seven companies and asked which one sponsored their Medicare prescription drug plan. Of the listed plans, Humana (26%) and United Health Care (15%) were the top two drug plan sponsors, cited by more than four in ten respondents. Far fewer respondents said that PacifiCare (3%) or Wellcare (3%) sponsored their drug plan, and less than one percent named Cigna, Member Health or Wellpoint<sup>2</sup>.

However, some self-enrollees named other organizations that were not on the list including ten percent who said AARP or the AARP Medicare Prescription drug plan (which is offered through United Health Care), eight percent who said Anthem or Anthem Blue Cross-Blue Shield, and two percent who named Blue Care or Blue Care 65, Community Care, and Kaiser Permanente.

Four in ten respondents who self-enrolled said that it was either *extremely easy* (14%) or *very easy* (26%) to select a Medicare prescription drug plan. Another third (35%) said it was *somewhat easy* to select a plan. Slightly more than one-fifth said selecting a prescription drug plan was either not *very easy* (16%) or *not at all easy* (6%).

- Men who self-enrolled were more likely than women who self-enrolled to say they found selecting a drug plan to be either *extremely* or *very easy* (47% vs. 39%). In terms of income differences, self-enrollees with incomes between \$30,000 and \$49,999 were more likely than those with incomes under \$30,000 to say they considered selecting a plan to be *extremely* or *very easy* to do (46% vs. 38%).

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<sup>2</sup> The small number of respondents per company precludes significance testing by demographic variables.

Most respondents said they enrolled by telephone to a company offering a plan (32%) or by mail (31%). Far fewer said they enrolled by telephone to Medicare (10%), on the company website of the company offering the plan (8%), or via the Medicare.gov website (4%)<sup>3</sup>.

More than six in ten (61%) respondents who enrolled on their own said they had sought advice before they decided to enroll or had selected a plan. Of these, the largest percentage sought the advice of a friend or family member (36%) followed by those who asked their doctor or pharmacist (29%).

### ***Attitudes toward Different Aspects of the Prescription Drug Plan***

In general, respondents who enrolled on their own did not find the enrollment process difficult. Seven in ten said they considered the process *not very or not at all difficult*. Only six percent said they found it either *extremely difficult* (2%) or *very difficult* (4%), with another one-fifth (21%) saying it was *somewhat difficult* to enroll.

As shown in Figure 2, roughly eight in ten respondents who selected their own plan said the specific drugs covered by the plan (81%), the amount the plan charges in monthly premiums (81%), and the amount the plan charges for co-pays (80%) were *extremely or very important* in their decision to select a particular drug plan. Slightly fewer (75%) said the reputation of the company or organization offering the plan was similarly important.

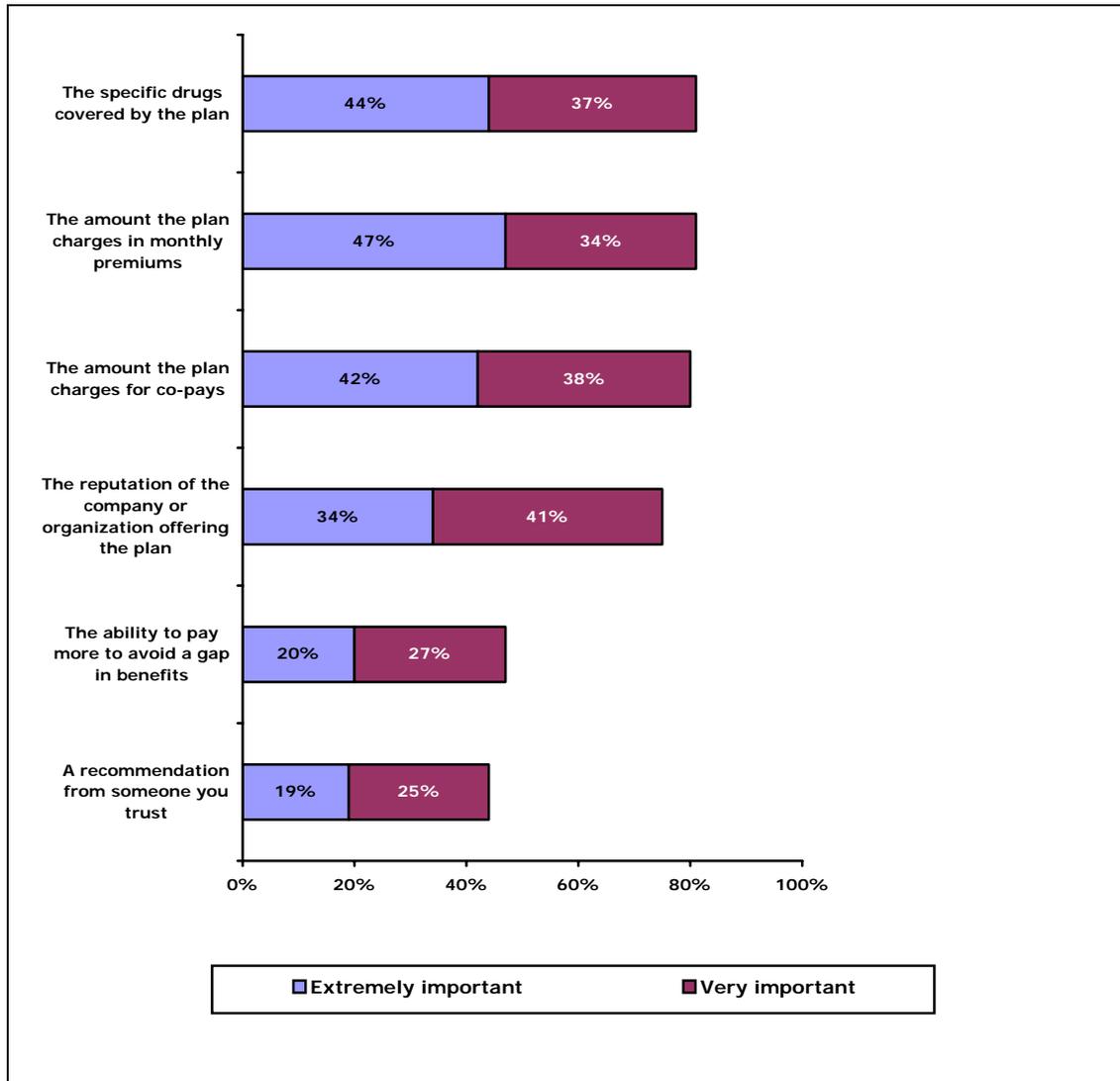
- Women are more likely than men to say that when selecting a plan the specific drugs covered by the plan (82% vs. 75%) and a recommendation from someone they trust (47% vs. 34%) are *extremely or very important* to them.
- Respondents ages 65-69 and those ages 70-74 are more likely than those age 80 and older to say that the specific drugs covered in the plan (84% and 86% vs. 73%) and the amount the plan charges for co-pays (82% and 83% vs. 75%) were *extremely or very important* to their decision-making.
- Self-enrollees with incomes between \$30,000 and \$49,000 are more likely than those with incomes less than \$30,000 or between \$50,000 and \$74,999 (81% vs. 74% and 71%) to say that the reputation of the company offering the plan is *extremely or very important* to them when selecting a plan.
- Finally, those self-enrollees with incomes below \$30,000 and between \$30,000 and \$49,999 are more likely than those with incomes of \$75,000 or more (47% and 44% vs. 33%) to say a recommendation

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<sup>3</sup> The small number of respondents by method of enrollment precludes significance testing by demographic variables.

from someone they trust is *extremely* or *very important* to them when selecting a prescription drug plan.

**Figure 2**  
**How important were these options in selecting a Medicare drug plan?**  
**(Self-Enrolled n=1,068)**



Source: *Experiences with Medicare Part D Among Enrollees and Non-Enrollees*, November 2006

Roughly two-thirds of self-enrollees said they are either *extremely* (20%) or *very satisfied* (44%) with the Medicare prescription drug plan they are enrolled in. Slightly more than one-quarter (26%) said they are *somewhat satisfied*. In contrast, fewer than ten percent said they are either *not very* (5%) or *not at all satisfied* (2%) with their drug plan.

- Notably, among self-enrollees, satisfaction with the prescription drug plan they are enrolled in does not vary by gender, age, or income.

When asked if they thought they had made a good choice in selecting their Medicare prescription drug plan, more than two-thirds (69%) of self-enrollees said they made a good choice, while only four percent said they would be better off with a different plan. However, more than one-quarter (26%) said they did not know if they had made a good choice.

- As with satisfaction with their drug plan, belief in whether they made a good choice or would be better off with a different one does not vary by gender, age, or income.

### ***Plans to Switch Prescription Drug Plans***

Switching plans seems a low priority for respondents who self-enrolled, which is not surprising given that two-thirds of them are satisfied with their plan choice and believe that they made a good one. More than eight in ten said they are *not very likely* (45%) or *not at all likely* (38%) to switch prescription drug plans in the next open enrollment period. Only five percent of self-enrollees said they are *extremely or very likely* to switch plans at that time.

- There are no gender, age, or income differences in the reported likelihood of switching plans.

Similarly, when asked to select one statement which most closely reflects their attitude toward switching between drug plans, seven in ten (70%) picked “as long as my plan doesn’t change, I don’t intend to switch.” In contrast, one-quarter (25%) selected the statement “I will be sure to check my options just in case I decide to switch.” Only two percent of respondents who enrolled in a prescription drug plan on their own noted “I would switch plans today if I were able to” and one percent said “I intend to switch during the open enrollment period.”

