



Adults on Medicare: financial burden of out-of-pocket costs and impact of a Part D cap

Poll conducted by Morning Consult on behalf of the PAN Foundation

October 2022

PAN Foundation

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Objectives & methodology

Objectives

In October 2022, a survey was conducted by Morning Consult on behalf of the PAN Foundation to explore the current financial burden of out-of-pocket (OOP) prescription medication costs for adults on Medicare, gauge awareness of charitable foundations providing financial assistance for out-of-pocket prescription medication costs, and measure the impact of the recently expanded Extra Help Program and Medicare Part D Coverage.

Methodology

This poll was conducted between October 4-10, 2022 among a sample of 2,040 adults on Medicare. The interviews were conducted online and the data weighted by age, race, ethnicity, and education. Results from the full survey have a margin of error of plus or minus 2 percentage points. Throughout the survey analysis, **the audience of adults on Medicare is referred to as adults.** Additionally, **adults whose annual out-of-pocket prescription medication costs exceed \$2K are referred to as adults with high annual out-of-pocket costs.**

Key findings

Difficulty paying \$2K in out-of-pocket costs for prescription medications

Of adults spending less than \$2K in out-of-pocket costs, three-in-four (74%) say it would be difficult to pay that amount each year. Of that same population, 60% of adults with low-incomes and 67% of Black adults say it would be very difficult for them to pay that amount each year. Additionally, adults whose annual out-of-pocket costs do not exceed \$2K say if they had to spend \$2K each year for their medications, they would need to cut back on food-related expenses (60%).

Difficulty paying \$2K in out-of-pocket costs for prescription medications for adults with high annual out-of-pocket costs

Three-in-four (75%) adults with high annual out-of-pocket costs say it is difficult to pay \$2K each year for out-of-pocket prescription medication costs, including 40% who say it is very difficult. Among adults with high annual out-of-pocket costs, 57% report they would need to cut back on food-related expenses if faced with out-of-pocket prescription medication costs that exceeded \$2K.

Seasonality of paying out-of-pocket prescription medication costs

About four-in-ten (42%) adults with high annual out-of-pocket costs say their costs tend to be higher in specific months. Additionally, adults who experience higher out-of-pocket prescription medication costs in specific month(s) of the year are most likely to specify it is during the month of January (41%).

Financial assistance from charitable foundations

About a third (34%) of adults with high annual out-of-pocket costs are familiar with financial assistance programs provided by some national charitable foundations. Approximately a fifth (22%) of adults with high annual out-of-pocket costs say that a health care provider or a member of their team has mentioned these financial programs to them. Black adults (52%) and adults with high annual out-of-pocket costs (60%) are especially likely to consider applying for financial assistance from a charitable organization to cover out-of-pocket prescription medication costs.

