



 MORNING CONSULT
+
PAN Foundation

Patient Access Network (PAN) Foundation

OUT OF POCKET COSTS
AMONG SENIORS ON MEDICARE
POLLING PRESENTATION

MARCH 2021

METHODOLOGY

Background

The research conducted by Morning Consult on behalf of Patient Access Network (PAN) among seniors on Medicare sought to understand the top health care costs concerns, the impact of health care costs when Medicare beneficiaries have not yet met their annual deductible, and their confidence in paying health care costs throughout the rest of the year. These questions were tracked from 2020 to see how these measures shifted over the past year.

Audience

This poll was conducted between February 26-March 2, 2021 among a national sample of 1,000 seniors on Medicare (seniors taking prescription drugs on Medicare with prescription drug coverage that also have one or more chronic conditions). Data was also tracked from a poll conducted between February 26-March 3, 2020 among a national sample of 1,002 seniors on Medicare currently taking prescription drugs. The interviews from both waves were conducted online and the data were unweighted. Results from the full surveys have a margin of error of +/-3%.

Screening Criteria

- Age 65+
- Covered by Medicare
- Currently taking prescription drugs
- Have prescription drug coverage through Medicare
- Have been diagnosed with a medical condition requiring medical treatment

For simplicity, this audience is referred to as seniors on Medicare.

Key Findings

- 1. Thinking about what they spend on healthcare in an open-ended format, seniors on Medicare worry about prescription drug costs, hospitalization costs, and unanticipated health events.** Of the health care costs tested, seniors on Medicare are most worried (38%) about the price of their prescription drugs, and that worry remains largely unchanged from 2020 (-1%).
- 2. In the first two months of 2021, seniors on Medicare say it has been difficult to pay for their prescription drugs (12%) and their monthly health insurance premium (12%).**
- 3. Thinking about their budget, three quarters (75%) of seniors on Medicare say they cannot afford to pay over \$200 for their prescription drugs each month, although 16% of seniors already have in the first 2 months of 2021.** Despite this concern, some seniors on Medicare are uncomfortable (12%) having a conversation with their health care provider about the cost of their prescription drugs, including one in five (19%) seniors on Medicare that have spent \$200+ for their prescription drugs in the first 2 months of 2021.
- 4. A third of seniors on Medicare (33%) still say that they reduced spending on non-essential activities since the start of 2021, including half (52%) of those that have spent over \$200 out-of-pocket on prescription drugs in the first 2 months of 2021.** Overall, fewer seniors on Medicare have had to make any of the tested changes and decisions in order to afford out-of-pocket costs for their prescription drugs in 2021 compared to 2020.
- 5. A third of seniors (30%) on Medicare are worried about the total costs they will have to pay out-of-pocket for their prescription drugs in 2021, and 10% are not confident in their ability to pay for their out-of-pocket drug costs.** While worry among seniors on Medicare remains the same as 2020 (-2%), confidence in their ability to pay has slightly increased (+6%).

AGENDA

CONCERN OF HEALTH CARE COSTS

BEGINNING OF 2021 HEALTH CARE COSTS

IMPACT OF HEALTH CARE COSTS

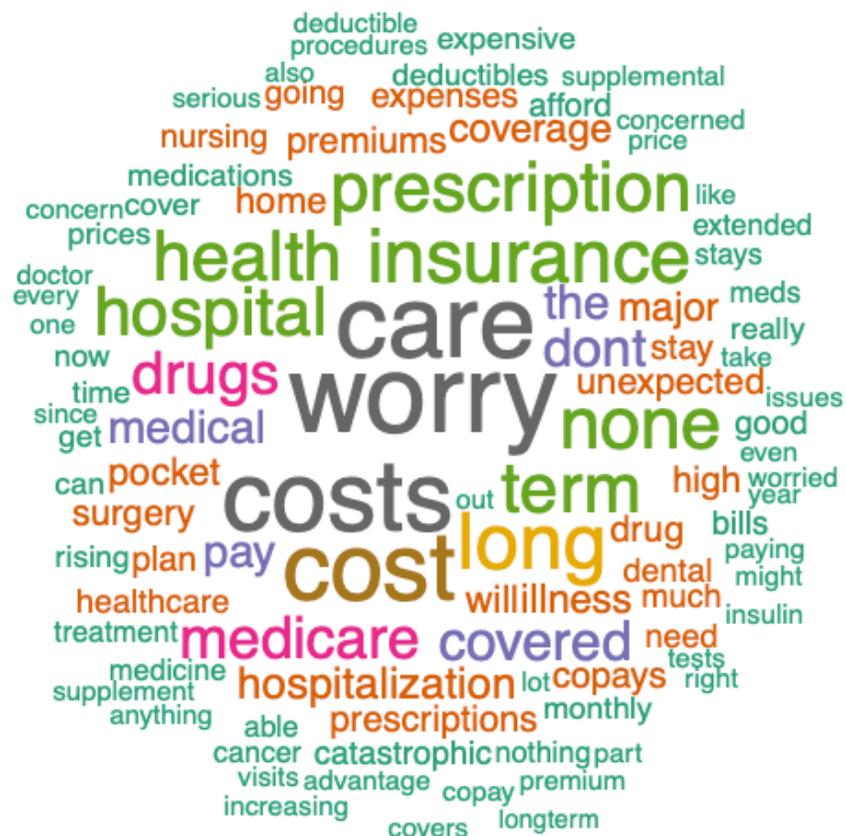
FUTURE OF 2021 HEALTH CARE COSTS

RESPONDENT PROFILE



CONCERN OF HEALTH CARE COSTS

Thinking about what you spend on health care, what type of health care costs do you worry about the most, if any? *Open End*

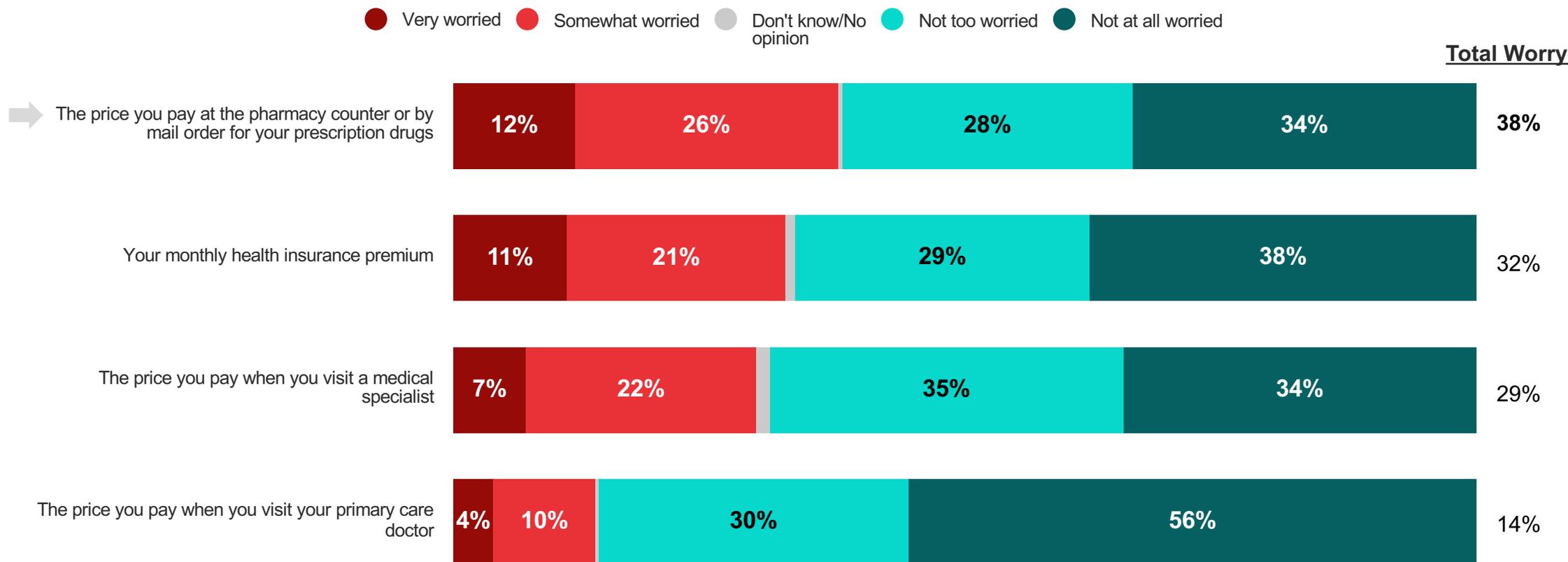


- *Prescription drug costs*
- *Hospitalization costs*
- *Unanticipated health events*
- *Costs associated with long-term care*
- *Deductibles, copays, and insurance premiums*

CONCERN OF HEALTH CARE COSTS

Two in five seniors on Medicare (38%) are worried about the price they pay for their prescription drugs.

How worried are you, if at all, about each of the following health care costs?



CONCERN OF HEALTH CARE COSTS

Low-income seniors on Medicare are 3x as likely as high-income seniors on Medicare to worry about the price they pay when they visit their primary care doctor (18% vs 6%), and 2x more likely to worry about the price they pay when they visit a medical specialist (38% vs. 15%).

How worried are you, if at all, about each of the following health care costs?

<i>Total Worry* About Health Care Costs Across Key Demographic Groups</i>							
	<i>Seniors on Medicare</i>	<i>Income: Under 50k</i>	<i>Income: 50k-100k</i>	<i>Income: 100k+</i>	<i>Community: Urban</i>	<i>Community: Suburban</i>	<i>Community: Rural</i>
The price you pay at the pharmacy counter or by mail order for your prescription drugs	38%	40%	37%	33%	33%	39%	39%
Your monthly health insurance premium	32%	35%	32%	26%	25%	33%	37%
The price you pay when you visit a medical specialist	29%	38%	24%	15%	32%	28%	32%
The price you pay when you visit your primary care doctor	14%	18%	11%	6%	16%	12%	16%

CONCERN OF HEALTH CARE COSTS

Two thirds (68%) of seniors on Medicare that spent \$200+ OOP for prescription drugs in the first 2 months of 2021 are worried about the price they pay for their prescription drugs.

How worried are you, if at all, about each of the following health care costs?