- Those enrollees with incomes between \$30,000 and \$49,999 are more likely than those with incomes below \$30,000 to say they “will be sure to check their options just in case” they decide to switch plans (30% vs. 22%).

Among the roughly 300 self-enrollees who intend to switch (or at least consider doing so), most said they will look for coverage in the gap (54%), lower monthly premiums (52%), and lower co-pays (50%).

### ***Filling Prescriptions with the New Medicare Prescription Drug Plan***

Nearly nine in ten (89%) respondents noted that they have tried to fill a prescription since their drug coverage took effect. Among them, a similar percentage said it was either *extremely easy* (47%) or *very easy* (40%) to

get the medicines they needed. Another one in ten (10%) said it was *somewhat easy* to do so.

- Men are more likely than women (54% vs. 46%) to say it was *extremely easy* to get the medicines they needed, while respondents age 80 and older were more likely than those between 65 and 69 (44% vs. 35%) to say it was *very easy* to get them.

### ***Medication Therapy Management<sup>4</sup>***

Only two percent of the respondents who self-enrolled said they had been invited to participate in the Medication Therapy Management program, with about one-quarter (23%) of those saying they had done so. When asked why they had decided not to join the program, most said they did not need it, or had other insurance coverage, or did not understand the program.

When asked if any of their current prescriptions required additional measures to ensure their safety, such as prior authorization, quantity limits, or step therapy, between four in ten and five in ten respondents said no. However, for each measure, between three in ten and four in ten said they didn't know if their current prescriptions required these measures, suggesting low levels of knowledge about the details of their prescription drug plans.

Requests for exceptions are uncommon, with fewer than two in ten self-enrollees saying they asked for an exception of any type.

### ***Information Sources***

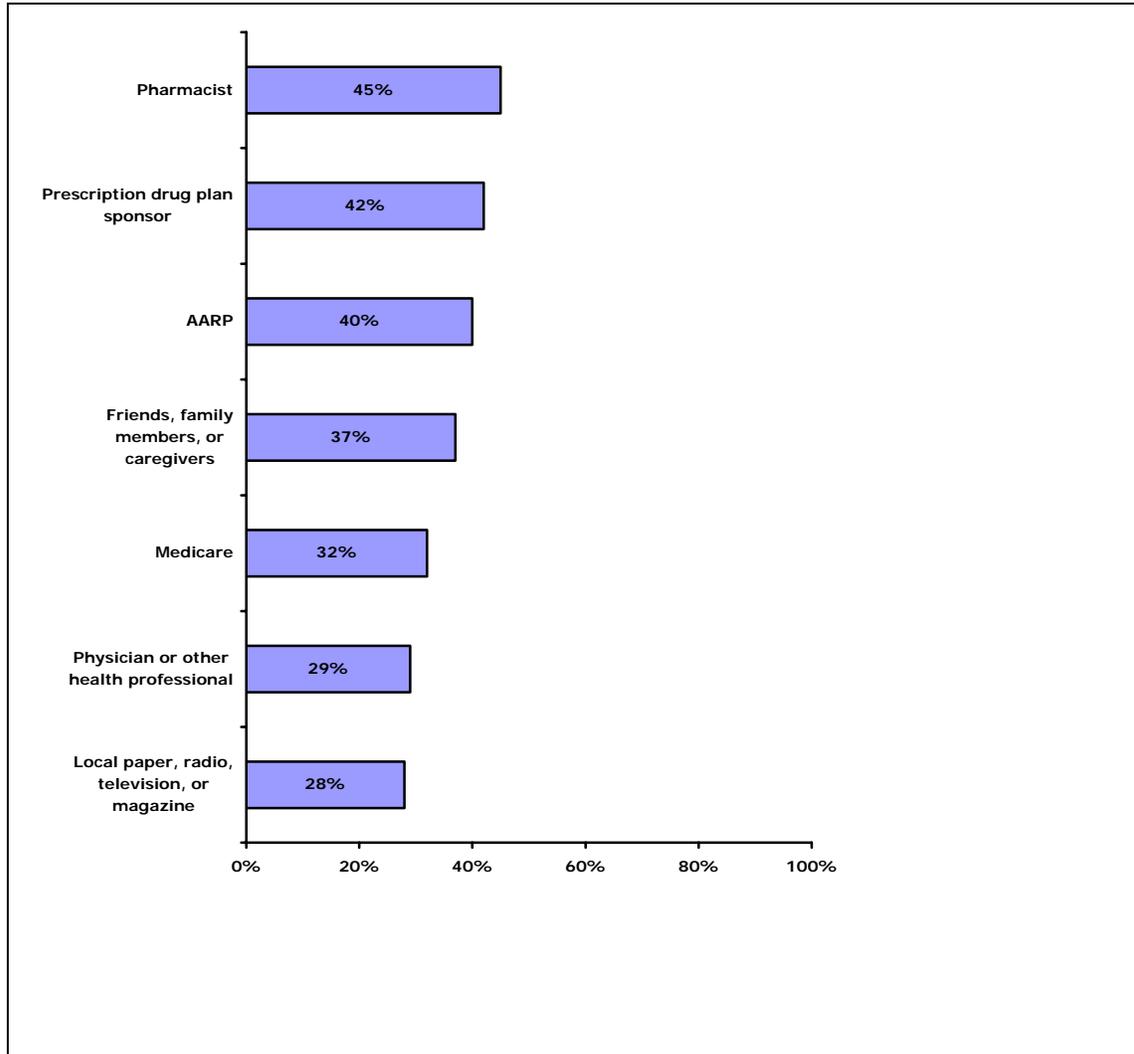
As shown in Figure 3, roughly four in ten respondents who enrolled on their own said they sought information from a pharmacist (45%), the prescription drug sponsor (42%), or AARP (40%). Nearly seven in ten respondents who sought information from these sources found it to be useful.

- Respondents with annual household incomes below \$30,000 are more likely than those with incomes of \$75,000 or more to say they sought information from a pharmacist (33% vs. 22%).
- Respondents age 65-69 are more likely than those 75-79 or 80+ to say they sought information from their prescription drug plan sponsor (49% vs. 38% and 36%). Additionally, those with incomes between \$50,000 and \$74,999 and \$75,000 or more are more likely than those with incomes less than \$30,000 to say they sought information from the sponsor of their prescription drug plan (50% and 47% vs. 38%).

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<sup>4</sup> Significance testing by demographics is not possible due to the small number of respondents who answered the three Medication Therapy Management questions.

**Figure 3**  
**From which sources did you seek information about**  
**Medicare's new prescription drug coverage?**  
*Top Tier Responses*  
**(Self-Enrolled n=1,068)**



Source: *Experiences with Medicare Part D Among Enrollees and Non-Enrollees*, November 2006

### ***Coverage Compared with Previous Year's Coverage***

When asked what type of prescription drug coverage they had in 2005, nearly half (46%) said they did not have any coverage.

- Women are more likely than men (48% vs. 39%) and respondents age 70 and older are more likely than those age 65-69 to say they did not have prescription drug coverage in 2005 (48% for those 70-74, 57% for those 75-79, and 48% for those 80+ vs. 35% for those 65-69).

Among the remaining half who had prescription drug coverage in 2005, fourteen percent said they had retiree coverage from their former employer (9%) or through their spouse's former employer (5%), nine percent had a Medicare private plan with drug benefits, and another nine percent said they had an individually-purchased Medigap policy. Seven percent reported having prescription drug coverage through a state pharmacy assistance program, while six percent said they had coverage through their own or their spouse's current employer.

While nearly half of self-enrollees said they did not have prescription drug coverage in 2005, among those who did, nearly one-quarter (23%) said they thought the new coverage is better in terms of premiums and benefits than their previous coverage, while a similar figure (21%) said the new coverage is about the same. Eleven percent said the new coverage is worse in terms of premiums and benefits than what they had in 2005<sup>5</sup>.

When asked about the prescription coverage overall, the pattern of responses is similar to that for premiums and benefits. Nearly one-quarter (23%) said that the new coverage is *better*, while slightly more than one-fifth (21%) said the new coverage is about the *same*. As with the previous question, eleven percent said the new coverage is *worse* than what they had in 2005.

When enrollees were asked how much money they thought they have saved on prescription drugs since they enrolled in a new plan *compared to last year*, one-fifth (18%) said they have saved a *great deal* of money, while four in ten (40%) said they have saved *some* money. In contrast, one in seven (15%) said they have saved *very little* and one-fifth (20%) said they have saved *no* money.

- Respondents age 65-69 are more likely than those ages 70 and older to say they have saved *no* money in the new drug plan (27% vs. 18% for those 70-74, 16% for those 75-79, and 18% for those 80+).

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<sup>5</sup> The small number of respondents per response category precludes significance testing for some of the questions about prescription drug coverage in 2005. Results of significance testing are reported where available.

- Less affluent respondents (those with incomes of less than \$50,000) are more likely than the more affluent ones (those with incomes of \$75,000 or more) to say they have saved a *great deal* of money (20% for those <\$30,000 and 19% for those \$30,000-\$49,999 vs. 11% for those \$75,000 or more).

Nearly half (46%) of the respondents who self-enrolled said that the savings they're receiving are *about what they expected*. One-quarter (25%) said the savings are *better* than they had expected, and one-fifth (20%) said the savings are *worse*.