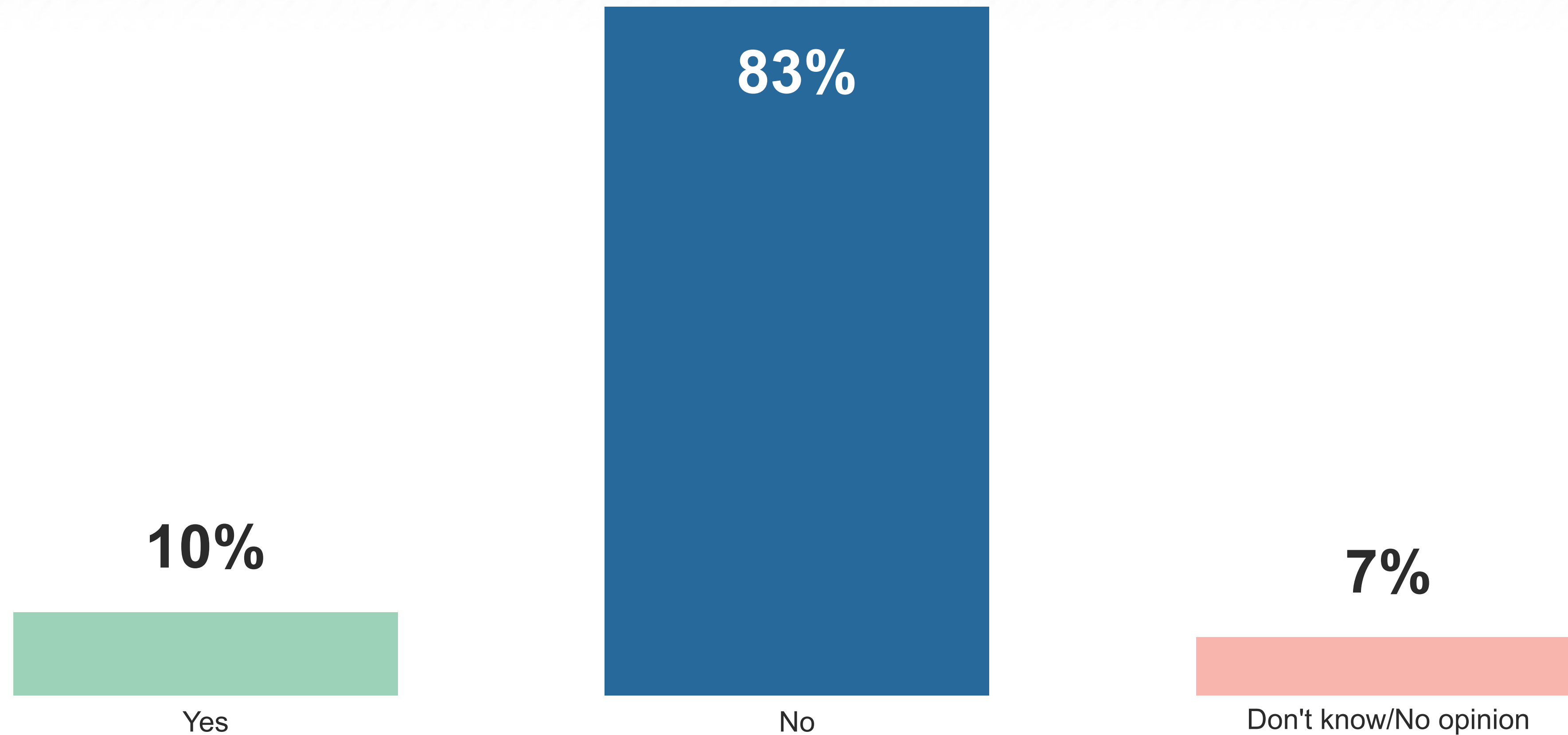
Impact of a Medicare Part D cap of \$2K

Approximately six-in-ten adults (58%) say that a \$2K limit on annual out-of-pocket spending would have a significant impact on their ability to afford their prescription medications. A \$2K annual limit on out-of-pocket spending would have a more significant impact on adults with high annual out-of-pocket costs (76%), compared to adults whose annual out-of-pocket costs do not exceed \$2K (58%). Adults with high annual out-of-pocket costs say the Part D cap of \$2K will be helpful (74%) to them when it takes effect in 2025, including 43% who say it will be *very helpful*. When the Part D cap of \$2K takes effect in 2025, adults anticipate paying for their prescription medications out of their social security income (53%).