<i>Total Worry* About Health Care Costs Across Key Demographic Groups</i>					
	<i>Seniors on Medicare</i>	<i>One Chronic Condition</i>	<i>2+ Chronic Condition</i>	<i>Spent <\$200 OOP for presc. drugs in first 2 months of 2021</i>	<i>Spent \$200+ OOP for presc. drugs in first 2 months of 2021</i>
The price you pay at the pharmacy counter or by mail order for your prescription drugs	38%	33%	40%	31%	68%
Your monthly health insurance premium	32%	28%	35%	29%	46%
The price you pay when you visit a medical specialist	29%	26%	31%	28%	36%
The price you pay when you visit your primary care doctor	14%	14%	14%	13%	17%

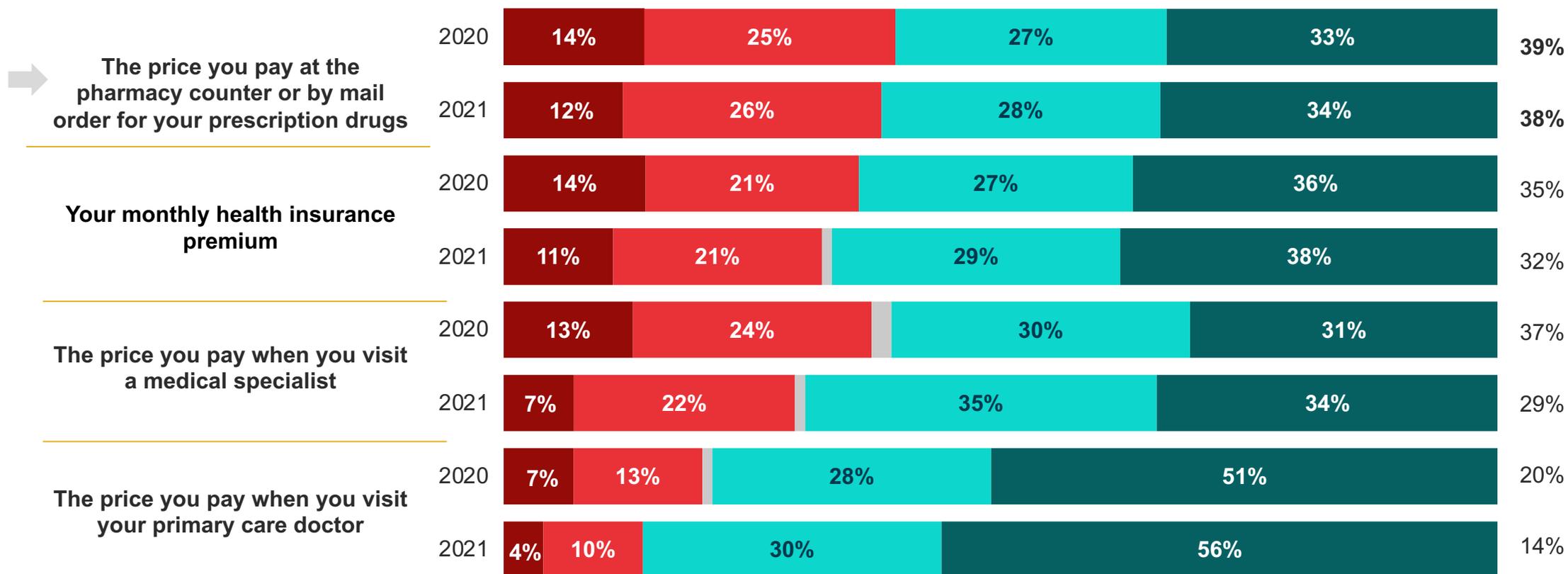
CONCERN OF HEALTH CARE COSTS

Between 2020 and 2021, worry among seniors on Medicare about the price they pay for prescription drugs remained unchanged (-1%).

How worried are you about each of the following health care costs?

■ *Very worried*
 ■ *Somewhat worried*
 ■ *Don't know/No opinion*
 ■ *Not too worried*
 ■ *Not at all worried*

Total Worried



AGENDA

CONCERN OF HEALTH CARE COSTS

BEGINNING OF 2021 HEALTH CARE COSTS

IMPACT OF HEALTH CARE COSTS

FUTURE OF 2021 HEALTH CARE COSTS

RESPONDENT PROFILE

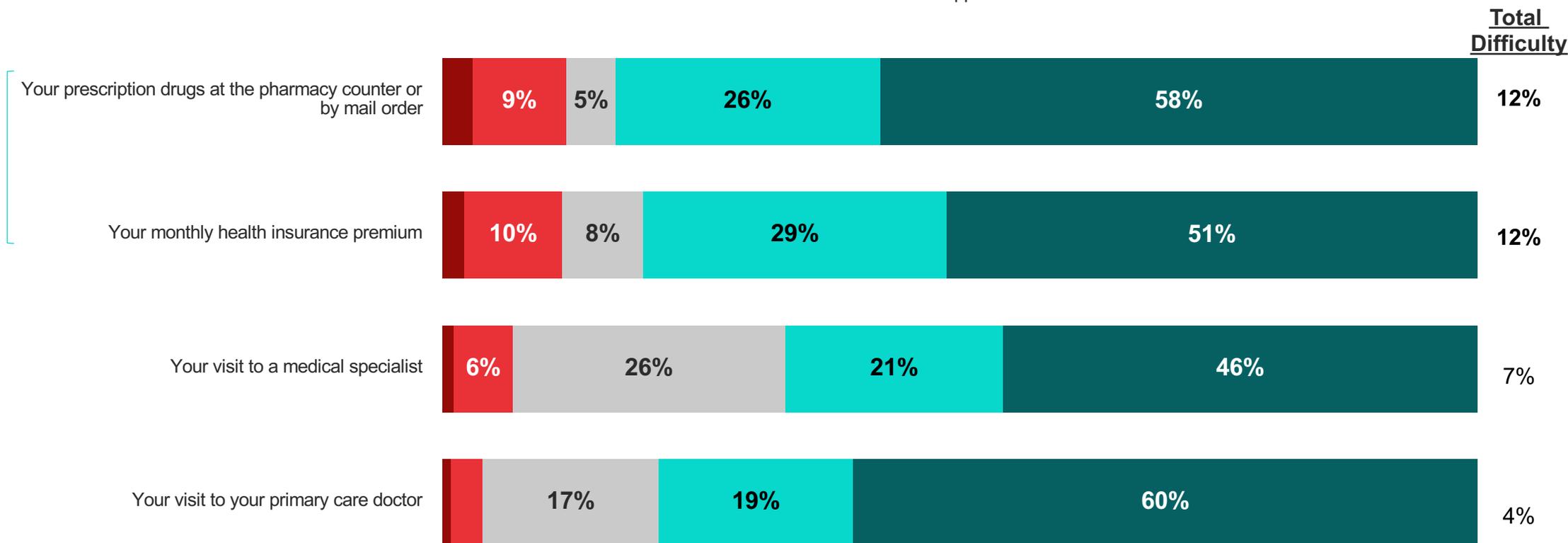


BEGINNING OF 2021 HEALTH CARE COSTS

One in ten (12%) seniors on Medicare say in the first 2 months of 2021 it has been difficult to pay for their prescription drugs and monthly health insurance premium.

In the first 2 months of 2021, how easy or difficult has it been to pay for the following health care costs?

● Very difficult
 ● Somewhat difficult
 ● Don't know/Not applicable
 ● Somewhat easy
 ● Very easy



BEGINNING OF 2021 HEALTH CARE COSTS

Low-income seniors (15%) are 5x more likely than high-income seniors (3%) to say it has been difficult to pay for their monthly health insurance premium in the first 2 months of 2021.

In the first 2 months of 2021, how easy or difficult has it been to pay for the following health care costs?

<i>Total Difficult* to Pay Health Care Costs Across Key Demographic Groups</i>							
	<i>Seniors on Medicare</i>	<i>Income: Under 50k</i>	<i>Income: 50k-100k</i>	<i>Income: 100k+</i>	<i>Community: Urban</i>	<i>Community: Suburban</i>	<i>Community: Rural</i>
Your prescription drugs at the pharmacy counter or by mail order	12%	15%	11%	6%	12%	10%	15%
Your monthly health insurance premium	12%	15%	10%	3%	13%	9%	17%
Your visit to a medical specialist	7%	10%	4%	4%	8%	6%	8%
Your visit to your primary care doctor	4%	6%	2%	2%	7%	3%	5%

BEGINNING OF 2021 HEALTH CARE COSTS

A third (35%) of seniors on Medicare that spent \$200+ OOP for prescription drugs in the first 2 months of 2021 say it has been difficult to pay for prescription drugs in the first 2 months of 2021.

In the first 2 months of 2021, how easy or difficult has it been to pay for the following health care costs?

<i>Total Difficult* to Pay Health Care Costs Across Key Demographic Groups</i>					
	<i>Seniors on Medicare</i>	<i>One Chronic Condition</i>	<i>2+ Chronic Condition</i>	<i>Spent <\$200 OOP for presc. drugs in first 2 months of 2021</i>	<i>Spent \$200+ OOP for presc. drugs in first 2 months of 2021</i>
Your prescription drugs at the pharmacy counter or by mail order	12%	9%	13%	7%	35%
Your monthly health insurance premium	12%	8%	13%	10%	18%
Your visit to a medical specialist	7%	7%	7%	6%	11%
Your visit to your primary care doctor	4%	3%	4%	4%	6%

BEGINNING OF 2021 HEALTH CARE COSTS

Seniors on Medicare with respiratory disease or cancer are more likely than those with other chronic conditions to say it was been difficult to pay for their prescription drugs at the pharmacy counter or by mail order.

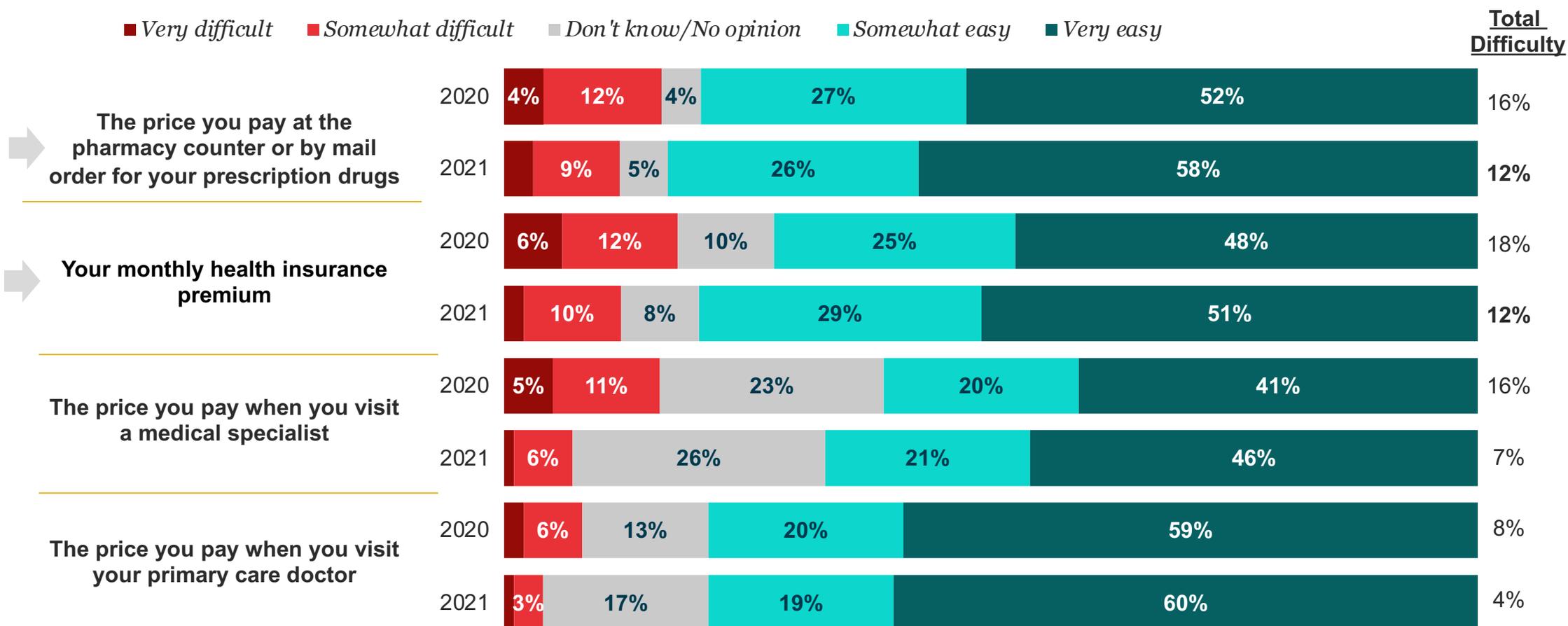
In the first 2 months of 2021, how easy or difficult has it been to pay for the following health care costs?

<i>Total Difficult* to Pay Health Care Costs Across Chronic Condition Type</i>									
	<i>Seniors on Medicare</i>	<i>High blood pressure</i>	<i>High cholesterol</i>	<i>Diabetes</i>	<i>Respiratory disease</i>	<i>Heart disease</i>	<i>Mental health</i>	<i>Autoimmune disease</i>	<i>Cancer</i>
Your prescription drugs at the pharmacy counter or by mail order	12%	11%	12%	15%	25%	20%	14%	17%	22%
Your monthly health insurance premium	12%	11%	12%	13%	16%	15%	14%	23%	18%
Your visit to a medical specialist	7%	7%	6%	7%	13%	12%	11%	8%	9%
Your visit to your primary care doctor	4%	4%	4%	3%	5%	10%	6%	8%	7%

BEGINNING OF 2021 HEALTH CARE COSTS

Of the costs tested, seniors on Medicare had the most difficulty paying for the price of their prescription drugs (12%), and their monthly health insurance premium (12%) in the first to months of 2021, similar to 2020.