- Respondents with annual household incomes of less than \$30,000 are more likely than respondents in the other three income categories to say the savings are *better* than they had expected (30% vs. 20%, 19% and 17%).

When asked to give an estimate of how much they had paid per month since the beginning of the year, more than one-third (35%) of self-enrollees noted \$49 or less per month. Another quarter estimated that they had paid either \$50-\$99 per month (24%), while one in seven (14%) estimated paying \$100-\$199. One in nine (11%) self-enrollees estimated having paid \$200-\$499 per month, while six percent estimated having paid \$500 or more per month.

### ***Impressions of the Prescription Drug Plan***

When respondents were asked about four aspects of the plan—cost of prescriptions, cost of monthly premiums, getting the right medicines, and getting answers to questions—and how their new plan compares with how they got prescriptions before, roughly six in ten said the new plan is about the same in terms of getting the medicines you need (62%) and getting answers to your questions (60%). In contrast, more than half (53%) said the new plan is better in terms of the amount paid for prescriptions, and about one-third (36%) said the cost of the monthly premium is better with the new plan.

Generally, respondents who self-enrolled and who have lower household incomes are more likely than those with higher household incomes to rate their new coverage as better than their previous coverage (see Table 3).

**Table 3<sup>6</sup>**  
**Percentage Rating Aspects of New Coverage**  
**as “Better” than Previous Coverage**  
**By Income**  
**(Self-Enrolled n=1,068)**

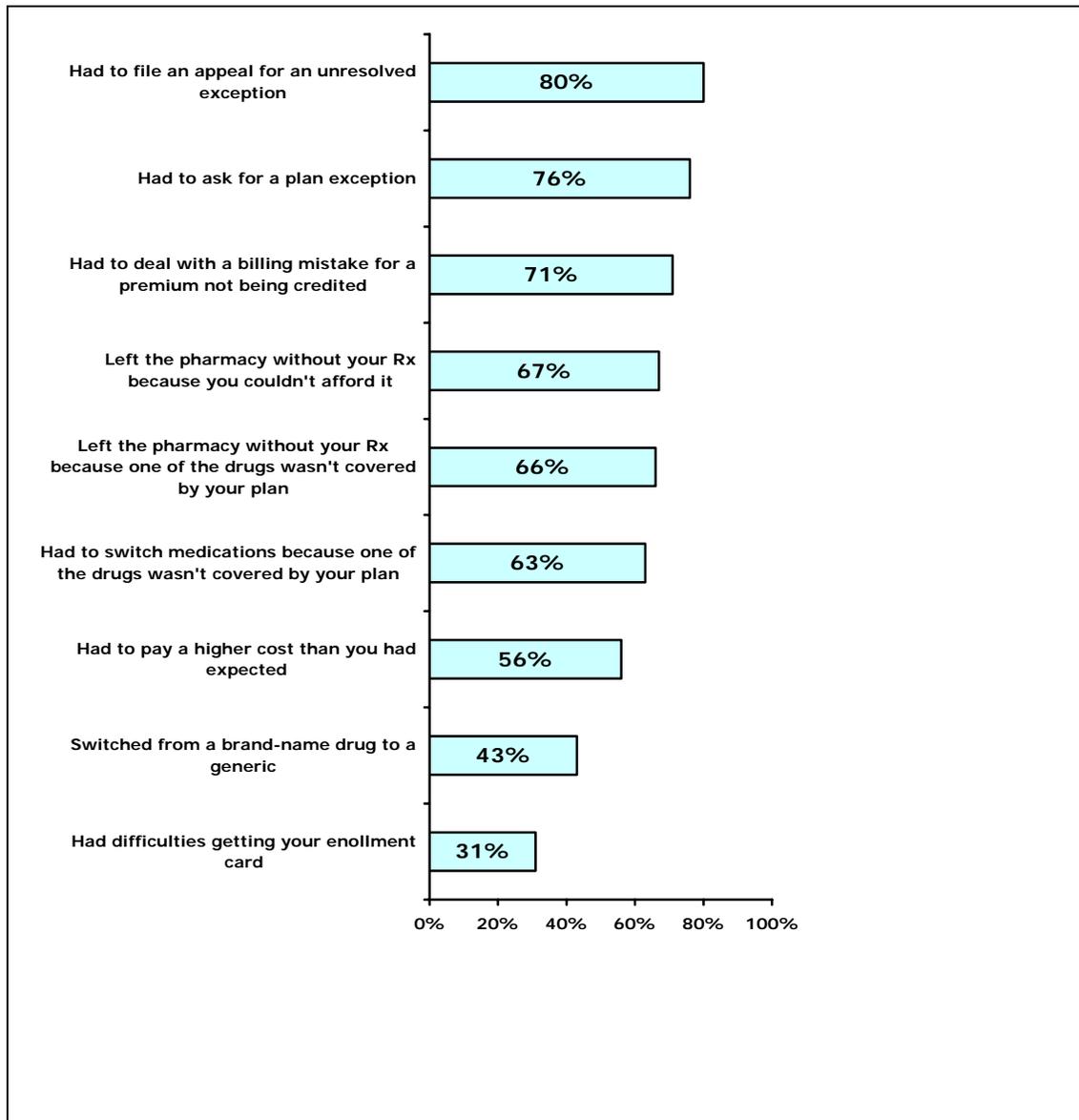
	Household Income			
	< \$30K <sup>g</sup> (n=588)	\$30K- < \$50K <sup>h</sup> (n=186)	\$50K- < \$75K <sup>i</sup> (n=132)	\$75K+ <sup>j</sup> (n=162)
Cost of prescriptions	53%	<b>62%</b> <sup>gi</sup>	46%	53%
Cost of monthly premiums	<b>36%</b> <sup>i</sup>	<b>41%</b> <sup>i</sup>	26%	35%
Getting the medicines you need	<b>27%</b> <sup>ij</sup>	20%	18%	17%
Getting answers to your questions	<b>25%</b> <sup>ij</sup>	19%	16%	16%

Small percentages of self-enrollees said they have done any of the six behaviors they were asked about since enrolling in a new drug plan. For example, only eight percent said they decided not to fill a prescription, skipped a dose, or took less than the prescribed dose of a medication. Also, few reported having asked a doctor (7%), a pharmacist (5%), or a drug company (3%) for help in getting a plan to pay for the drugs they need.

<sup>6</sup> How to Read the Tables: **Bold face** percents in columns (which represent demographic subgroups) are significantly higher than percents in adjacent columns. Superscripts (<sup>a/b/c, d/e, f/g/h/i</sup>) indicate those columns in which there is a statistically significant difference.

As noted in Figure 4, two-thirds or more of respondents who self-enrolled did not have to file an appeal, ask for a plan exception, deal with a billing mistake, leave the pharmacy because they couldn't afford a prescription or leave the pharmacy because the drug they needed wasn't covered under the plan.

**Figure 4**  
**How much of a problem were these situations for you**  
**in getting your prescription medicines since joining your plan?**  
*Percentage who Did Not Experience*  
**(Self-Enrolled n=1,068)**



Source: *Experiences with Medicare Part D Among Enrollees and Non-Enrollees*, November 2006

## ***Coverage Gap***

Four in ten (41%) respondents who enrolled on their own said that their drug plan has a “doughnut hole” or coverage gap—a point where the plan stops paying for prescriptions and individuals are required to pay the full cost of their medications until they have spent \$3,600 of their own money.

- Younger respondents and those with incomes of \$30,000 or more are more likely than their counterparts to say their plan has gap coverage (age: 44% for those 65-79 vs. 32% for those 80+; income: 46%, 45%, and 54% vs. 35% for those with incomes of less than \$30,000).

Of these, more than eight in ten (86%) said they knew about the coverage gap when they enrolled in their drug plan, one in seven (14%) said they had considered buying an enhanced plan with gap coverage, and nearly three in ten (28%) said they recalled receiving advance notice that they were nearing the gap. Nearly one-quarter (23%) said they will look for a plan with gap coverage in 2007.

