

Morning Consult, on behalf of the PAN Foundation, conducted an online survey among a national sample of 1,002 seniors on Medicare with prescription drug coverage through Medicare who are currently taking prescription drugs and have been diagnosed with a chronic condition. This audience is referenced as seniors on Medicare. The interviews were conducted online February 26- March 3. Results from the full survey have a margin of error of +/-3%.

The survey sought to understand the top health care costs concerns of seniors, the impact that high out-of-pocket costs for prescription drugs have had on Medicare beneficiaries, especially at the beginning of the year, and seniors' confidence in paying their prescription drug out-of-pocket costs throughout the rest of the year.

KEY FINDINGS

Concern of Health Care Costs

A variety of health care costs are top of mind for seniors on Medicare. Of the tested health care costs, seniors on Medicare are most likely to be worried about prescription drug prices: the list price (48%) and what they will have to pay out-of-pocket at the pharmacy counter (39%). Additionally, those with high out-of-pocket prescription drug costs so far this year* are particularly worried about how much they will pay out-of-pocket for prescription drugs (73%) and their monthly health insurance premium (57%).

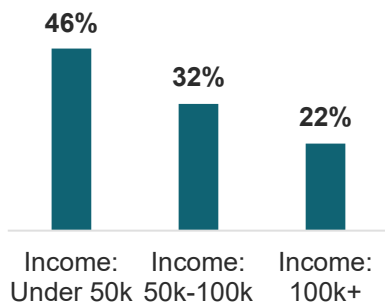
Thinking about health care costs in the beginning of 2020, two in five seniors who have had high out-of-pocket drug costs so far this year* say it has been difficult to pay for their prescription drugs (42%). Additionally, a third (33%) say it has been difficult to pay for their monthly health insurance premium, and a fifth (22%) say it has been difficult to pay for their visit to a medical specialist.

In the first two months of 2020, two in five seniors on Medicare (38%) have spent over \$50 on out-of-pocket health care costs, and 17% spent over \$200. Among those who have spent over \$200 out-of-pocket for prescription drugs in the first two months of 2020, they are most likely to have an income under \$50k, more than one chronic condition, and fill their prescriptions every 3 months. See Figure 1 below.

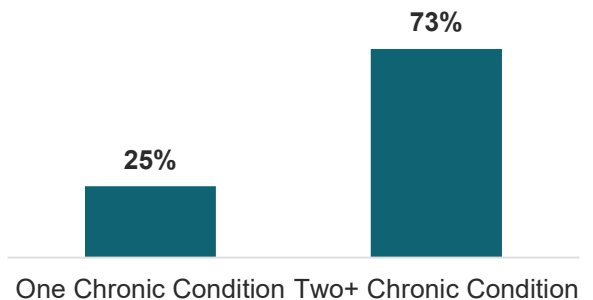
When anticipating what they could afford, half of seniors on Medicare (51%) say they could afford to spend less than \$50 if they had to fill a prescription on a monthly basis.

Figure 1: Seniors on Medicare Who Have Spent \$200+ OOP on Prescription Drugs in First Two Months of 2020

INCOME



NUMBER OF CHRONIC CONDITIONS



*Seniors on Medicare who have spent over \$200 out-of-pocket for prescription drugs in the first 2 months of 2020, n=167

Impact of Health Care Costs on Lifestyle & Decisions

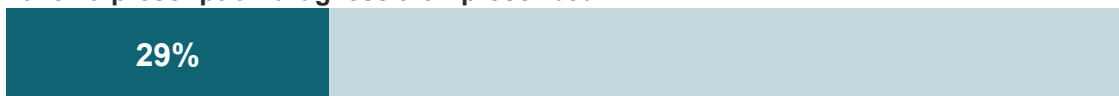
Since the start of 2020, seniors on Medicare have made lifestyle changes in order to afford their prescription drugs. A third of seniors on Medicare (35%) have reduced spending on non-essential activities, 28% have reduced spending on every-day purchases such as groceries and transportation, and 18% have accrued credit card debt to afford out-of-pocket costs for their prescription drugs so far this year.

However, those who have had high out-of-pocket costs so far in 2020* are more likely to have made lifestyle changes in order to afford their prescription drugs. Over half have reduced spending on non-essential activities (56%), 49% have reduced spending on every-day purchases, and 34% have tapped into emergency savings to afford their out-of-pocket costs for their prescription drugs so far this year.

Additionally, seniors with high out-of-pocket costs so far in 2020, are having to make health care changes in order to afford out-of-pocket costs for their prescription drugs. Nearly a third have taken a prescription drug less than prescribed (29%), 23% have prioritized treatment for one condition over the other, and 22% have delayed taking a treatment due to out-of-pocket costs. See figure 2 below.

Figure 2: Changes Made In Order To Afford OOP Costs for Prescription Drugs Among Seniors with High OOP Drug Costs so far in 2020

Taken a prescription drug less than prescribed



Prioritized treatment or taking prescription drugs for one condition over the other



Delayed starting or not started a treatment for a chronic condition due to out-of-pocket costs



Stopped taking a prescription drug as prescribed



Avoided or delayed seeing your health care provider because you had not met your annual deductible



Future 2020 Health Care Costs

Seniors on Medicare express worry thinking about their future out-of-pocket drug costs. Two in three seniors on Medicare who have had high out-of-pocket drug costs so far in 2020* (65%) are worried about the total costs they will have to pay out-of-pocket for prescription drugs in 2020. And when thinking about their ability to pay their out-of-pocket drug costs for the rest of the year, a third (30%) are not confident in their ability to pay these costs.

*Seniors on Medicare who have spent over \$200 out-of-pocket for prescription drugs in the first 2 months of 2020 , n=167