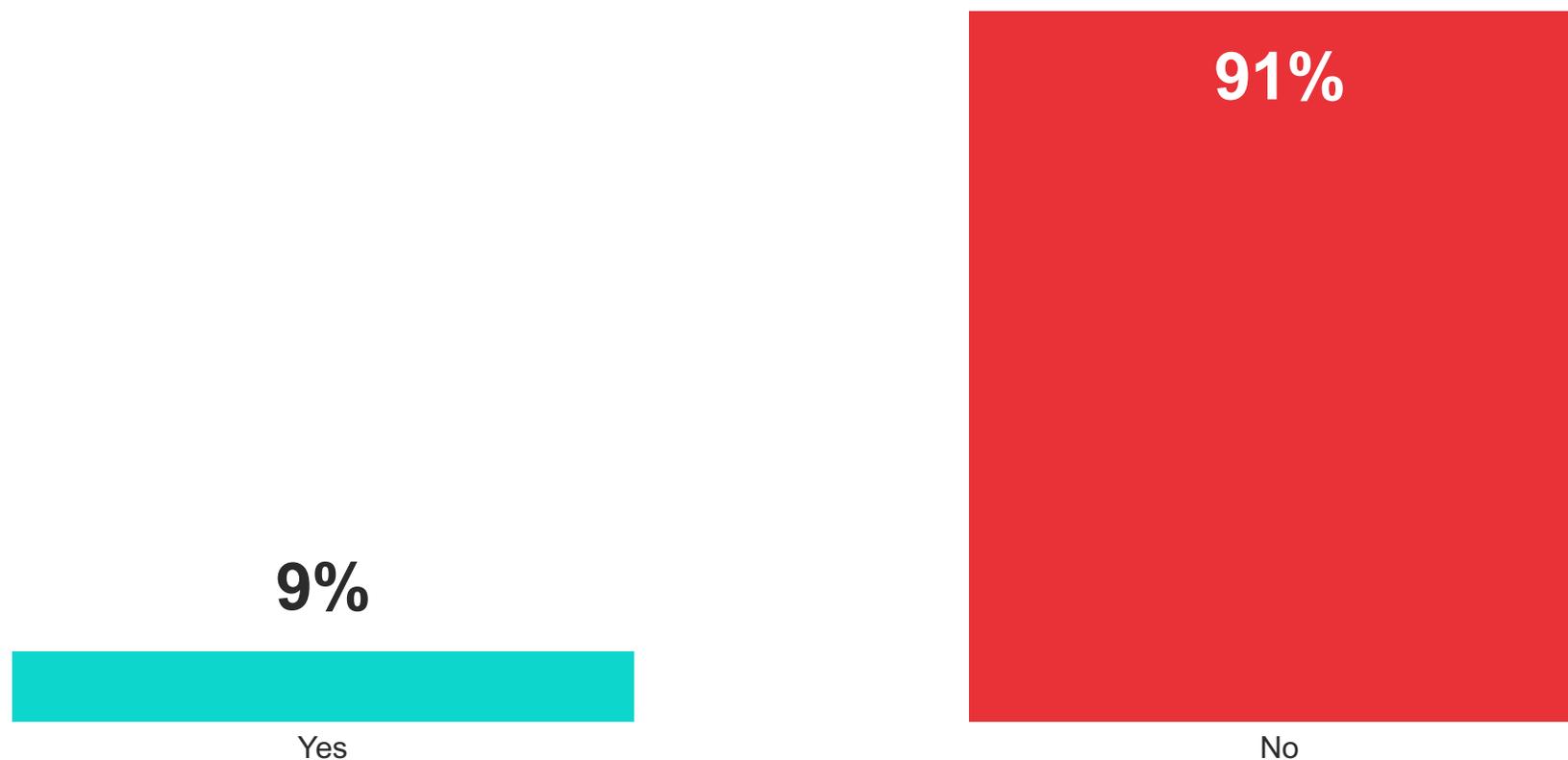
In the first 2 months of 2021, how easy or difficult has it been to pay for the following health care costs?



BEGINNING OF 2021 HEALTH CARE COSTS

A strong majority (91%) of seniors on Medicare *have not* had a conversation with their health care provider about their ability to pay for the OOP costs of their prescription drugs in the first 2 months of 2021.

Have you had a conversation with your health care provider in the first 2 months of 2021 about your ability to pay for the out-of-pocket costs of your prescription drugs?

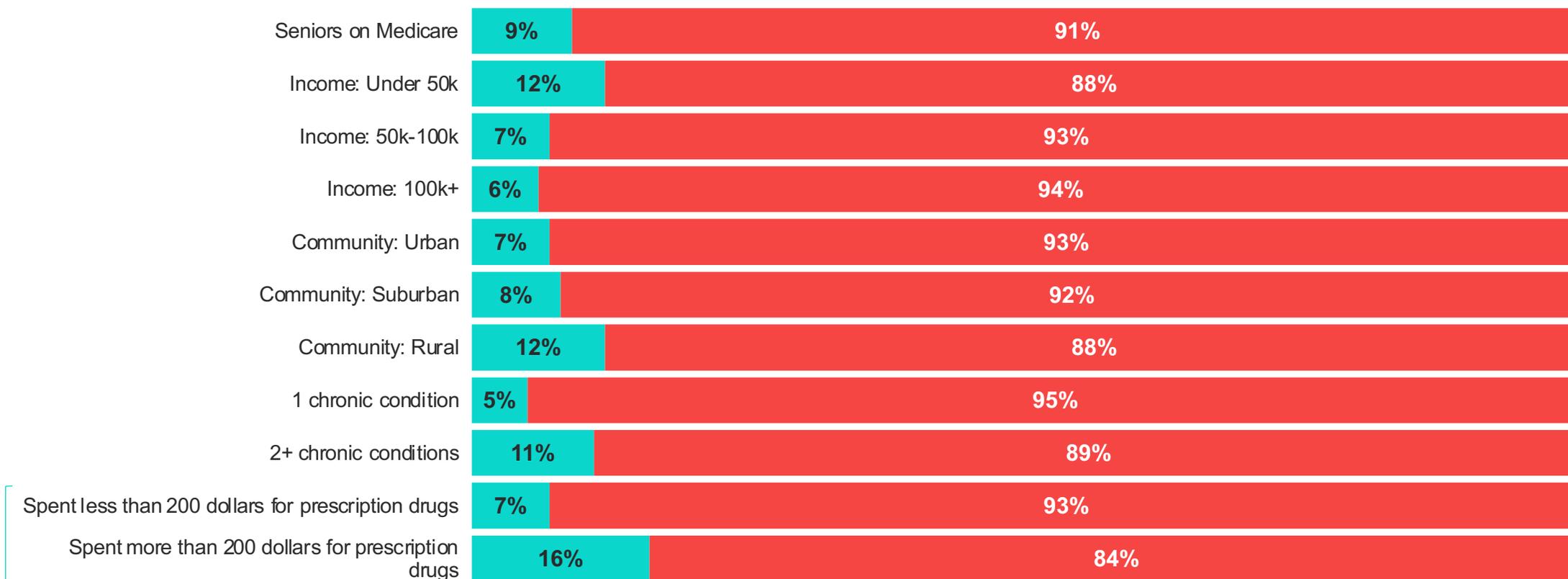


BEGINNING OF 2021 HEALTH CARE COSTS

Seniors on Medicare who spent \$200+ for prescription drugs (16%) are twice as likely as those who spent < \$200 for prescription drugs (7%) to have had a conversation with their health care provider in the first 2 months of 2021 about their ability to pay for the out-of-pocket costs of their prescription drugs.

Have you had a conversation with your health care provider in the first 2 months of 2021 about your ability to pay for the out-of-pocket costs of your prescription drugs?

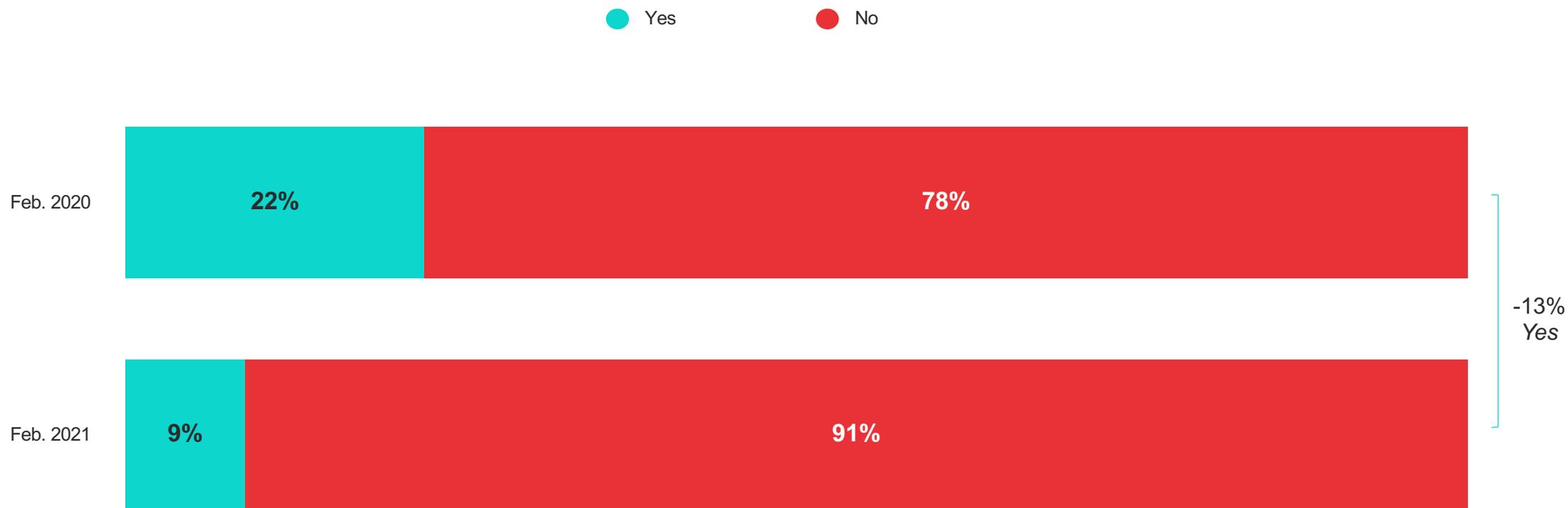
■ Yes ■ No



BEGINNING OF 2021 HEALTH CARE COSTS

Compared to Feb. 2020, 13% fewer seniors on Medicare have had a conversation with their health care provider about their ability to pay for the out-of-pocket costs of their prescription drugs.