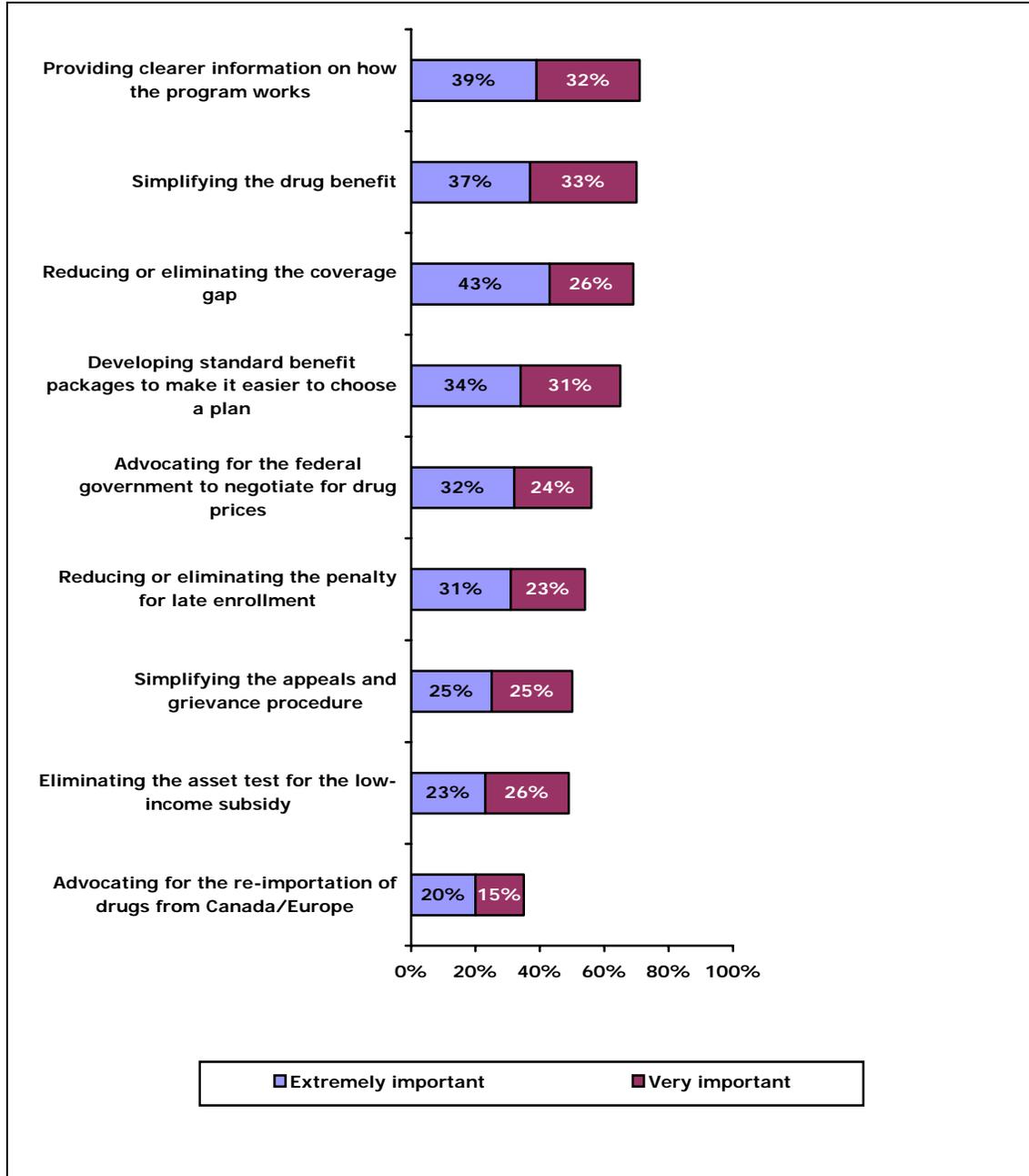
Eleven percent of respondents who self-enrolled and who say their plan has gap coverage reported that they are in the gap now, and another three percent said they are past the gap and receiving benefits again. In contrast, six in ten (60%) said they do not expect to reach the gap.

## ***Potential Changes to the Medicare Prescription Drug Benefit***

When asked about nine potential changes to the Medicare prescription drug benefit, roughly seven in ten respondents who self-enrolled said that it is either *extremely important* or *very important* to them that clearer information is provided on how the program works and what drugs are covered (71%), that the drug benefit is simplified (70%), and that the coverage gap is reduced or eliminated (69%) (see Figure 5).

Another two-thirds (65%) said developing standard benefits packages, like Medigap insurance, to make it easier to choose a plan is *extremely* or *very important* to them, while half or slightly more than half said the same thing about advocating for the federal government to negotiate for drug prices (56%), reducing or eliminating the late enrollment penalty (54%), and simplifying the appeals and grievance procedure (50%). Eliminating the asset test for the lower-income subsidy (49%) and advocating for the re-importation of drugs from Canada or Europe (35%) are both seen as somewhat less important.

**Figure 5**  
**How important to you is this potential change**  
**to the Medicare Prescription Drug Benefit?**  
**(Self-Enrolled n=1,068)**



Source: *Experiences with Medicare Part D Among Enrollees and Non-Enrollees*, November 2006

As shown in Table 4, the importance of potential changes to the Medicare prescription drug benefit varies by gender and age, with women more likely than men to say the changes are *extremely* or *very important* to them and with younger respondents more likely than older ones to say the same thing.

**Table 4<sup>7</sup>**  
**Importance of Potential Changes to Medicare Prescription Drug Benefit**  
**Extremely or Very Important**  
**By Gender and Age**

	Gender		Age			
	Men <sup>a</sup> (n=224)	Women <sup>b</sup> (n=837)	65-69 <sup>c</sup> (n=304)	70-74 <sup>d</sup> (n=276)	75-79 <sup>e</sup> (n=221)	80+ <sup>f</sup> (n=248)
Simplifying the drug benefit	63%	<b>71%</b> <sup>a</sup>	<b>77%</b> <sup>ef</sup>	<b>71%</b> <sup>f</sup>	67%	61%
Providing clearer information on how the program works	65%	<b>73%</b> <sup>a</sup>	<b>80%</b> <sup>ef</sup>	<b>76%</b> <sup>f</sup>	65%	65%
Developing standard benefits packages	59%	<b>66%</b> <sup>a</sup>	<b>75%</b> <sup>ef</sup>	<b>70%</b> <sup>f</sup>	<b>62%</b> <sup>f</sup>	50%
Advocating for the federal government to negotiate for drug prices	55%	57%	<b>65%</b> <sup>ef</sup>	<b>61%</b> <sup>f</sup>	<b>55%</b> <sup>f</sup>	45%
Advocating for the re-importation of drugs from Canada/Europe	<b>45%</b> <sup>b</sup>	33%	<b>42%</b> <sup>f</sup>	<b>39%</b> <sup>f</sup>	<b>36%</b> <sup>f</sup>	25%
Reducing or eliminating the gap in coverage	71%	68%	<b>77%</b> <sup>ef</sup>	<b>76%</b> <sup>ef</sup>	<b>67%</b> <sup>f</sup>	54%
Eliminating the asset test for lower-income subsidy	48%	49%	<b>56%</b> <sup>ef</sup>	<b>55%</b> <sup>ef</sup>	45%	38%
Simplifying the appeals and grievance procedure	48%	50%	<b>59%</b> <sup>ef</sup>	<b>55%</b> <sup>f</sup>	<b>48%</b> <sup>f</sup>	38%
Reducing or eliminating the penalty for late enrollment	52%	55%	<b>60%</b> <sup>f</sup>	<b>58%</b> <sup>f</sup>	<b>55%</b> <sup>f</sup>	44%

<sup>7</sup> How to Read the Tables: **Bold face** percents in columns (which represent demographic subgroups) are significantly higher than percents in adjacent columns. Superscripts (<sup>a/b/c, d/e, f/g/h/i</sup>) indicate those columns in which there is a statistically significant difference.

When considering differences by income, in general enrollees with household incomes below \$50,000 per year are more likely than those with incomes above that figure to say that simplifying the drug benefit, eliminating the asset test for the low-income subsidy, simplifying the appeal and grievance procedure, and reducing or eliminating the late enrollment penalty are *extremely or very important* to them (see Table 5).

**Table 5**  
**Importance of Potential Changes to Medicare Prescription Drug Benefit**  
***Extremely or Very Important***  
**By Income**

	Household Income			
	<\$30K <sup>g</sup> (n=588)	\$30K- <\$50K <sup>h</sup> (n=186)	\$50K-<\$75K <sup>i</sup> (n=132)	\$75K+ <sup>j</sup> (n=162)
Simplifying the drug benefit	<b>70%</b> <sup>j</sup>	<b>72%</b> <sup>j</sup>	69%	62%
Providing clearer information on how the program works	73%	74%	70%	65%
Developing standard benefits packages	65%	65%	65%	61%
Advocating for the federal government to negotiate for drug prices	57%	57%	50%	57%
Advocating for the re-importation of drugs from Canada/Europe	32%	37%	41%	<b>42%</b> <sup>g</sup>
Reducing or eliminating the gap in coverage	67%	73%	72%	65%
Eliminating the asset test for lower-income subsidy	<b>52%</b> <sup>j</sup>	<b>51%</b> <sup>j</sup>	<b>47%</b> <sup>j</sup>	35%
Simplifying the appeals and grievance procedure	<b>52%</b> <sup>j</sup>	<b>53%</b> <sup>j</sup>	47%	41%
Reducing or eliminating the penalty for late enrollment	<b>58%</b> <sup>ij</sup>	<b>58%</b> <sup>ij</sup>	46%	43%

## **Questions Asked of Those who were Automatically Enrolled**

### ***New Prescription Drug Coverage***

Not surprisingly, the large majority of respondents (69%) said their new prescription drug coverage took effect in January 2006.

When asked to select their prescription drug plan sponsor from a list of seven companies, roughly three in ten respondents who were automatically enrolled selected PacifiCare (13%), United Health Care (8%), and Humana (7%). Far fewer auto-enrollees said that Wellcare (3%), Cigna (<1%), Member Health (<1%), or Wellpoint (<1%) were the sponsors of their prescription drug plans.

### ***Satisfaction with the Prescription Drug Plan...and Plans to Switch***

Six in ten respondents who were "auto-enrolled" said they are either *extremely* (22%) or *very satisfied* (38%) with the Medicare prescription drug plan they are enrolled in. Only seven percent said they are either *not very* (5%) or *not at all satisfied* (2%) with their drug plan.

- Notably, there are no gender, age, or income differences in plan satisfaction.