Financial burden of out-of-pocket costs

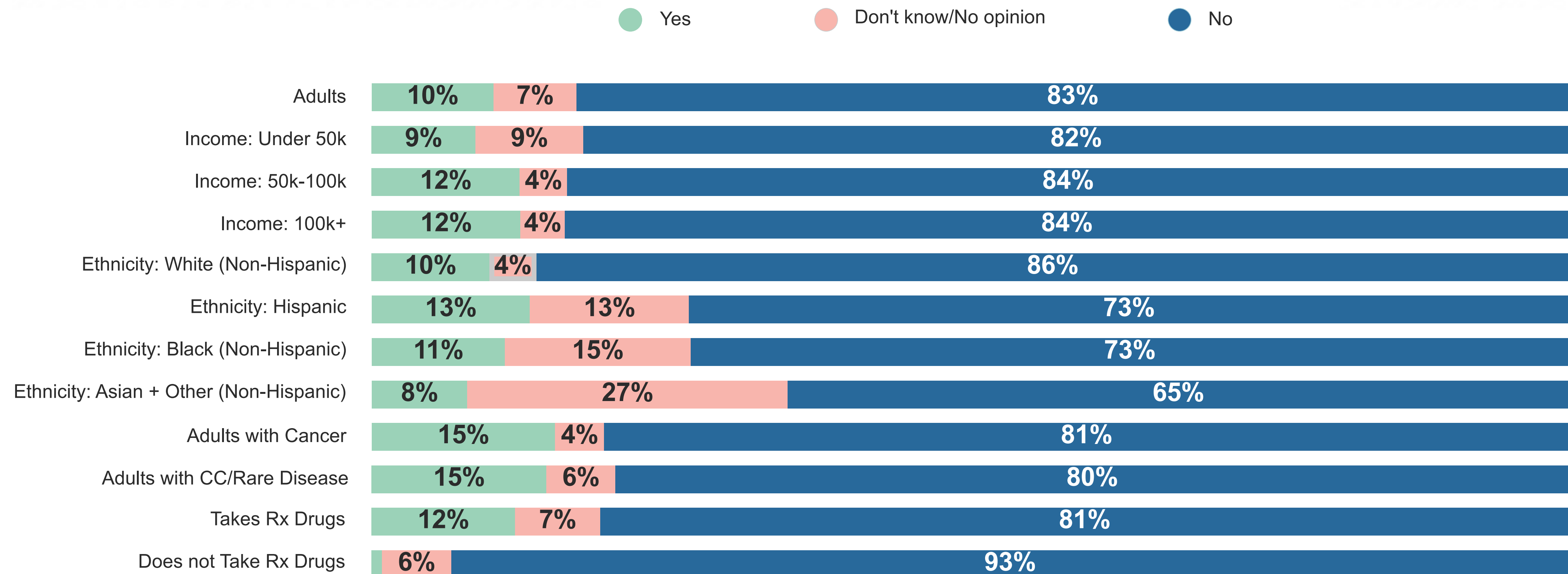
One-in-ten adults (10%) say that in a typical year, their annual out-of-pocket (OOP) prescription medication costs exceed \$2K.

The next few questions will ask about your out-of-pocket prescription medication costs. In a typical year, do your annual out-of-pocket prescription medication costs exceed \$2,000?



Adults with cancer, a chronic condition, or a rare disease (15%) say their annual out-of-pocket prescription medication costs exceed \$2K.

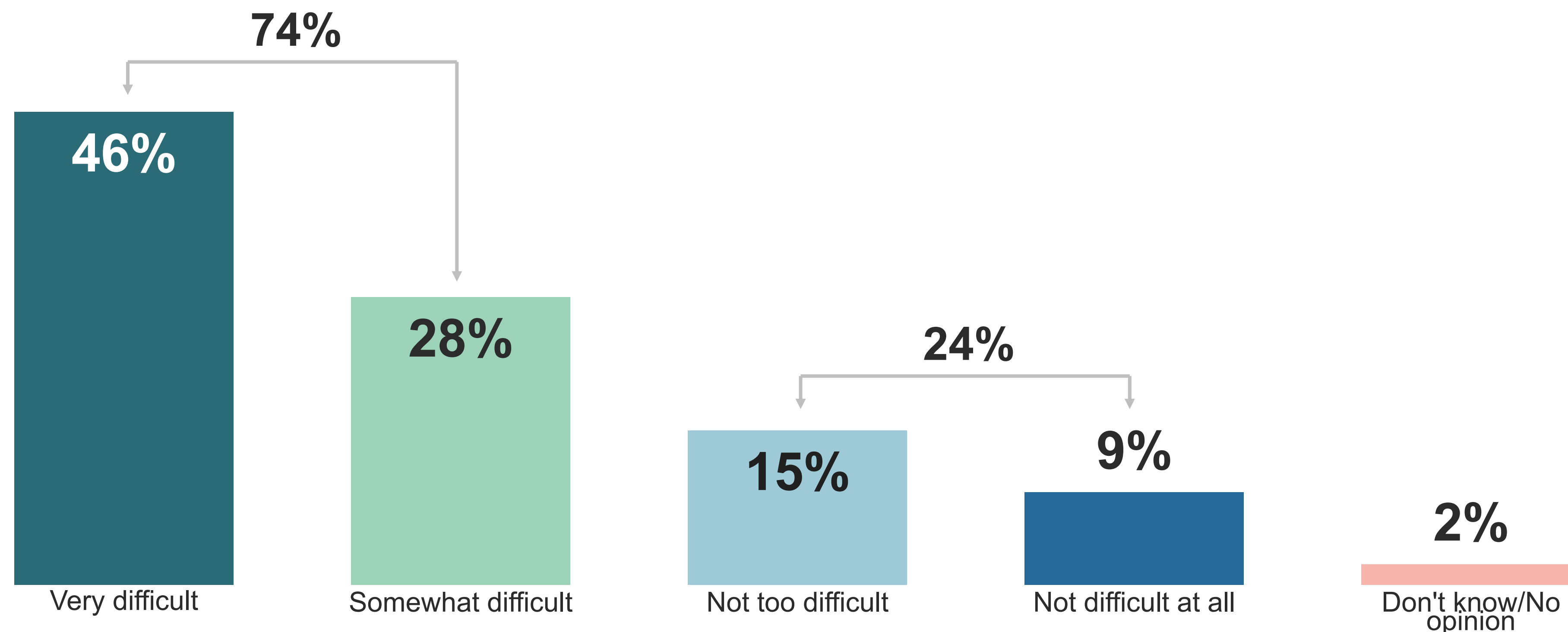
The next few questions will ask about your out-of-pocket prescription medication costs. In a typical year, do your annual out-of-pocket prescription medication costs exceed \$2,000?