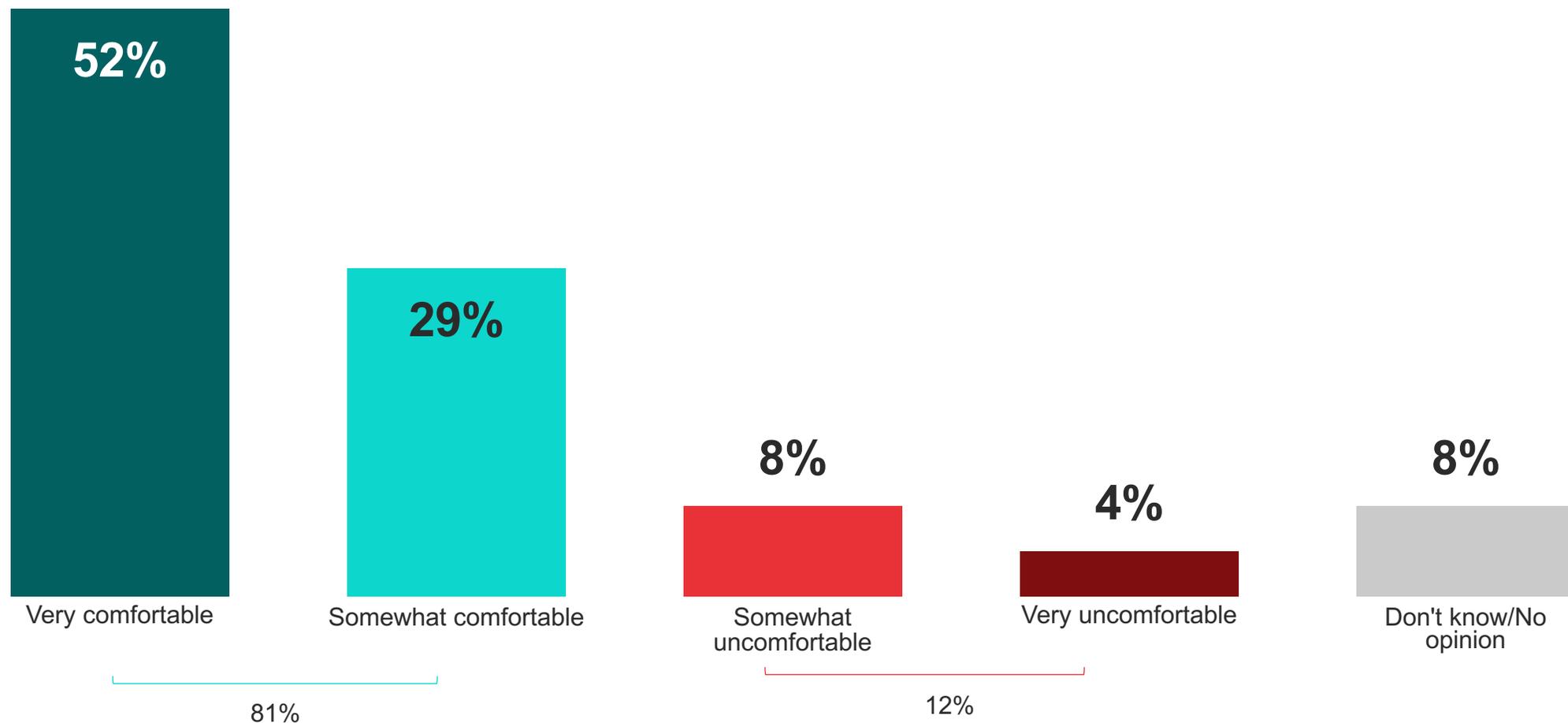
Have you had a conversation with your health care provider in the first 2 months of 2021 about your ability to pay for the out-of-pocket costs of your prescription drugs?



BEGINNING OF 2021 HEALTH CARE COSTS

One in ten (12%) seniors on Medicare say they are uncomfortable having a conversation with their health care provider about the cost of their prescription drugs.

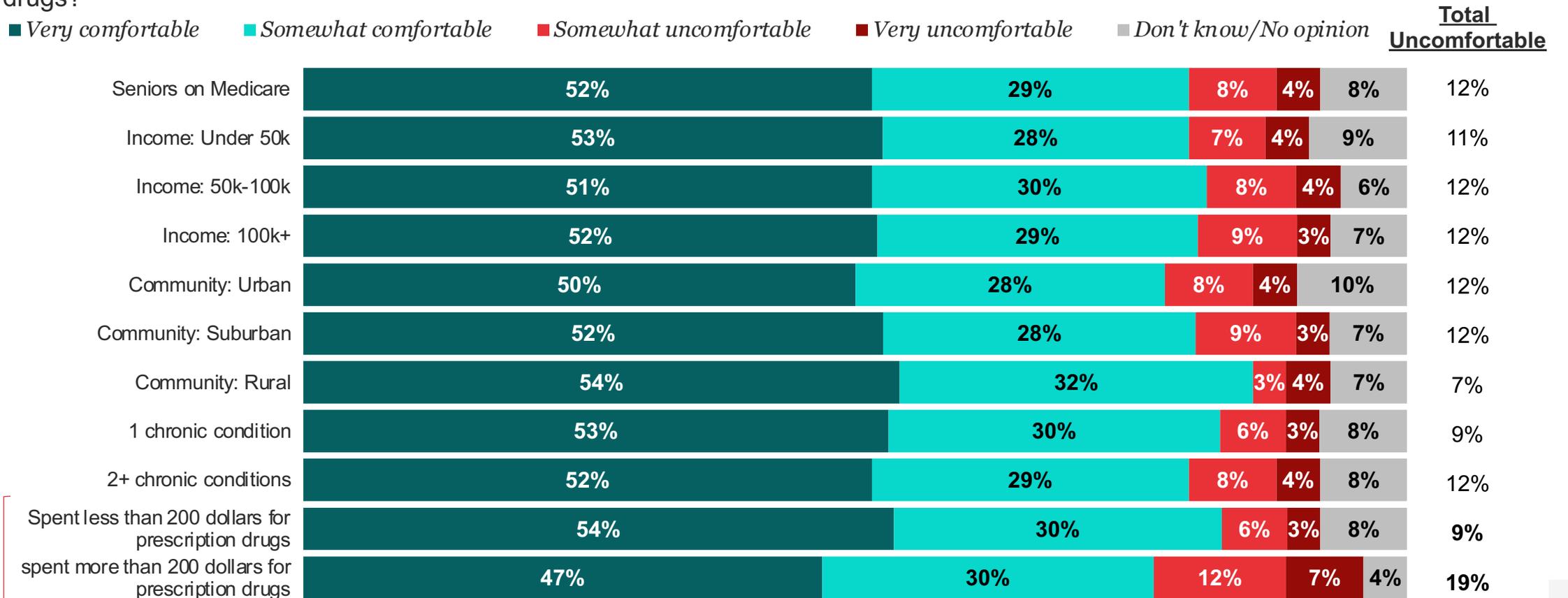
How comfortable or uncomfortable are you having a conversation with your health care provider about the cost of your prescription drugs?



BEGINNING OF 2021 HEALTH CARE COSTS

Seniors on Medicare who spent \$200+ on prescription drugs (19%) are twice as likely as those who spent <\$200 (9%) to say they are uncomfortable having a conversation with their health care provider about the cost of their prescription drugs.

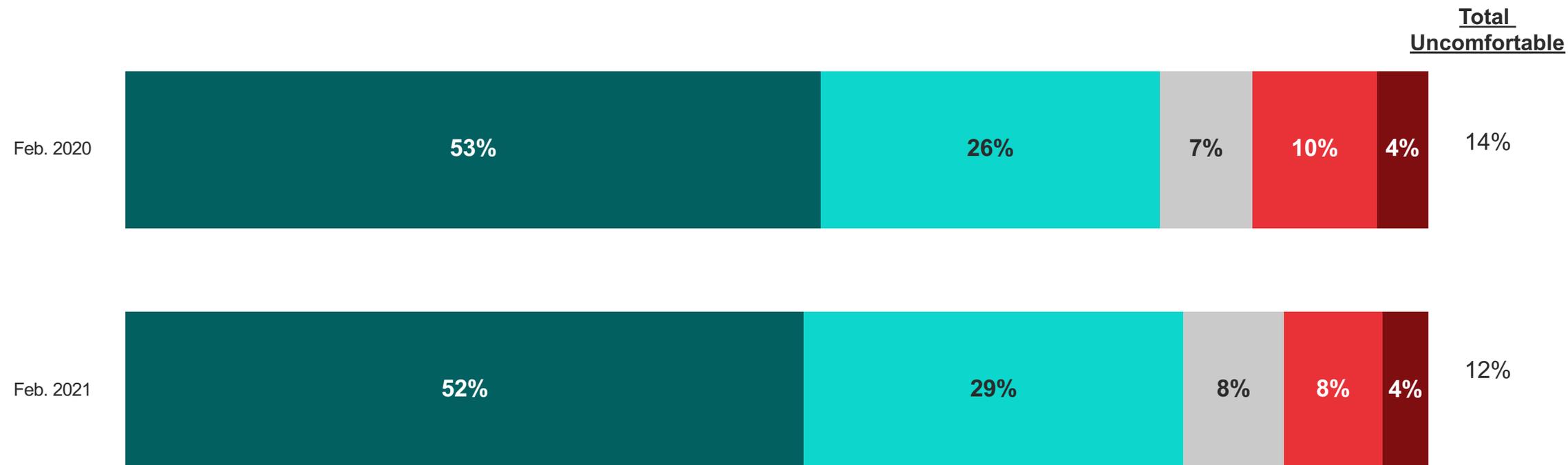
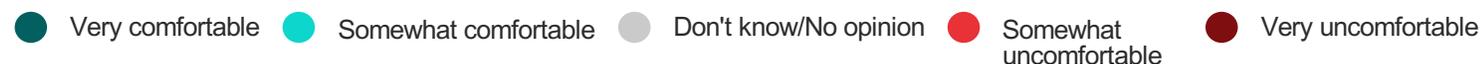
How comfortable or uncomfortable are you having a conversation with your health care provider about the cost of your prescription drugs?



BEGINNING OF 2021 HEALTH CARE COSTS

Similar to 2020, one in ten (12%) seniors on Medicare say they are uncomfortable having a conversation with their health care provider about the cost of their prescription drugs.

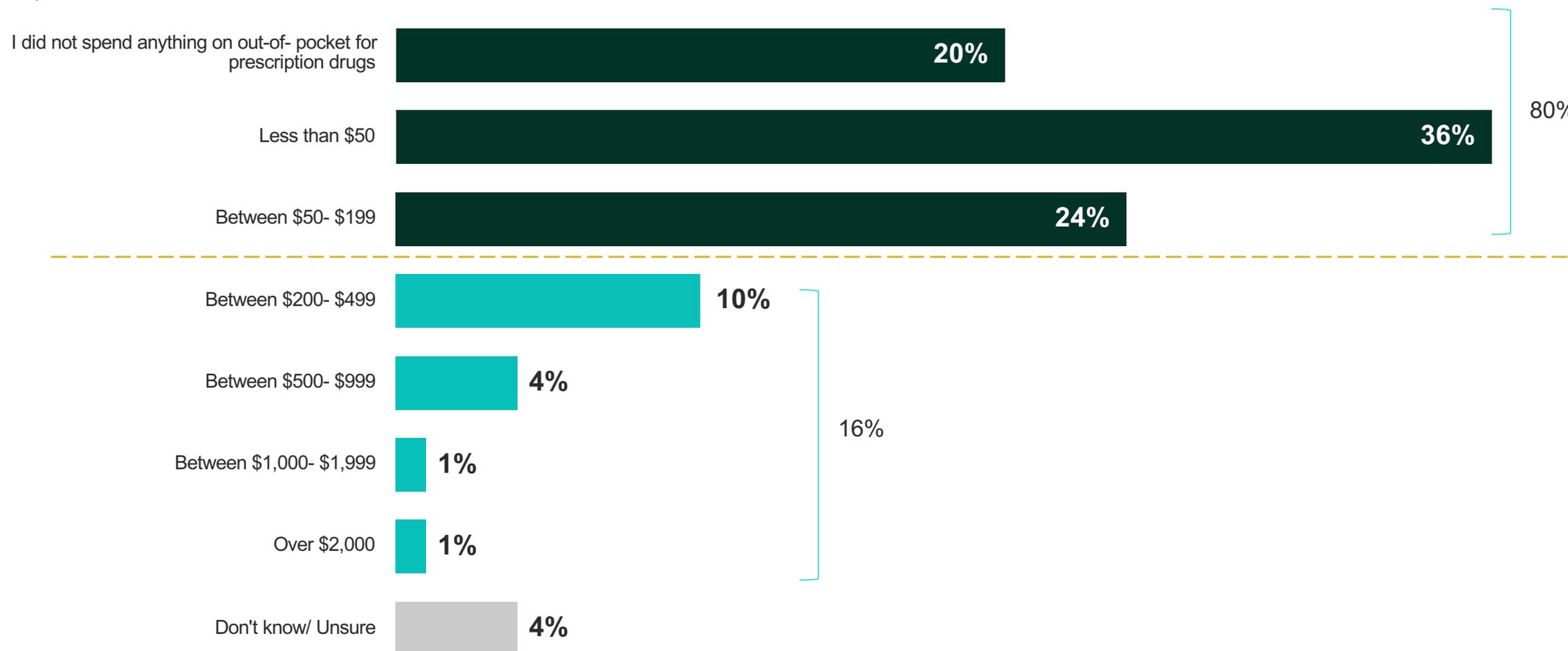
How comfortable or uncomfortable are you having a conversation with your health care provider about the cost of your prescription drugs?