About half of auto-enrollees (49%) said they are *not at all likely* to switch prescription drug plans in the next open enrollment period. Another third (34%) reported that they are *not very likely* to switch prescription drug plans. Only four percent of auto-enrollees said they are *extremely likely* (2%) or *very likely* (2%) to switch plans in the next open enrollment period.

- Auto-enrollees between the ages of 65 and 69 are more likely than those age 80 and older (88% vs. 78%) to say that they are *not very likely* or *not at all likely* to switch prescription drug plans.

When asked to select one statement which most closely reflects their attitude toward switching between drug plans, eight in ten (80%) picked "as long as my plan doesn't change, I don't intend to switch." Only one in nine (11%) selected "I will be sure to check my options just in case I decide to switch."

- Attitudes toward switching prescription drug plans do not vary by gender, age, or income.

Among the small number of those who intend to switch (or at least consider doing so), most said they will look for lower co-pays, lower monthly premiums, different drugs on the formulary, or coverage in the gap.

### ***Filling Prescriptions with the New Medicare Prescription Drug Plan***

More than three-quarters (77%) of respondents who were auto-enrolled noted that they have tried to fill a prescription since their drug coverage took effect. Among them, more than eight in ten said it was either *extremely easy* (47%) or *very easy* (37%) to get the medicines they needed. Another one in ten (10%) said it was *somewhat easy*.

- There are no gender, age, or income differences in either the percentage of auto-enrollees who have tried to fill prescriptions or the reported ease with which they were filled.

When asked if any of their current prescriptions required additional measures to ensure their safety, such as prior authorization, quantity limits, or step therapy, about one-third of auto-enrollees said no, but between one-quarter and one-half did not know if these measures were required.

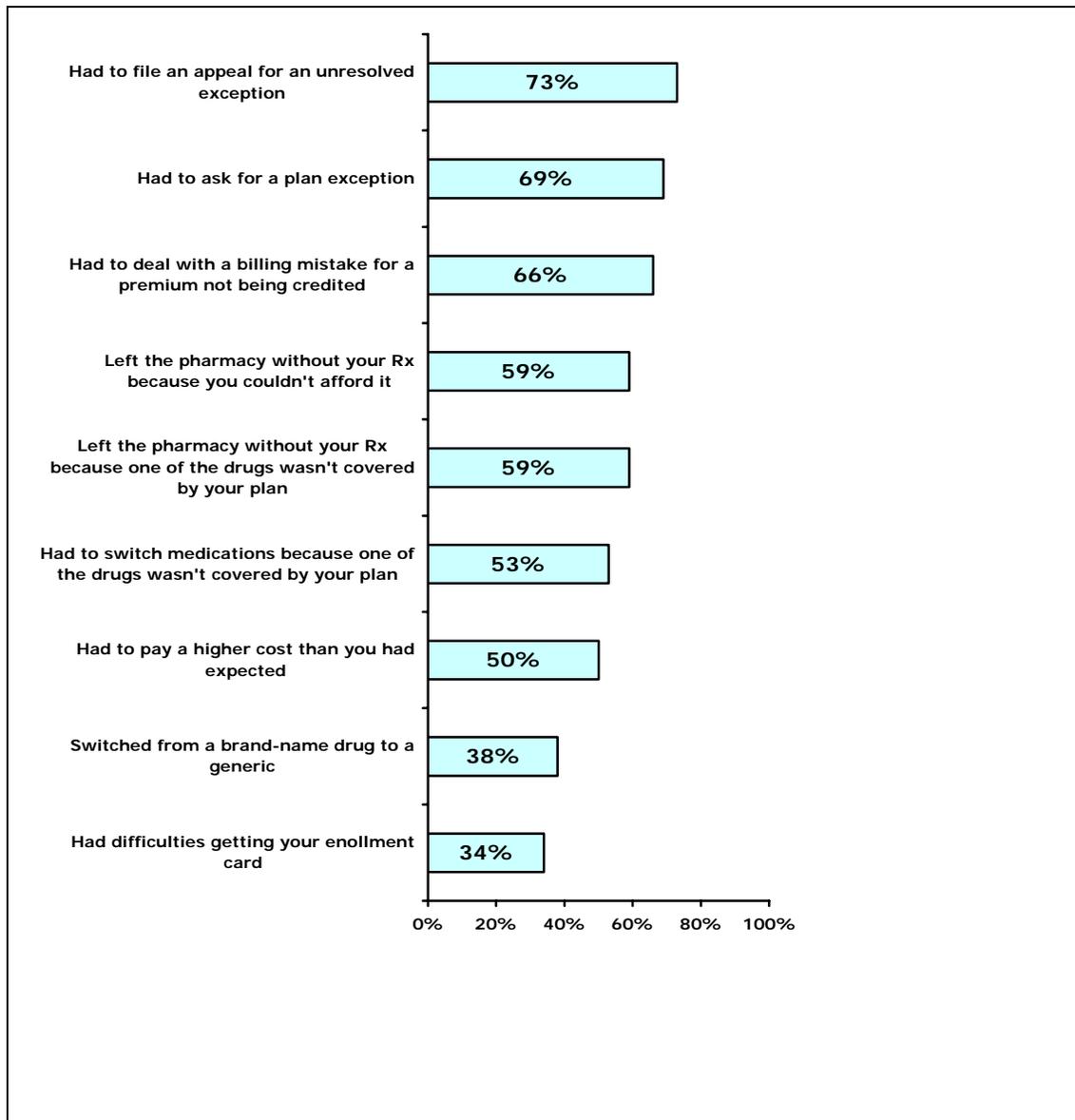
### ***Impressions of the Prescription Drug Plan***

When respondents who were automatically enrolled were asked about four aspects of the plan—cost of prescriptions, cost of monthly premiums, getting the right medicines, and getting answers to questions—and how their new plan compares with how they got prescriptions before, two-thirds (or more) said they thought their new plan was about the same in terms of getting answers to their questions (69%) and getting the medications they need (66%). Moreover, about four in ten said the new plan was about the same as their old one in terms of the cost of the monthly premium (49%) and how much they pay for prescriptions (43%).

Since being auto-enrolled in a prescription drug plan, very few respondents reported having changed their behavior. For example, less than one in ten skipped a dose (8%), decided not to fill a prescription (7%), or took less than the prescribed dose of a medication (4%). Also, similar percentages reported asking a doctor (6%), a pharmacist (6%), or a drug company (2%) for help in getting a plan to pay for the drugs they need.

As noted in Figure 6, auto-enrollees generally did not experience the situations they were asked about, and for those who did, the majority said they were not problems for them.

**Figure 6**  
**How much of a problem were these situations for you**  
**in getting your prescription medicines since joining your plan?**  
*Percentage who Did Not Experience*  
**(Auto-Enrollees n=531)**



Source: *Experiences with Medicare Part D Among Enrollees and Non-Enrollees*, November 2006

## **Questions Asked of Those who Have Not Decided or Have Not Enrolled**

### ***Main Reason for Not Deciding...or Deciding Not to Enroll***

Having good coverage now is the main reason cited by more than seven in ten respondents (71%) for not yet deciding to enroll in a prescription drug plan or deciding not to enroll. Only one in nine (11%) cited low drug costs as a reason for not enrolling or not deciding to enroll. Far fewer cited the remaining reasons they were asked about: plans seem too expensive (6%), choosing a plan is too difficult (4%), they do not take prescription drugs (3%), or they are in good health (2%).

- Younger respondents are more likely than those age 80 or older to say the main reason they have not enrolled in a prescription drug plan is because they have good coverage now (75%, 76%, and 73% vs. 64% for those 80+).

When asked to select one statement which most closely reflects their attitude about enrolling in a prescription drug plan in 2007, one half of those who did not enroll in 2006 (49%) said they will not enroll in a prescription drug plan in 2007. Additionally, nearly three in ten (28%) said that as long as their situation doesn't change, they don't intend to enroll in a plan in 2007. For those who picked a statement suggesting that they *might* enroll if their medical situation changed, seven percent said they would consider enrolling and three percent said they would if their situation changed.

When asked to select one statement which most closely reflects their attitude about enrolling in a prescription drug plan in the future, slightly more than one-third (37%) said they don't intend to enroll and three in ten (30%) said they don't intend to enroll as long as their medical situation does not change. As with the previous question, for those who picked a statement suggesting they might enroll if their medical situation changed, twelve percent said they would consider enrolling and six percent said they would enroll.

- Men are more likely than women to say they will not enroll in a prescription drug plan now (54% vs. 48%) or in the future (43% vs. 35%).
- Likewise, younger respondents are more likely than those ages 80 or older to say they will not enroll for 2007 (54%, 57% and 48% vs. 37% for those 80+) or in the future (41%, 44% and 38% vs. 27%).
- Finally, those with incomes of \$30,000 or more per year are more likely than those with incomes below that figure to say they will not enroll in 2007 (54%, 60%, and 62% vs. 38%) or in the future (41%, 45%, and 46% vs. 37%).

Nearly six in ten (56%) of those who did not enroll in 2006 said a one-year waiver of the premium penalty would not make a difference (that is, they would not enroll), while one-third (33%) said they did not know if they would enroll.

- As with the attitudinal questions regarding future enrollment, men, younger respondents, and those who are more affluent are more likely to say a one-year waiver of the enrollment penalty would not make a difference in their enrollment decision (gender: 62% vs. 54%; age: 58%, 60%, and 58% vs. 48%; income: 62%, 65%, and 65% vs. 47%).