Of adults spending less than \$2K in out-of-pocket (OOP) costs, three-in-four (74%) say it would be difficult to pay that amount each year. Nearly one-in-two (46%) say it would be *very difficult* to pay this amount.

How difficult would it be, if at all, for you to pay \$2,000 out of pocket each year for out-of-pocket prescription medication costs?

AMONG ADULTS WHO SPEND LESS THAN \$2K OOP EACH YEAR, n= 1,691



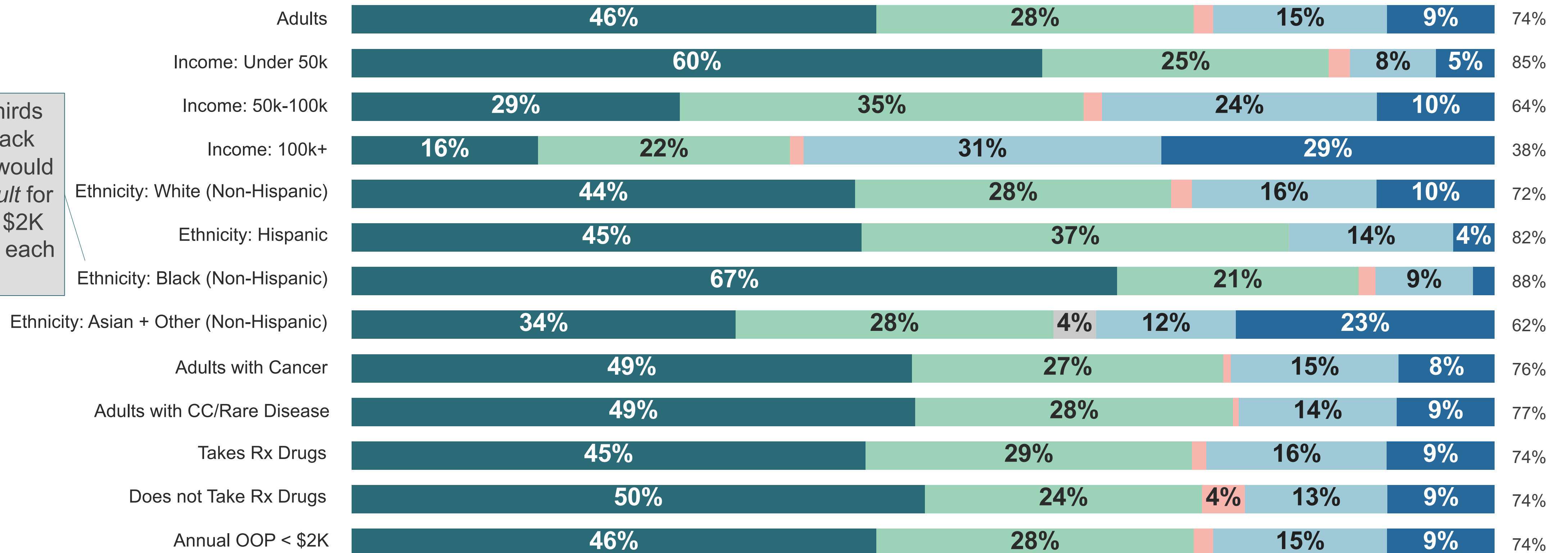
Three-in-five adults with low incomes (60%) whose annual out-of-pocket costs do not exceed \$2K say it would be *very difficult* for them to pay that amount each year.