BEGINNING OF 2021 HEALTH CARE COSTS

16% of seniors on Medicare spent \$200+ out-of-pocket on deductibles, copays, and coinsurance for their prescription drugs in the first 2 months of 2021, although a plurality (36%) paid less than \$50.

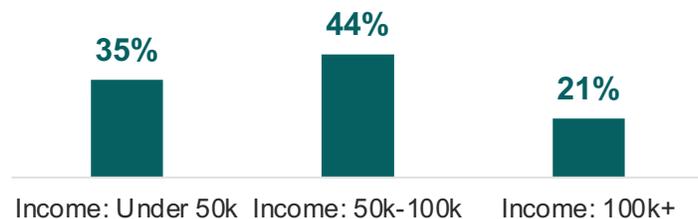
How much did you spend out-of-pocket on deductibles, copays and coinsurance for your prescription drugs in the first 2 months of 2021?



BEGINNING OF 2021 HEALTH CARE COSTS

Seniors on Medicare Who Have Spent \$200+ OOP on Prescription Drugs in First Two Months of 2021*

INCOME



NUMBER OF CHRONIC CONDITIONS



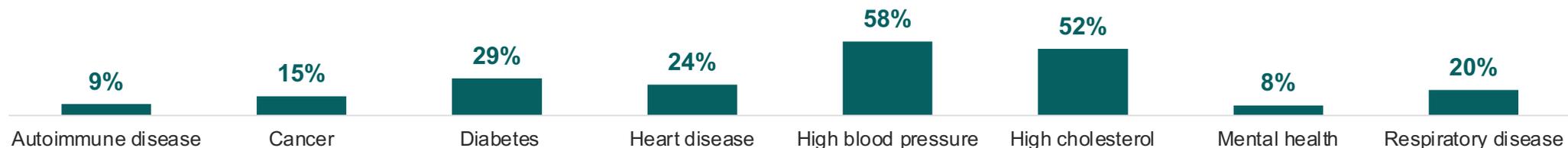
FREQUENCY OF FILLING PRESCRIPTION



OOP SPEND DURING FIRST 2 MONTHS OF 2021



CHRONIC CONDITION TYPE**



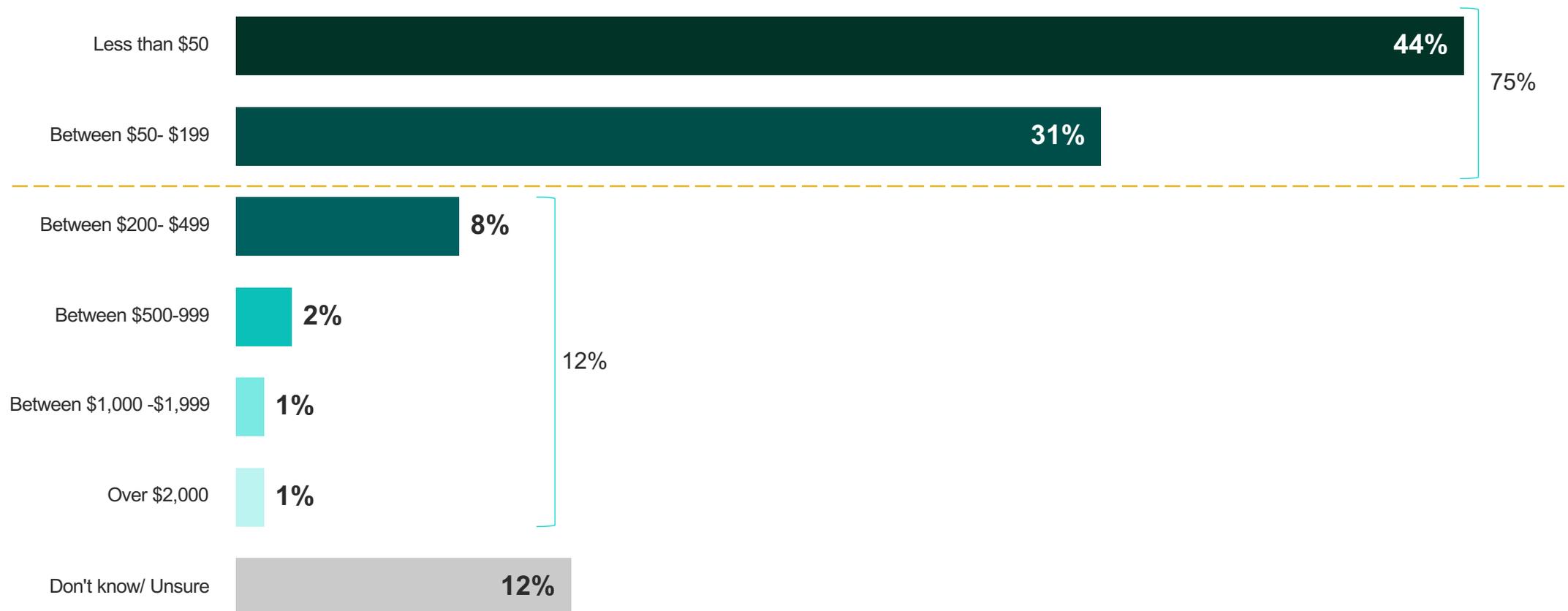
*Small base size, n=161

**Add up to over 100% since respondents could select more than 1 chronic condition

BEGINNING OF 2021 HEALTH CARE COSTS

Thinking about their budget, three quarters (75%) of seniors say they cannot afford to pay over \$200 for their prescription drugs each month.

In thinking about your budget, how much do you think you can afford to pay for your prescription drugs each month?



AGENDA

CONCERN OF HEALTH CARE COSTS

BEGINNING OF 2021 HEALTH CARE COSTS

IMPACT OF HEALTH CARE COSTS

FUTURE OF 2021 HEALTH CARE COSTS

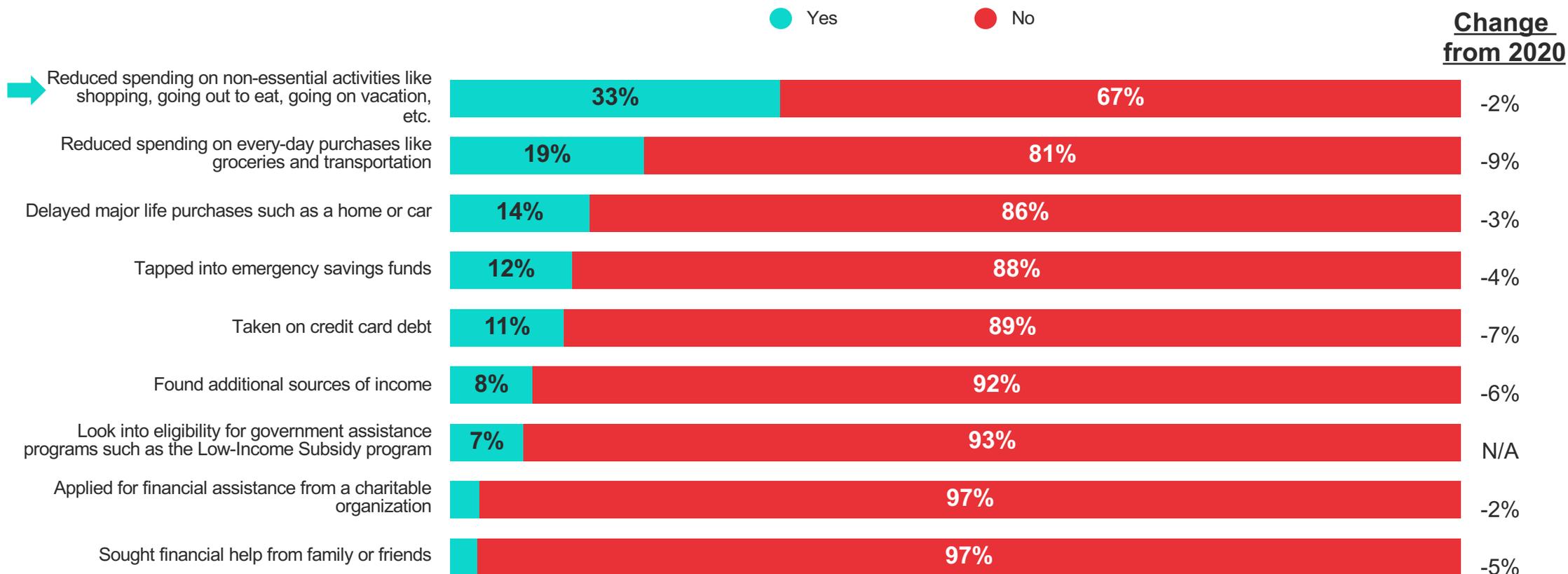
RESPONDENT PROFILE



IMPACT OF HEALTH CARE COSTS

A third of seniors on Medicare (33%) reduced spending on non-essential activities in order to afford out-of-pocket costs for their prescription drugs. Overall, seniors on Medicare made fewer of the tested changes to afford out-of-pocket costs for their prescription drugs.

Since the start of 2021, have you made any of the following changes in order to afford out-of-pocket costs for your prescription drugs?



IMPACT OF HEALTH CARE COSTS

Low-income seniors on Medicare are 3x more likely than high income seniors on Medicare to delay major life purchases (+11%), tap into emergency savings funds (+12%), or take on credit card debt (+10%) to afford out-of-pocket costs for their prescription drugs since the start of 2021.

Since the start of 2021, have you made any of the following changes in order to afford out-of-pocket costs for your prescription drugs?

<i>Changes Made To Afford Out-Of-Pocket Costs For Prescription Drugs Across Demographic Groups</i>							
	<i>Seniors on Medicare</i>	<i>Income: Under 50k</i>	<i>Income: 50k-100k</i>	<i>Income: 100k+</i>	<i>Community: Urban</i>	<i>Community: Suburban</i>	<i>Community: Rural</i>
Reduced spending on non-essential activities like shopping, going out to eat, going on vacation, etc.	33%	38%	30%	24%	32%	31%	36%
Reduced spending on every-day purchases like groceries and transportation	19%	24%	16%	11%	23%	16%	25%
Delayed major life purchases such as a home or car	14%	18%	11%	7%	12%	13%	17%
Tapped into emergency savings funds	12%	17%	9%	5%	12%	11%	15%
Taken on credit card debt	11%	15%	9%	5%	14%	10%	12%
Found additional sources of income	8%	8%	9%	7%	8%	8%	10%
Look into eligibility for government assistance programs such as the Low-Income Subsidy program	7%	13%	2%	1%	11%	5%	10%
Applied for financial assistance from a charitable organization	3%	5%	1%	1%	3%	3%	3%
Sought financial help from family or friends	3%	4%	2%	1%	4%	2%	3%

IMPACT OF HEALTH CARE COSTS

Half of seniors on Medicare (52%) that spent \$200+ OOP for prescription drugs in the first 2 months of 2021 reduced spending on non-essential activities in order to afford out-of-pocket costs for their prescription drugs.