## Conclusions

Respondents to this survey who enrolled in a prescription drug plan give the Medicare Part D program high marks, with three-quarters of them saying it was *extremely, very, or somewhat easy* to select a plan, and a similar percentage saying it was *not very* or *not at all difficult* to enroll in a plan.

High levels of satisfaction with their drug plans are reflected in the two-thirds of enrollees who said they are *extremely* or *very satisfied* with the plan they are enrolled in. More than two-thirds of enrollees also believe they made a *good* choice in plans, and more than eight in ten said they are *not very likely* or *not at all likely* to switch plans in the next open enrollment period.

Enrollees also show high levels of satisfaction with aspects of the prescription drug plan, which is reflected in the nearly nine in ten who said it was either *extremely easy* or *very easy* to get the medicines they need.

Among auto-enrollees, the story is quite similar. More than eight in ten said it was either *extremely easy* or *very easy* to get the medicines they need, while about the same number said they are *not very* or *not at all likely* to switch plans in the next open enrollment period.

Among those respondents who did not enroll in a prescription drug plan in 2006, more than seven in ten attributed their decision to already having good prescription drug coverage, and most do not expect to enroll in a Medicare prescription drug plan for 2007. Even though the percentage who would consider enrolling in a Medicare prescription drug plan rises a bit when asked about an unspecified future date, the general pattern among non-enrollees seems clear. They have good coverage now and, barring some unforeseen medical or career change, they would like to keep what they have.

**Appendix A**  
**Annotated Questionnaire**  
**for**  
**Medicare Panel Survey**

**Annotated Questionnaire**  
**Medicare Panel Survey**  
**(n=38,116)**

<Question One through Question Four are asked of all respondents; n=38,116>

Q1: First, how would you rate your health overall?

Excellent	12%
Very good	36%
Good	36%
Fair	13%
Poor	3%

Q2: In a typical month, how many prescription drugs do you take on a regular basis?

Zero	29%
One	16%
Two	13%
Three	10%
Four	8%
Five	6%
Six or more	16%

Q3: How much per month would you estimate that you paid out-of-pocket in 2005 for your prescription drugs? (That is, how much did you spend that was not later reimbursed?)

\$0	23%
\$1-\$49	23%
\$50-\$249	27%
\$250 or more	22%

Q4: What type of prescription drug coverage did you have in 2005 (not including discount cards and not including programs offered by drug manufacturers/companies)?

Provided by my current employer	34%
Provided by my spouse's current employer	16%
Retiree benefit from my former employer	10%
Retiree benefit from my spouse's former employer	5%
Individually purchased Medigap policy, usually lettered H, I or J	3%
Medicaid	7%
State prescription assistance plan	4%
Medicare private plan with drug benefits, e.g., HMO	8%
Veterans' Administration / Military	6%
I don't have prescription drug coverage	16%

<Question Five through Question Seven are asked of respondents 65+; n=11,504>

Medicare is the health insurance program for people aged 65 and older as well as for certain people with disabilities. People in Medicare currently pay about \$89.00 per month for Part B Medicare coverage, which does not cover prescription drugs taken outside of a hospital. Congress passed a new law that adds outpatient prescription drug coverage to Medicare.

Q5: How much have you read, seen, or heard about Medicare's new prescription drug coverage?

A great deal	30%
A fair amount	28%
Some	19%
Very little	8%
Nothing at all	2%

Q6: Overall, how well do you understand how this Medicare prescription drug plan coverage works?

Extremely well	4%
Very well	14%
Somewhat well	27%
Not very well	28%
Not at all well	14%

Q7. According to Medicare, individuals with annual incomes of \$14,700 or less (\$19,800 for a couple) would qualify for "extra help" as long as the value of their assets is no more than \$11,500 (or \$23,000 for a couple). A home, vehicles, personal possessions, a burial plot, and up to \$1,500 for funeral expenses would not be counted as assets. But, bank accounts, additional real estate, investments, and the value of life insurance policies would be counted.

Based on this definition, do you think you would qualify for this extra help?

	Qualify for extra help?
Yes	12%
No	60%
Don't Know	15%
No Answer	13%

<Question Eight asked of those who think they will qualify for extra help; n=1,338>

Q8. If you think you would qualify, but have not yet applied, why haven't you?

I didn't know about it	15%
I didn't know how to apply	16%
I haven't gotten around to it	13%
I had difficulty filling out the application	8%
No answer	49%

Q9. Did you receive information from Medicare about the “extra help” (noted in Question 7) that would provide help to people with limited incomes in paying for prescription drug premiums, deductibles, and co-pays under Medicare? If so, did you apply for it? If you filed an application, were you accepted?

	Received Information? (n=11,504)	Apply for “Extra Help”? (n=5,297)	Were you accepted? (n=683)
Yes	46%	13%	58%
No	17%	35%	31%
Don’t Know	12%	51%	7%

Q9A. If your application for extra help was rejected, did you sign up for a Medicare prescription drug plan? <n=210>

Yes	49%
No	51%

Q10: Do you think you will enroll in a Medicare prescription drug plan? <n=107>

I received information that said I was “automatically enrolled” in a Medicare drug plan	16%
I am already enrolled in a Medicare drug plan	19%
I have decided to enroll but have not yet selected a plan	9%
I have not yet decided	17%
I have decided <u>not</u> to enroll	33%
No answer	7%

**Appendix B**  
**Annotated Questionnaire**  
**for**  
**Medicare Panel Follow-Up Survey**

**Medicare Part D Follow-up Survey to Panel Members**  
***Annotated Questionnaire***  
**(N=3,602)**

Medicare is the health insurance program for people aged 65 and older as well as for certain people with disabilities. People in Medicare currently pay about \$89.00 per month for Part B Medicare coverage, which does not cover prescription drugs taken outside of a hospital. Congress passed a new law that added outpatient prescription drug coverage to Medicare. This prescription drug coverage, called Medicare Part D, took effect on January 1, 2006.

Q1: How much have you read, seen, or heard about Medicare's new prescription drug coverage?

A great deal	34%
A fair amount	34%
Some	20%
Very little	9%
Nothing at all	2%

Q2: Overall, how well do you understand how this Medicare prescription drug plan coverage works?

Extremely well	4%
Very well	20%
Somewhat well	37%
Not very well	29%
Not at all well	9%

Q3: Have you enrolled in a Medicare prescription drug plan, sometimes called Part D? <Please check one box.>

I enrolled in a Medicare drug plan (Go to Q4)	30%
I received information that said I was "automatically enrolled" in a Medicare drug plan (Go to Q32)	15%
I have not yet decided to enroll (Go to Q42)	4%
I did not enroll in a Medicare drug plan (Go to Q42)	50%

**(Asked of those who self-enrolled; n=1,068)**

Q4. When did your new prescription drug plan take effect?

January 2006	49%
February 2006	7%
March 2006	9%
April 2006	6%
May 2006	17%
No answer	12%

Q5. What is the main reason that you decided to enroll? <Please check one box.>

Because I have high drug costs now	24%
Because I think the cost of drugs will increase	7%
Because I want to be able to budget my monthly expenses	5%
Because a Medicare drug plan cost less than I had expected	5%
Because enrolling now seemed less costly than waiting to enroll and paying a penalty	32%
Because I wanted peace of mind about the future	8%
Because I think I will save money on my drugs	19%
No answer	3%

Q6: What company or organization sponsors your Medicare prescription drug plan?

United Health Care	15%
PacifiCare	3%
Wellpoint	<1%
Member Health	<1%
Humana	26%
Cigna	<1%
Wellcare	3%
Other: AARP	10%
I don't know	5%
No answer	5%

Q7. How easy was it for you to select a Medicare prescription drug plan?

Extremely easy	14%
Very easy	26%
Somewhat easy	35%
Not very easy	16%
Not at all easy	6%
No answer	2%

Q8. How did you enroll?

On the Medicare.gov website	4%
On the website of the company offering my prescription drug plan	8%
By telephone to Medicare	10%
By telephone to a company offering a prescription drug plan	32%
By mail	31%
No answer	14%

Q9. Did you ask anyone for advice before you decided to enroll or had selected a plan?

No	39%	
Yes	61%	

*(Asked of those who self-enrolled and who said they had asked someone for advice before enrolling; n=646)*

Q9A. From whom did you ask advice about enrolling or selecting a plan?

From my spouse or significant other	17%
From a friend or other family member	36%
From my doctor or pharmacist	29%
From community organizations	19%
From SHIPS (state health insurance programs)	9%
From insurance brokers	27%
Other: AARP	2%
All Others	2%

*(Asked of those who self-enrolled; n=1,068)*

Q10. In general, how would you rate the enrollment process?

Extremely difficult	2%
Very difficult	4%
Somewhat difficult	21%
Not very difficult	41%
Not at all difficult	29%
No answer	2%

Q11. We know that selecting a Medicare drug plan involved making a lot of decisions and weighing different options. For each of the five aspects listed below, please check the box indicating how important they were to your decision-making.

