

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.



“

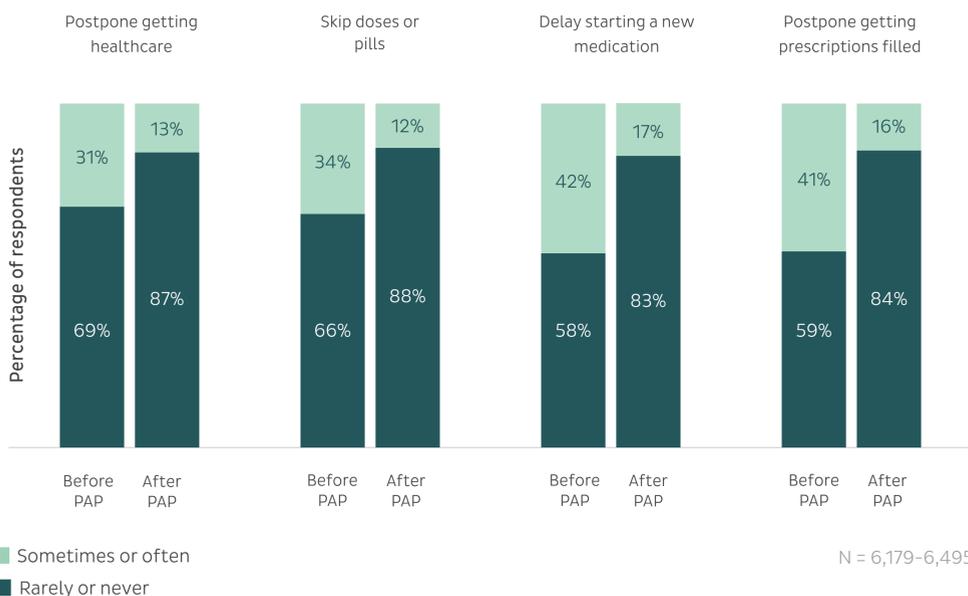
As a senior, I want cost predictability. I don't want to stay up at night wondering if my next prescription is going to cost \$800.

**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.



“

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](https://panfoundation.org/app/uploads/2020/09/BRG_PAN_Research_200731_Topline_Summary.pdf) (accessed September 9, 2020).