

PATIENT VOICES

The benefits of smoothing out-of-pocket costs for Medicare beneficiaries.

In July 2020, the PAN Foundation along with the Berkeley Research Group surveyed **8,000 Medicare beneficiaries** about Medicare affordability, caps on out-of-pocket costs in Medicare Part D, and their experience with charitable financial assistance.

The survey provided new insights into the benefits of smoothing out-of-pocket costs throughout the year with a monthly cap compared to annual cap for Medicare beneficiaries with high Part D drug costs.



THE OUT-OF-POCKET COST BURDEN

Millions of Americans on Medicare struggle to afford the out-of-pocket costs for their medications. Of the more than ~8,000 people in our survey who answered questions about out-of-pocket costs:



75%

found it difficult to pay for medications.



~33%

delayed or stopped medications because of cost.



50%

were likely to reduce grocery spending or use savings to afford medications.

MEDICARE FACT

About 14 million Americans on Medicare are high spenders, paying more than \$250 a month for their medications.



CRAFTING A RELIABLE SAFETY NET

An annual cap or limit on what seniors pay out-of-pocket for their prescription medications would do some good, but survey results found that 1 in 10 would still be worried about affording their medications. This cap would also place a financial burden at the beginning of the year when deductibles reset for many who live on a fixed income. For high spenders, a monthly out-of-pocket cost cap would be most important in order to distribute out-of-pocket costs evenly throughout the year. Patient assistance programs can help close the financial gap.

Monthly out-of-pocket cost caps are predictable and effective

As opposed to an annual cost cap, respondents said out-of-pocket costs spread over 12 months would make them:



2X more likely to start a new medication.



3X less likely to borrow money.



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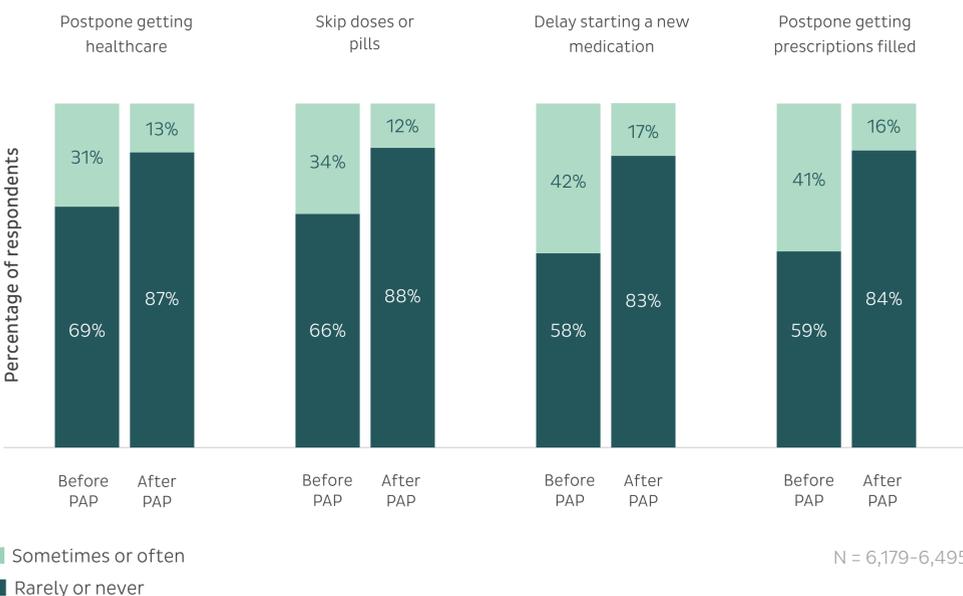
As a senior, I want cost predictability. I don't want to stay up at night wondering if my next prescription is going to cost \$800.

George Valentine, Texas
Living with chronic lymphocytic leukemia



PATIENT ASSISTANCE PROGRAMS

High spenders who received help from a patient assistance program (PAP) reported they were less likely to postpone healthcare and/or fill their medications.



Respondents who were high spenders and received help from a patient assistance program also reported they were...



2.5X

less likely to lower their grocery spending.



~2X

less likely to use their savings to pay for their medications.



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When I was diagnosed with Parkinson's disease, each new prescription would eat through our savings until there was nothing left. Thanks to PAN, I can stay on my medication and afford other essentials like groceries and gas.

Lynn Estep, Indiana
Living with Parkinson's disease



See all survey results.

VIEW SURVEY

Citation

Berkeley Research Group. Medicare Part D Benefit Design—Survey Results. 2020 Jul 31. https://panfoundation.org/app/uploads/2020/09/BRG_PAN_Research_200731_Topline_Summary.pdf (accessed September 9, 2020).