	Extremely Important	Very	Somewhat Important	Not Very	Not at all	No answer
a. the reputation of the company or organization offering the plan	34%	41%	15%	3%	1%	6%
b. the amount the plan charges in monthly premiums	47%	34%	10%	1%	1%	6%
c. the specific drugs covered by the plan	44%	37%	9%	2%	2%	7%
d. the amount the plan charges for each prescription (co-pays)	42%	38%	10%	2%	1%	8%
e. a recommendation from someone you trust	19%	25%	26%	12%	8%	10%
f. the ability to pay more to avoid a gap in benefits	20%	27%	23%	10%	7%	12%

Q12. How satisfied are you with the Medicare prescription drug plan you are enrolled in now?

Extremely satisfied	20%
Very satisfied	44%
Somewhat satisfied	26%
Not very satisfied	5%
Not at all satisfied	2%
No answer	2%

Q13. 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?

I made a good choice	69%
I'd be better off with a different plan	4%
I don't know	26%
No answer	1%

Q14. In the next open enrollment period (which begins November 15, 2006) when you can switch prescription drug plans, how likely are you to do so?

Extremely likely	2%
Very likely	3%
Somewhat likely	11%
Not very likely	45%
Not at all likely	38%
No answer	2%

Q15. Which of the following statements most closely reflects your attitude about switching between prescription drug plans?

As long as my plan doesn't change, I don't intend to switch	70%
I will be sure to check my options just in case I decide to switch	25%
I intend to switch plans during the open enrollment period	1%
I would switch plans today if I were able to	2%
No answer	2%

*(Asked of those who self-enrolled and who intend to switch or consider switching plans; n=295)*

Q15A. 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.>

Lower monthly premiums	52%
Lower co-pays	50%
Coverage in the gap	54%
Different drugs on the formulary	29%
Better customer service	15%
No answer	2%

*(Asked of those who self-enrolled; n=1,068)*

Q16. Since the month in which your prescription drug coverage took effect, have you tried to fill any prescriptions under your new Medicare drug plan?

No	11%	
Yes	89%	

*(Asked of those who self-enrolled and who have tried to fill any prescription under their new drug plan; n=953)*

Q16A. How easy was it for you to get the medicines you needed under your new prescription drug plan?

Extremely easy	47%
Very easy	40%
Somewhat easy	10%
Not very easy	2%
Not at all easy	1%

*(Asked of those who self-enrolled; n=1,068)*

Q17. Medicare Part D includes a new optional, no cost program to help people who take a lot of prescription medicines to manage them better and try to avoid medication-related problems. Your prescription drug plan may have contacted you about this program involving "Medication Therapy Management" services. (Your expected prescription drug costs for 2006 would have to be at least \$4,000 before you would have received information about this program.)

Have you been invited to participate in the Medication Therapy Management program?

No	98%	
Yes	2%	

*(Asked of those who self-enrolled and who had been invited to participate in the Medication Therapy Management program; n=26)*

Q17A. Did you join the program?

No	77%	
Yes	23%	

*(Asked of those who self-enrolled, who had been invited to participate in the Medication Therapy Management program, and who decided not to; n=20)*

Q17B. Why did you decide not to join the Medication Therapy Management program?

(Asked of those who self-enrolled; n=1,068)

Q18. For certain medications, your prescription drug plan may require additional measures to ensure that your safety is protected, such as prior authorization, quantity limits, or step therapy. Do any of your current prescriptions require any of these measures? <Please check the appropriate box for each option.>

	Yes	No	Don't Know	No answer
Prior authorization	16%	47%	29%	8%
Quantity limits	22%	39%	29%	10%
Step therapy	2%	45%	39%	15%

Q19. If your prescription drug plan does not cover a drug you need, or if you think the drug should be available with a lower co-payment, you have the right to ask your plan for an exception. Have you requested an exception for any of the following items? <Please check the appropriate box for each option.>

	Yes	No	Don't Know	No answer
Exception for a particular drug that was not covered by your plan	8%	79%	9%	5%
Exception for a lower co-payment	3%	79%	9%	10%
Exception from a prior authorization	2%	78%	10%	10%
Exception from a quantity limit	4%	78%	9%	9%
Exception from step therapy	<1%	77%	12%	11%

Q20: The following is a list of sources from which you may have sought out information about Medicare's new prescription drug coverage. For each one, please check the box indicating whether you looked for information from this source, and if so, whether the information you obtained was useful in making a decision about enrolling in a Medicare drug plan.

	Looked for Information?	Useful?
Physician or other health professional	29%	55%
Pharmacist	45%	69%
Prescription drug plan sponsor	42%	70%
Friends, family members, or caregivers	37%	64%
Local newspaper, radio station, television station, or magazine	28%	53%
Medicare Rights Center	13%	30%
State Health Insurance Assistance Program	17%	40%
Social Security Administration	22%	49%
AARP	40%	68%
Consumer Reports Magazine	13%	34%
Medicare	32%	62%
Employer or other source of current drug coverage	13%	26%
Community organization, e.g., church, senior center	20%	46%
Other (specify: _____)		

Q21. Based on your purchases since the beginning of this year, how much would you estimate that you have paid for prescription drugs per month? \$\_\_\_\_\_.

Nothing	7%
\$1--\$49	35%
\$50--\$99	24%
\$100--\$199	14%
\$200--\$499	11%
\$500 or more	6%
No answer	3%

Q22. If you had prescription drug coverage in 2005, how would you say this new prescription drug coverage compares to it in terms of premiums and benefits?

The new coverage is better	23%
The new coverage is about the same	21%
The new coverage is worse	11%
I did not have prescription drug coverage in 2005	40%
No answer	4%

Q23. If you had prescription drug coverage in 2005, how would you say this new prescription drug coverage compares to it overall?

The new coverage is better	23%
The new coverage is about the same	21%
The new coverage is worse	12%
I did not have prescription drug coverage in 2005	38%
No answer	7%

Q24. Compared to last year, how much do you think you have saved on prescription drugs since you enrolled in the new plan?

I have saved a great deal of money	18%
I have saved some money	40%
I have saved very little money	15%
I have saved no money	20%
No answer	7%

Q25. How do the savings you're receiving compare to what you expected to save?

The savings are better than I had expected	25%
The savings are about the same as I had expected	46%
The savings are worse than I had expected	20%
No answer	9%

Q26. Compared with how you got your prescriptions before, for each of the following aspects, please check the box noting whether the new plan is better, worse, or about the same.

	Better	Worse	About the same	No answer
a. how much you pay for your prescriptions	53%	15%	25%	7%
b. the cost of your monthly premiums	36%	22%	26%	16%
c. getting the medicines you need	23%	5%	62%	10%
d. getting answers to your questions	21%	7%	60%	13%

Q27. Since enrolling in your new prescription drug plan, have you done any of the following? <Please check all that apply.>

a. decided not to fill a prescription	8%
b. skipped a dose	8%
c. taken less than the prescribed dose of a medication	8%
d. asked a prescription drug company for help in paying for the drugs you need	3%
e. asked your doctor for help getting your plan to pay for the drugs you need	7%
f. asked your pharmacist for help getting your plan to pay for the drugs you need	5%

Q28. We've listed a number of situations you may have experienced related to getting your prescription medicines since joining your new Medicare drug plan. For each one, please check the box noting whether this was a major problem, a minor problem, or not a problem for you.

	Major Problem	Minor Problem	Not a Problem	Did not have experience	No answer
a. had difficulties getting your enrollment card	3%	10%	51%	31%	5%
b. left the pharmacy without your prescription because one of the drugs you were taking wasn't covered by your plan	4%	4%	18%	66%	8%
c. left the pharmacy without your prescription because you couldn't afford it	4%	4%	18%	67%	8%
d. had to switch medications because one of the drugs you were taking wasn't covered by your plan	4%	9%	16%	63%	8%
e. switched from a brand-name drug to a generic	5%	10%	35%	43%	7%
f. had to deal with a billing mistake for a premium not being credited	3%	3%	14%	71%	10%

g. had to pay a higher cost than you had expected—either for a prescription or a premium	8%	14%	15%	56%	8%
h. had to ask for a plan exception	2%	2%	11%	76%	9%
i. had to file an appeal for an unresolved plan exception	1%	1%	9%	80%	9%

Q29: What type of prescription drug coverage did you have in 2005 (not including discount cards and not including programs offered by drug manufacturers)?

Provided by my current employer	4%
Provided by my spouse's current employer	3%
Retiree benefit from my former employer	9%
Retiree benefit from my spouse's former employer	5%
Individually purchased Medigap policy, usually lettered H, I or J	9%
Medicaid	7%
State pharmacy assistance program	7%
Medicare private plan with drug benefits, e.g., HMO	9%
Veterans' Administration / Military	2%
I didn't have prescription drug coverage	46%
No answer	6%

Q30. Some plans have what is called a "coverage gap" or "doughnut hole"—a point where the plan stops paying for prescriptions and individuals are required to pay the full cost of their medications for awhile. Does your Medicare drug plan have such a coverage gap?

Yes, my plan has a coverage gap	41%
No, my plan does not have a coverage gap (Go to Q31)	19%
I don't know (Go to Q31)	37%
No answer	3%

*(Asked of those who self-enrolled and whose drug plans has a coverage gap; n=440)*

Q30A. For each of the following questions about the coverage gap, please check the box with your response.