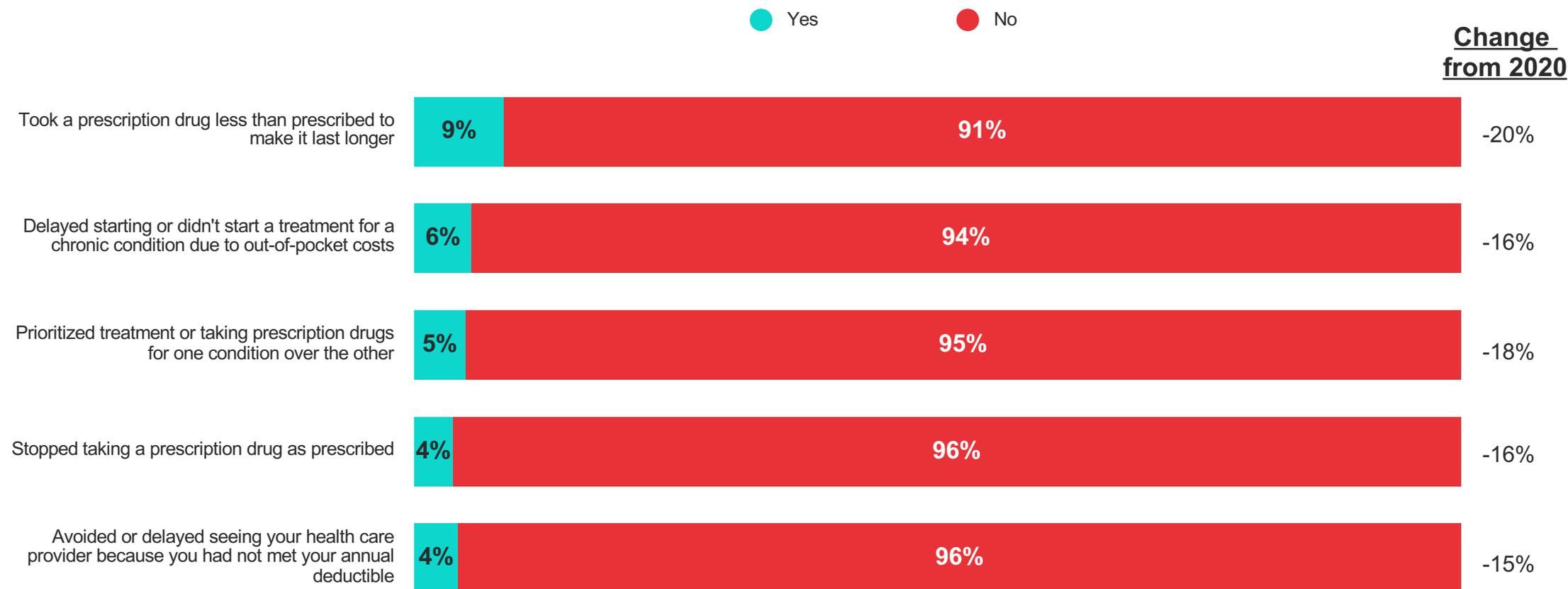
Since the start of 2021, have you made any of the following changes in order to afford out-of-pocket costs for your prescription drugs?

<i>Changes Made To Afford Out-Of-Pocket Costs For Prescription Drugs Across Demographic Groups</i>					
	<i>Seniors on Medicare</i>	<i>One Chronic Condition</i>	<i>2+ Chronic Condition</i>	<i>Spent <\$200 OOP for presc. drugs in first 2 months of 2021</i>	<i>Spent \$200+ OOP for presc. drugs in first 2 months of 2021</i>
Reduced spending on non-essential activities like shopping, going out to eat, going on vacation, etc.	33%	29%	35%	29%	52%
Reduced spending on every-day purchases like groceries and transportation	19%	16%	21%	17%	29%
Delayed major life purchases such as a home or car	14%	12%	14%	12%	24%
Tapped into emergency savings funds	12%	9%	14%	10%	23%
Taken on credit card debt	11%	7%	13%	10%	18%
Found additional sources of income	8%	7%	9%	7%	12%
Look into eligibility for government assistance programs such as the Low-Income Subsidy program	7%	6%	8%	7%	9%
Applied for financial assistance from a charitable organization	3%	2%	4%	3%	6%
Sought financial help from family or friends	3%	1%	4%	2%	4%

IMPACT OF HEALTH CARE COSTS

Overall, seniors on Medicare made fewer of the tested health care decisions in order to afford out-of-pocket costs for their prescription drugs.

Since the start of 2021, have you made any of the following decisions in order to afford out-of-pocket costs for your prescription drugs?



IMPACT OF HEALTH CARE COSTS

Since the start of 2021, low-income seniors (11%) are twice as likely as high-income seniors (5%) on Medicare to say they took a prescription drug less than prescribed to make it last longer in order to afford out-of-pocket costs for their prescription drugs.

Since the start of 2021, have you made any of the following decisions in order to afford out-of-pocket costs for your prescription drugs?

<i>Decisions Made To Afford Out-Of-Pocket Costs For Prescription Drugs Across Demographic Groups</i>								
	<i>Seniors on Medicare</i>	<i>Income: Under 50k</i>	<i>Income: 50k-100k</i>	<i>Income: 100k+</i>	<i>One Chronic Condition</i>	<i>2+ Chronic Condition</i>	<i>Spent <\$200 OOP for presc. drugs in first 2 months of 2021</i>	<i>Spent \$200+ OOP for presc. drugs in first 2 months of 2021</i>
Took a prescription drug less than prescribed to make it last longer	9%	11%	7%	5%	6%	10%	8%	12%
Delayed starting or not started a treatment for a chronic condition due to out-of-pocket costs	6%	8%	4%	3%	3%	6%	5%	7%
Prioritized treatment or taking prescription drugs for one condition over the other	5%	7%	4%	1%	3%	6%	4%	9%
Stopped taking a prescription drug as prescribed	4%	5%	3%	1%	2%	5%	3%	6%
Avoided or delayed seeing your health care provider because you had not met your annual deductible	4%	7%	2%	1%	3%	5%	4%	4%

AGENDA

CONCERN OF HEALTH CARE COSTS

BEGINNING OF 2021 HEALTH CARE COSTS

IMPACT OF HEALTH CARE COSTS

FUTURE OF 2021 HEALTH CARE COSTS

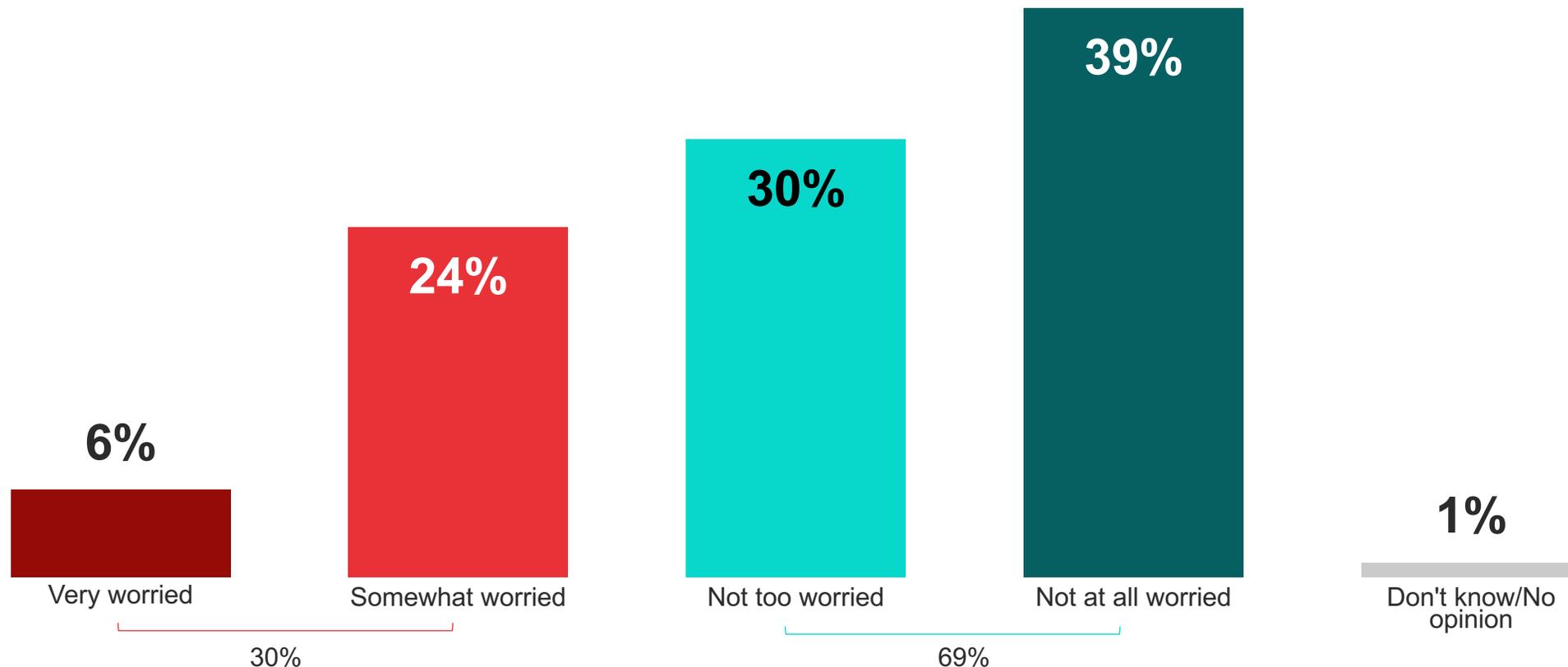
RESPONDENT PROFILE



FUTURE OF 2021 HEALTH CARE COSTS

Nearly one third (30%) of seniors on Medicare are worried about the total costs they will have to pay out-of-pocket for their prescription drugs in 2021.

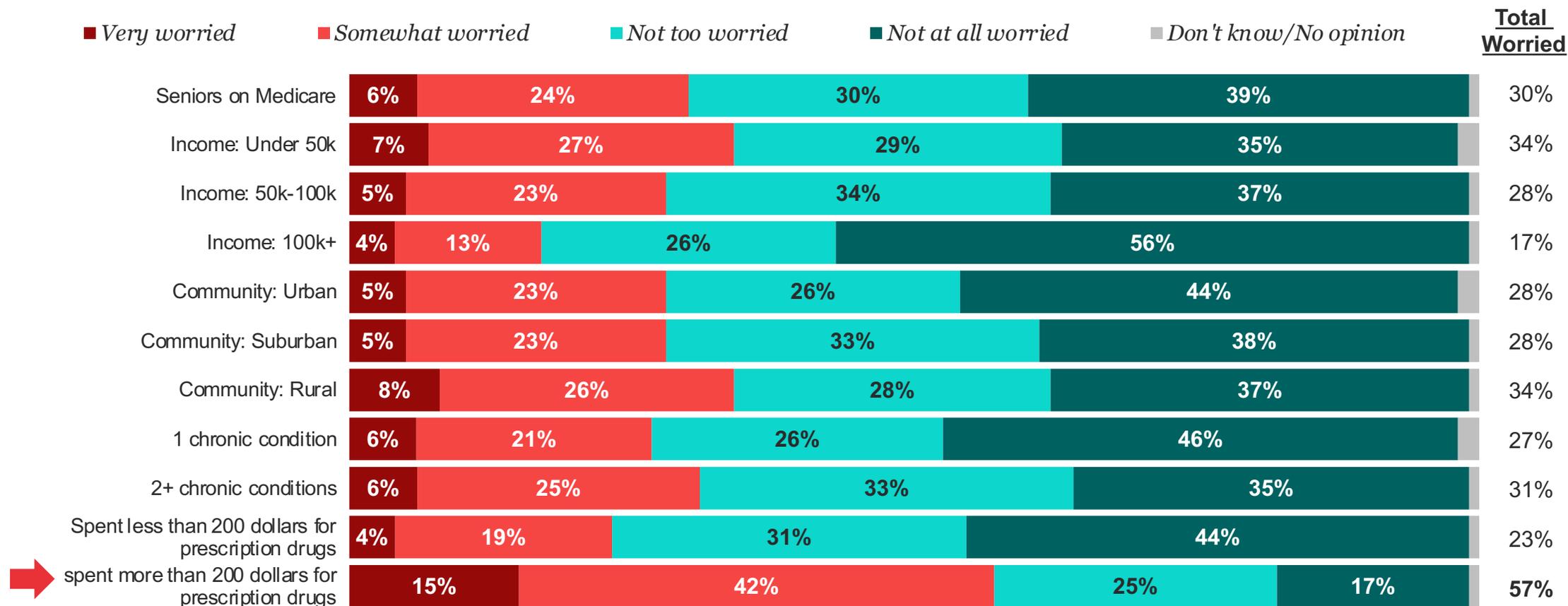
Thinking about your out-of-pocket costs at the pharmacy counter or by mail order for your prescription drugs, how worried are you, if at all, about the total costs you will have to pay out-of-pocket for your prescription drugs in 2021?