	Yes	No	No answer
Did you know about the coverage gap when you enrolled in a prescription drug plan?	86%	11%	4%
Did you consider buying an enhanced plan to have coverage in the gap?	14%	79%	7%
Do you recall receiving advance notice that you were approaching the coverage gap?	28%	63%	10%
Will you be seeking a plan with gap coverage next year?	23%	63%	14%

Q30B. Where are you in relation to the coverage gap? <Please check one box.>

I do not expect to reach the coverage gap this year	60%
I expect to reach the coverage gap within the next few months	14%
I am in the coverage gap now	11%
I am past the coverage gap now and getting benefits again	3%
I don't know	8%
No answer	4%

Q30C. While in the coverage gap, where did you purchase your prescriptions?

Through the Medicare plan pharmacy I always use	36%
Through a pharmacy with a better price	9%
Somewhere else	4%
No answer	51%

*(Asked of those who self-enrolled; n=1,068)*

Q31. Over the last year, many people have recommended a number of potential changes to the Medicare prescription drug benefit. For each one, please check the box noting how important it is to you that this change be made.

	Extremely Important	Very Important	Somewhat Important	Not Very Important	Not at all Important	No answer
Simplifying the drug benefit	37%	33%	17%	4%	3%	7%
Providing clearer information on how the program works and what drugs are covered	39%	32%	14%	3%	4%	7%
Developing standard benefit packages, like Medigap insurance, to make it easier to choose a plan	34%	31%	18%	5%	4%	9%
Advocating for the federal government, not individual drug plans, to negotiate for drug prices	32%	24%	19%	8%	6%	10%
Advocating for the re-importation of drugs from Canada/Europe	20%	15%	22%	18%	14%	11%
Reducing or eliminating the doughnut hole/gap in coverage	43%	26%	14%	4%	4%	10%
Eliminating the asset test for extra help/lower-income subsidy or increasing the asset level	23%	26%	21%	9%	8%	13%

Simplifying the appeals and grievance procedure	25%	25%	23%	9%	6%	13%
Reducing or eliminating the penalty for late enrollment	31%	23%	21%	8%	7%	10%

**<Those who are self-enrolled, skip to Demographics section>**

*(Asked of those who were auto-enrolled in a prescription drug plan; n=531)*

Q32. When did your new prescription drug plan take effect?

January 2006	69%
February 2006	4%
March 2006	5%
April 2006	3%
May 2006	4%
No answer	15%

Q33: What company or organization sponsors your Medicare prescription drug plan?

United Health Care	8%
PacifiCare	13%
Wellpoint	<1%
Member Health	<1%
Humana	7%
Cigna	<1%
Wellcare	3%
Other: AARP	1%
All Others	12%
I don't know	7%
No answer	8%

Q34. How satisfied are you with the Medicare prescription drug plan you are enrolled in now?

Extremely satisfied	22%
Very satisfied	38%
Somewhat satisfied	24%
Not very satisfied	6%
Not at all satisfied	2%
No answer	8%

Q35. In the next open enrollment period (which begins November 15, 2006) when you can switch prescription drug plans, how likely are you to do so?

Extremely likely	2%
Very likely	2%
Somewhat likely	6%
Not very likely	33%
Not at all likely	49%
No answer	7%

Q36. Which of the following statements most closely reflects your attitude about switching between prescription drug plans?

As long as my plan doesn't change, I don't intend to switch	80%
I will be sure to check my options just in case I decide to switch	11%
I intend to switch plans during the open enrollment period	<1%
I would switch plans today if I were able to	<1%
No answer	7%

*(Asked of those who were auto-enrolled and who are thinking of switching plans or who plan to switch plans; n=69)*

Q36A. 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.>

Lower monthly premiums	24%
Lower co-pays	44%
Coverage in the gap	27%
Different drugs on the formulary	27%
Better customer service	11%
No answer	3%

*(Asked of those who were auto-enrolled in a prescription drug plan; n=531)*

Q37. Since the month in which your prescription drug coverage took effect, have you tried to fill any prescriptions under your new Medicare drug plan?

No	23%	
Yes	77%	

*(Asked of those who were auto-enrolled and who tried to fill any prescriptions; n=409)*

Q37A. How easy was it for you to get the medicines you needed under your new prescription drug plan?

Extremely easy	47%
Very easy	37%
Somewhat easy	10%
Not very easy	2%
Not at all easy	2%
No answer	1%

(Asked of those who were auto-enrolled in a prescription drug plan; n=531)

Q38. For certain medications, your prescription drug plan may require additional measures to ensure that your safety is protected, such as prior authorization, quantity limits, or step therapy. Do any of your current prescriptions require any of these measures? <Please check the appropriate box for each option.>

	Yes	No	Don't Know	No Answer
Prior authorization	21%	37%	26%	17%
Quantity limits	29%	30%	23%	19%
Step therapy	2%	34%	38%	27%

Q39. Compared with how you got your prescriptions before, for each of the following aspects, please check the box noting whether the new plan is better, worse, or about the same.

	Better	Worse	About the same	No Answer
a. how much you pay for your prescriptions	28%	16%	43%	14%
b. the cost of your monthly premiums	19%	9%	49%	24%
c. getting the medicines you need	15%	5%	66%	14%
d. getting answers to your questions	12%	4%	69%	15%

Q40. Since being enrolled in your new prescription drug plan, have you done any of the following? <Please check all that apply.>

a. decided not to fill a prescription	7%
b. skipped a dose	8%
c. taken less than the prescribed dose of a medication	4%
d. asked a prescription drug company for help in paying for the drugs you need	2%
e. asked your doctor for help getting your plan to pay for the drugs you need	6%
f. asked your pharmacist for help getting your plan to pay for the drugs you need	6%

Q41. We've listed a number of situations you may have experienced related to getting your prescription medicines since joining your new Medicare drug plan. For each one, please check the box noting whether this was a major problem, a minor problem, or not a problem for you.

	Major Problem	Minor Problem	Not a Problem	Did not have experience	No Answer
a. had difficulties getting your enrollment card	2%	3%	47%	34%	14%
b. left the pharmacy without your prescription because one of the drugs you were taking wasn't covered by your plan	5%	3%	18%	59%	15%
c. left the pharmacy without your prescription because you couldn't afford it	4%	3%	19%	59%	15%
d. had to switch medications because one of the drugs you were taking wasn't covered by your plan	4%	8%	19%	53%	15%
e. switched from a brand-name drug to a generic	3%	8%	36%	38%	15%
f. had to deal with a billing mistake for a premium not being credited	<1%	2%	15%	66%	17%
g. had to pay a higher cost than you had expected—either for a prescription or a premium	9%	12%	14%	50%	15%
h. had to ask for a plan exception	2%	3%	11%	69%	15%
i. had to file an appeal for an unresolved plan exception	<1%	1%	11%	73%	16%

**<Those who were auto-enrolled, skip to Demographics section>**

*(Asked of those who have not decided or have not enrolled in a prescription drug plan; n=1,934)*

Q42: What is the main reason you have not yet decided, or have decided to not enroll? <Please check one box.>

Because I am in good health	2%
Because I have good coverage now	71%
Because I don't take prescription drugs	3%
Because I have low drug costs	11%
Because the plans seem too expensive	6%
Because choosing a plan is too difficult	4%
Because I am not eligible yet (not age 65)	<1%
No answer	5%

Q43. Which of the following statements most closely reflects your current attitude about enrolling in a prescription drug plan for 2007?

I will not enroll in a prescription drug plan for 2007	49%
If my medical situation changes in the next few months, I will enroll in a prescription drug plan for 2007	3%
If my medical situation changes in the next few months, I will consider enrolling in a prescription drug plan for 2007	7%
As long as my medical situation doesn't change, I don't intend to enroll in a prescription drug plan	28%
I am considering enrolling during the next open enrollment period	3%
I have decided to enroll during the next open enrollment period	1%
I wish I had enrolled when I was able to this year	<1%
No answer	10%

Q44. Would a one-year waiver of the premium penalty make a difference in your decision to enroll?

Yes, I would enroll	2%
No, I would not enroll	56%
I don't know	33%
No answer	8%

Q45. Which of the following statements most closely reflects your current attitude about enrolling in a prescription drug plan in the future?

I will not enroll in a prescription drug plan in the future	37%
If my medical situation changes in the future, I will enroll in a prescription drug plan	6%
If my medical situation changes in the future, I will consider enrolling in a prescription drug plan at that time	12%
As long as my medical situation doesn't change, I don't intend to enroll in a prescription drug plan	30%
I am considering enrolling during the next open enrollment period	3%
I have decided to enroll during the next open enrollment period	1%
I wish I had enrolled when I was able to this year	<1%
No answer	11%

**[GO TO DEMOGRAPHICS]**

## Demographic Characteristics of Respondents to Follow-Up Survey

- Roughly seven in ten respondents (71%) are female, while roughly three in ten (29%) are male.
- Respondents were almost equally divided into four groups: 65-69 (28%), 70-74 (24%), 75-79 (22%) and those ages 80 or older (25%).
- One-half (50%) of respondents reported annual household incomes of \$30,000 or less, with another fifth (20%) noting incomes between \$30,000 and \$49,999. One in seven (14%) said they had incomes between \$50,000 and \$74,999, with the remainder (16%) having incomes of \$75,000 or more.
- About four in ten (44%) respondents said they were married, with one-third (34%) who were widowed and one in seven (14%) who were divorced.
- Nearly eight in ten (79%) respondents said they were retired, while more than one in ten (12%) were employed part-time or full-time.
- More than eight in ten (88%) respondents said they were white, non-Hispanic while about one in ten (8%) said they were black, non-Hispanic. Two percent of respondents said they were Hispanic.