FUTURE OF 2021 HEALTH CARE COSTS

Seniors on Medicare that spent \$200+ for prescription drugs (57%) are particularly worried about the total costs they will have to pay out-of-pocket for prescription drugs in 2021.

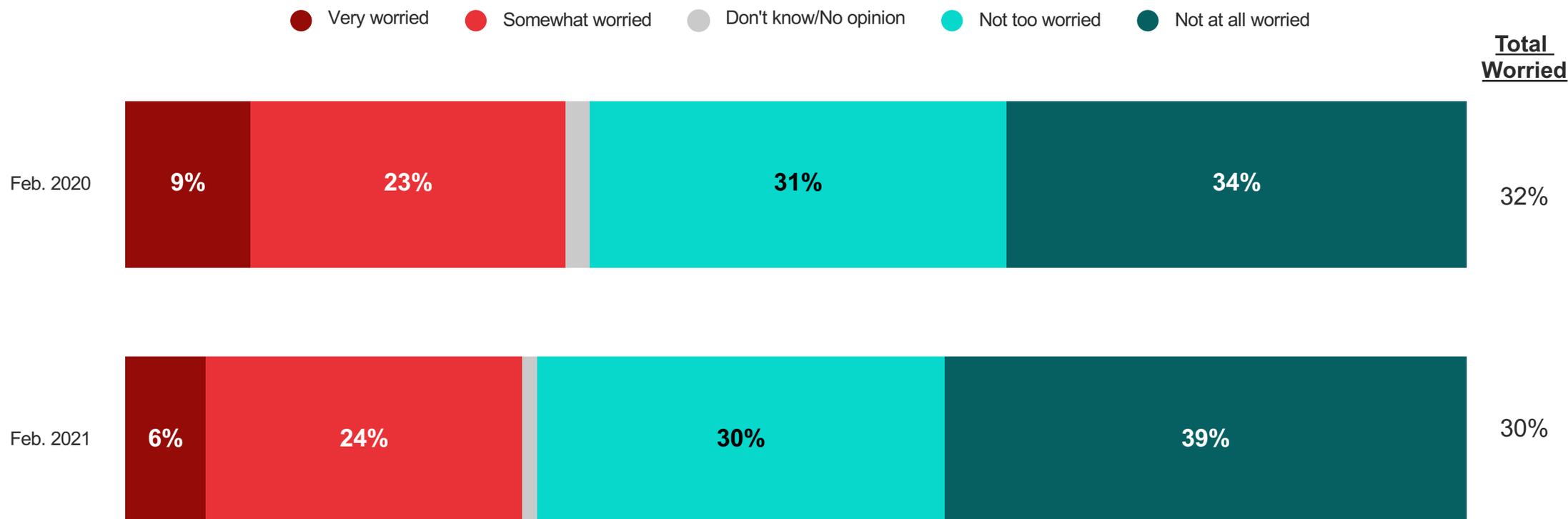
Thinking about your out-of-pocket costs at the pharmacy counter or by mail order for your prescription drugs, how worried are you, if at all, about the total costs you will have to pay out-of-pocket for your prescription drugs in 2021?



FUTURE OF 2021 HEALTH CARE COSTS

Between 2020 and 2021, worry among Seniors on Medicare about the total costs they will have to pay out-of-pocket for their prescription drugs remains unchanged (-2%).

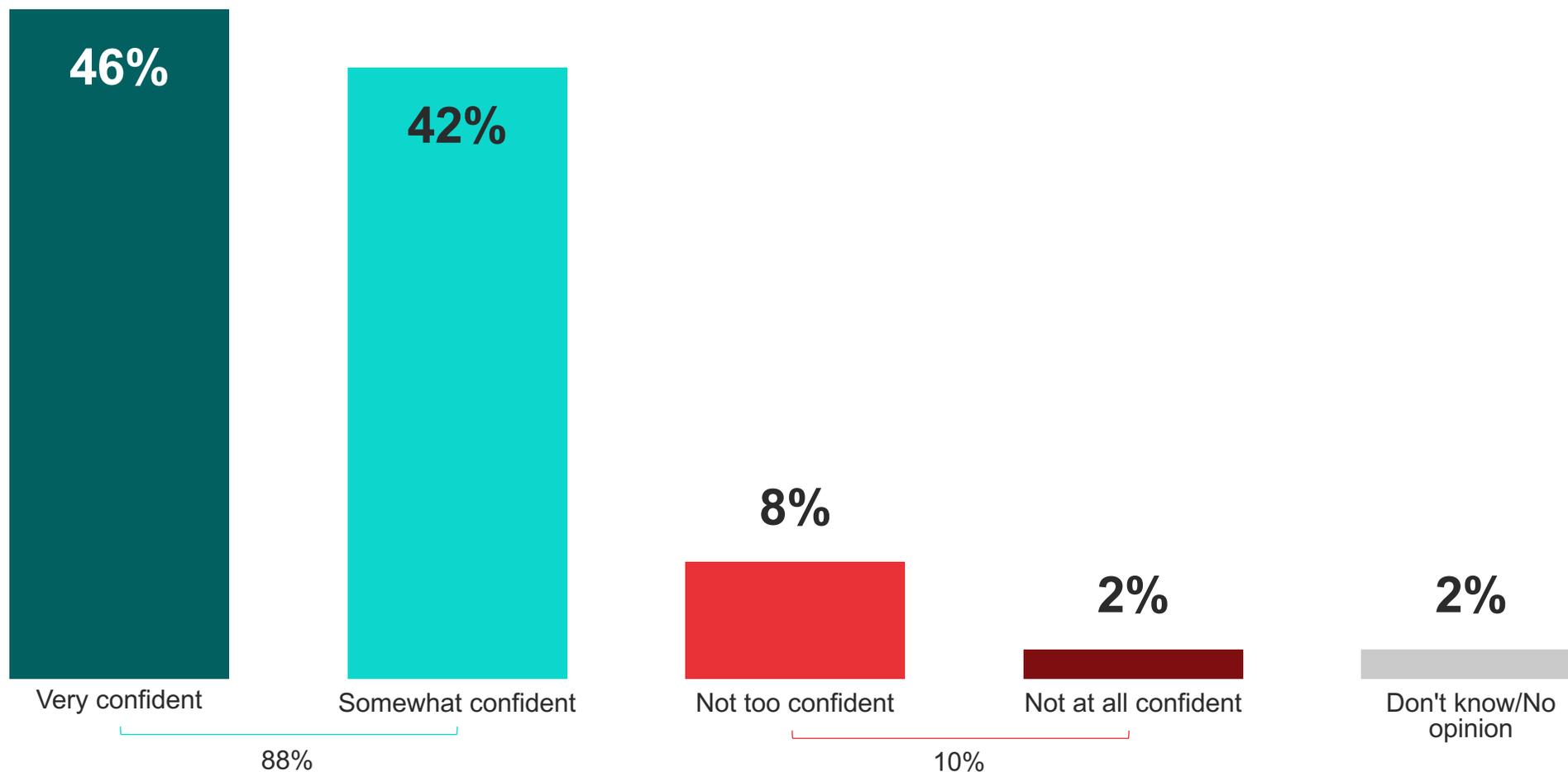
Thinking about your out-of-pocket costs at the pharmacy counter or by mail order for your prescription drugs, how worried are you, if at all, about the total costs you will have to pay out-of-pocket for your prescription drugs in 2021?



FUTURE OF 2021 HEALTH CARE COSTS

One in ten (10%) seniors on Medicare are not confident in their ability to pay for their out-of-pocket drug costs in 2021.

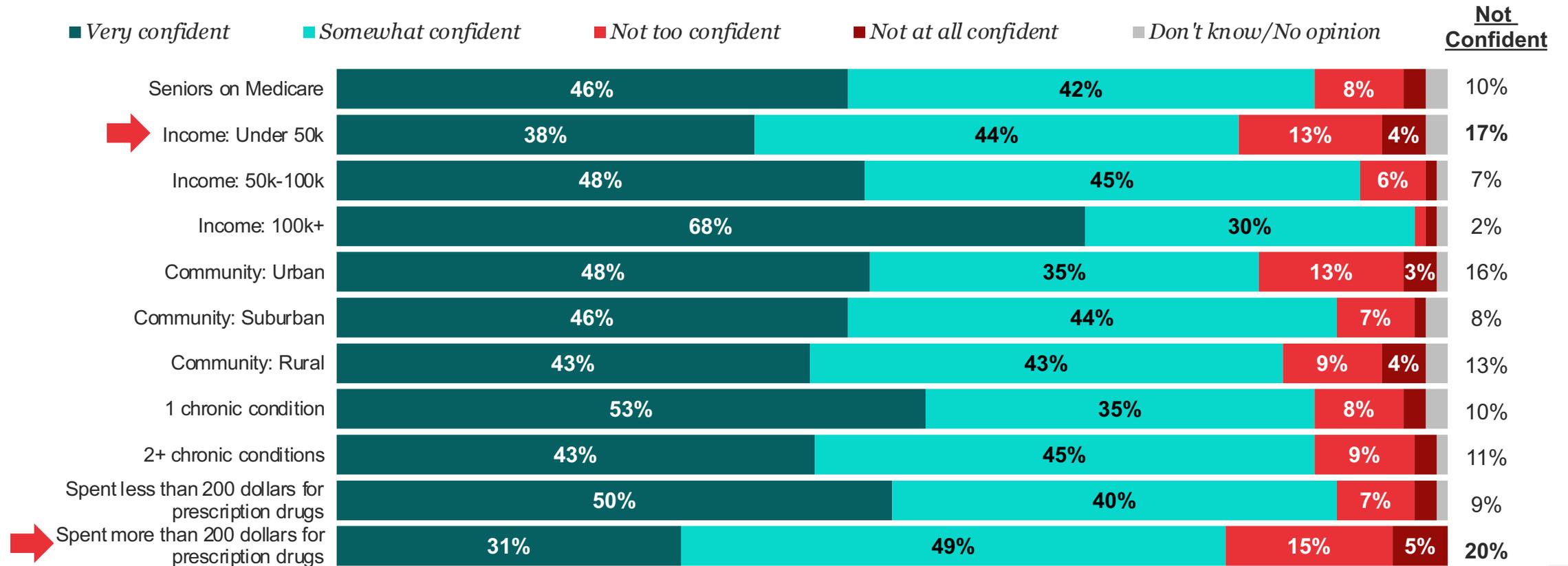
How confident are you in your ability to pay for your out-of-pocket prescription drug costs in 2021?



FUTURE OF 2021 HEALTH CARE COSTS

A fifth of low-income seniors on Medicare (17%) and those that spent \$200+ for their prescription drugs (20%) are not confident about their ability to pay for out-of-pocket prescription drug costs in 2021.

How confident are you in your ability to pay for your out-of-pocket prescription drug costs in 2021?

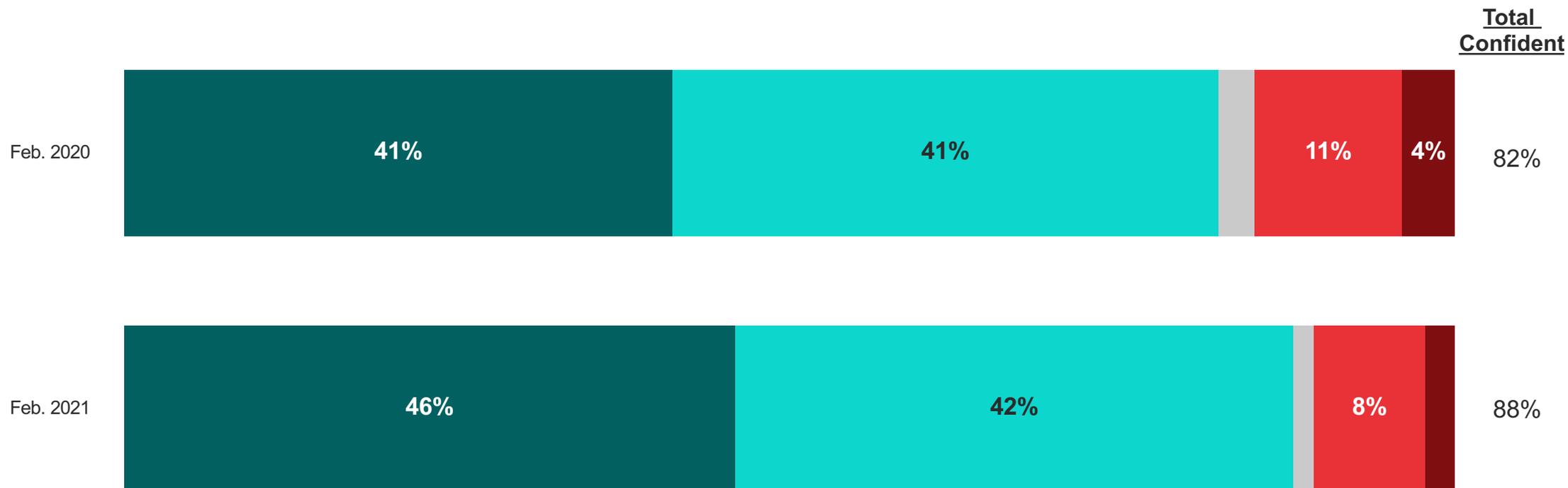


FUTURE OF 2021 HEALTH CARE COSTS

Over the past year, confidence in their ability to pay for out-of-pocket prescription drug costs increased 6%.

How confident are you in your ability to pay for your out-of-pocket prescription drug costs in 2021?

● Very confident
 ● Somewhat confident
 ● Don't know/No opinion
 ● Not too confident
 ● Not at all confident



AGENDA

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BEGINNING OF 2021 HEALTH CARE COSTS

IMPACT OF HEALTH CARE COSTS

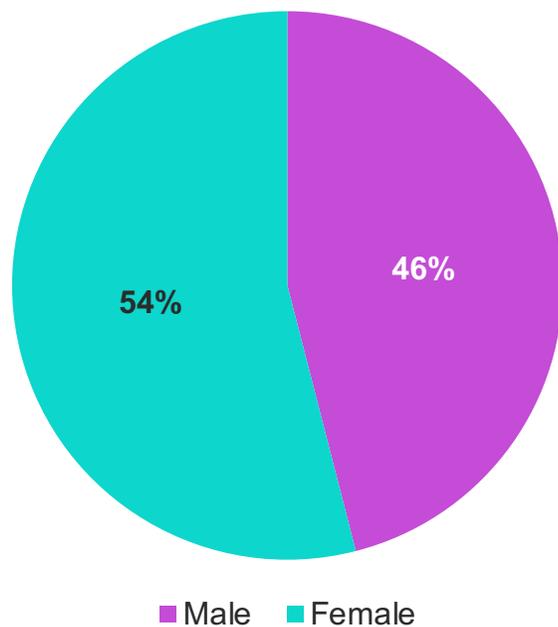
FUTURE OF 2021 HEALTH CARE COSTS

RESPONDENT PROFILE

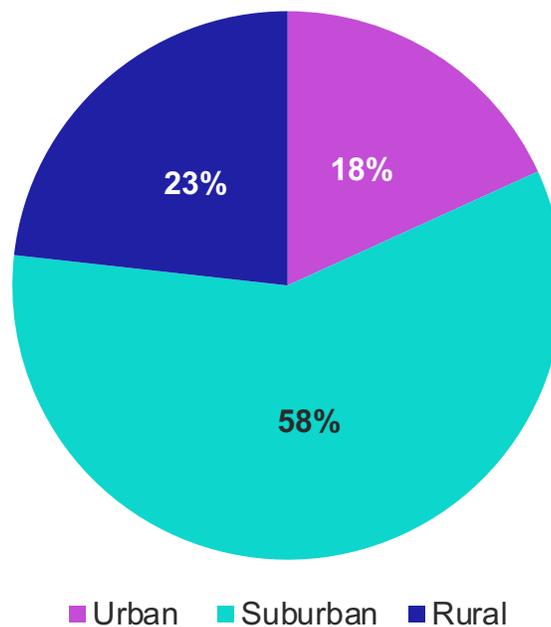


Respondent Profile

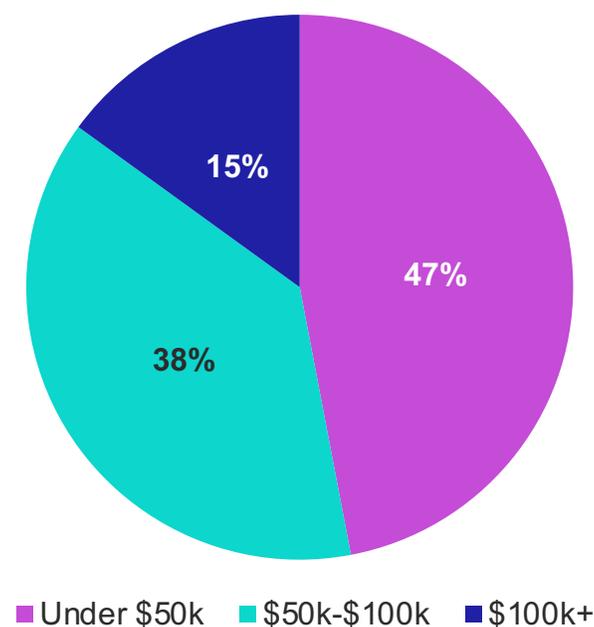
Gender



Community Type

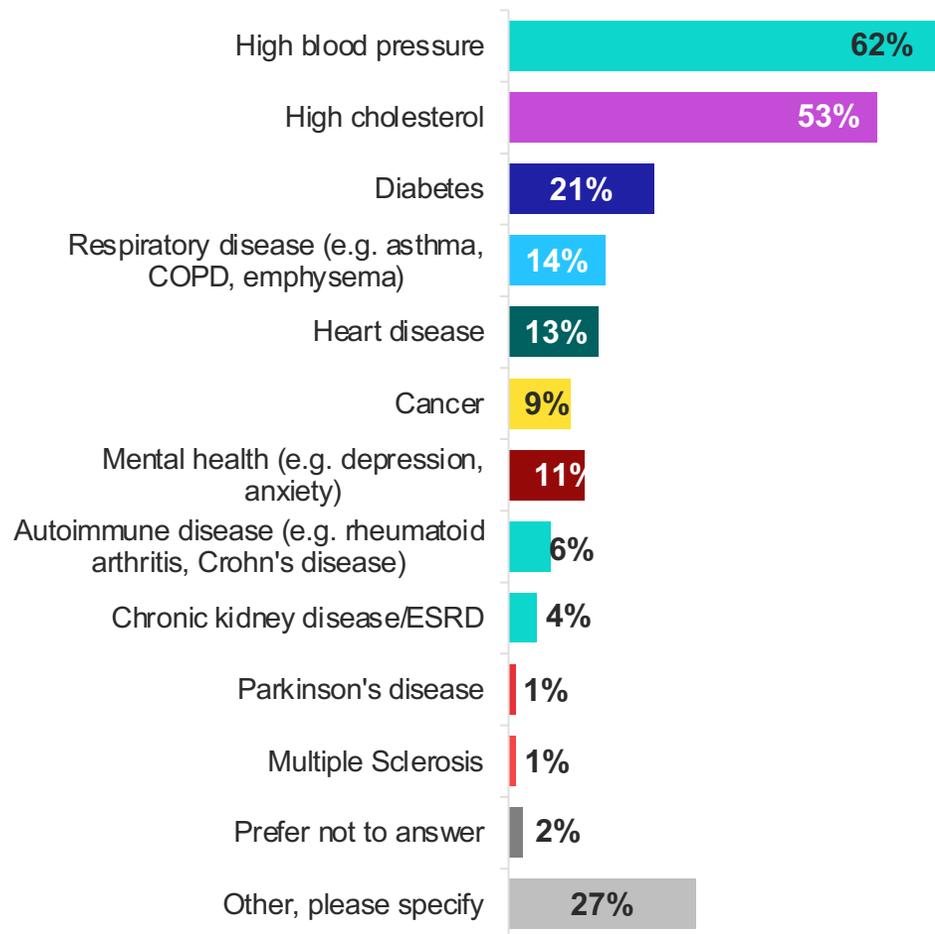


Income Levels



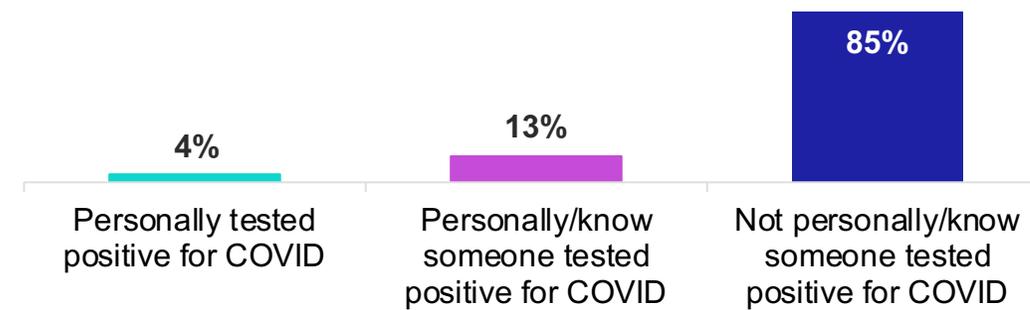
Respondent Profile

Type of Chronic Condition*

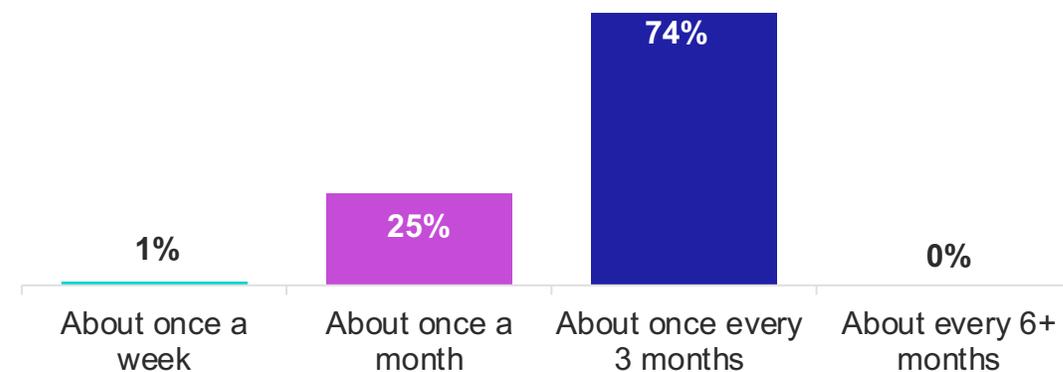


*Could select more than one chronic condition

Proximity to COVID**



Frequency of Filling Prescription Drugs



**Could select personally tested positive AND personally know someone who tested positive



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