How difficult would it be, if at all, for you to pay \$2,000 out of pocket each year for out-of-pocket prescription medication costs?

AMONG ADULTS WHO SPEND LESS THAN \$2K OOP EACH YEAR, n= 1,691

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

Total Difficult

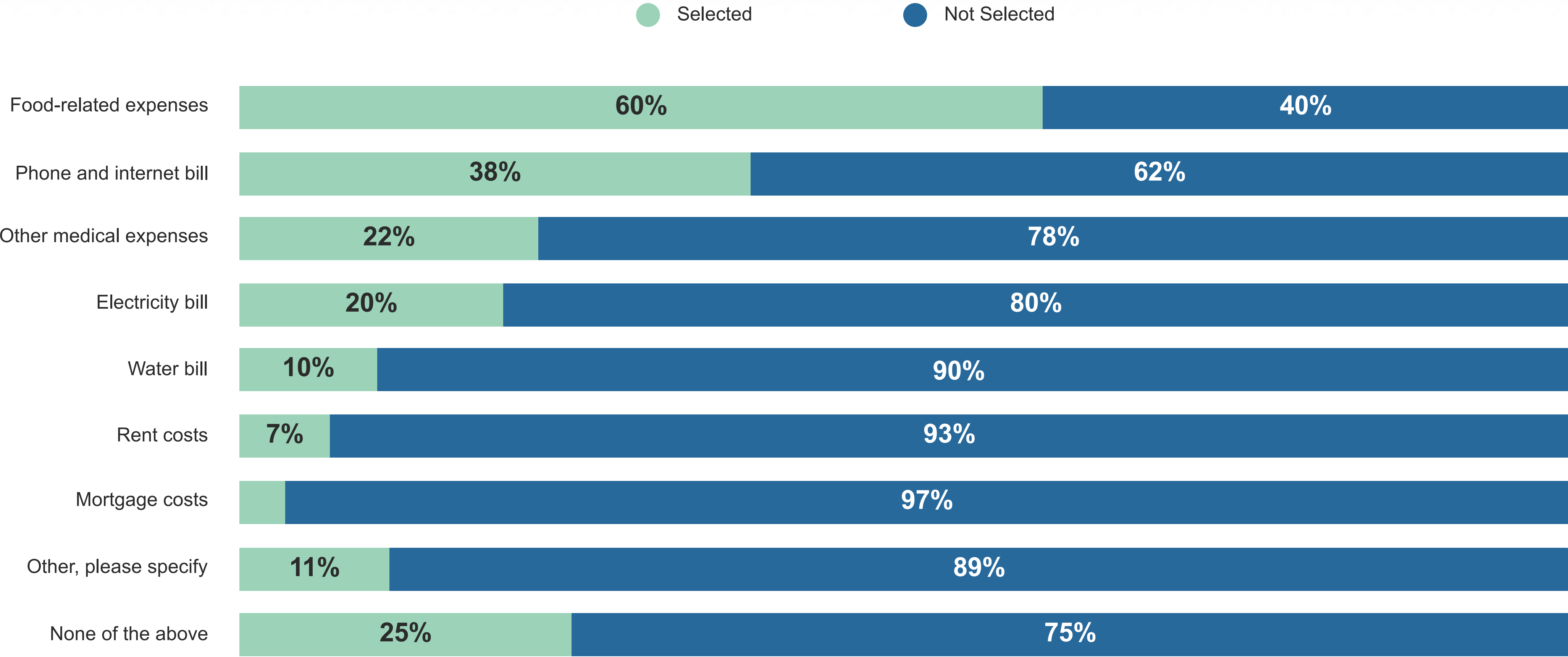


About two-thirds (67%) of Black adults say it would be *very difficult* for them to pay \$2K out-of-pocket each year.

Adults whose annual out-of-pocket costs do not exceed \$2K say if they had to spend that amount each year for their medications, they would need to cut back on food-related expenses (60%).

If you had to spend \$2,000 out-of-pocket each year for your medications, which of the following would you need to cut back on, if any? Please select all that apply.

AMONG ADULTS WHO SPEND LESS THAN \$2K OOP EACH YEAR, n= 1,691



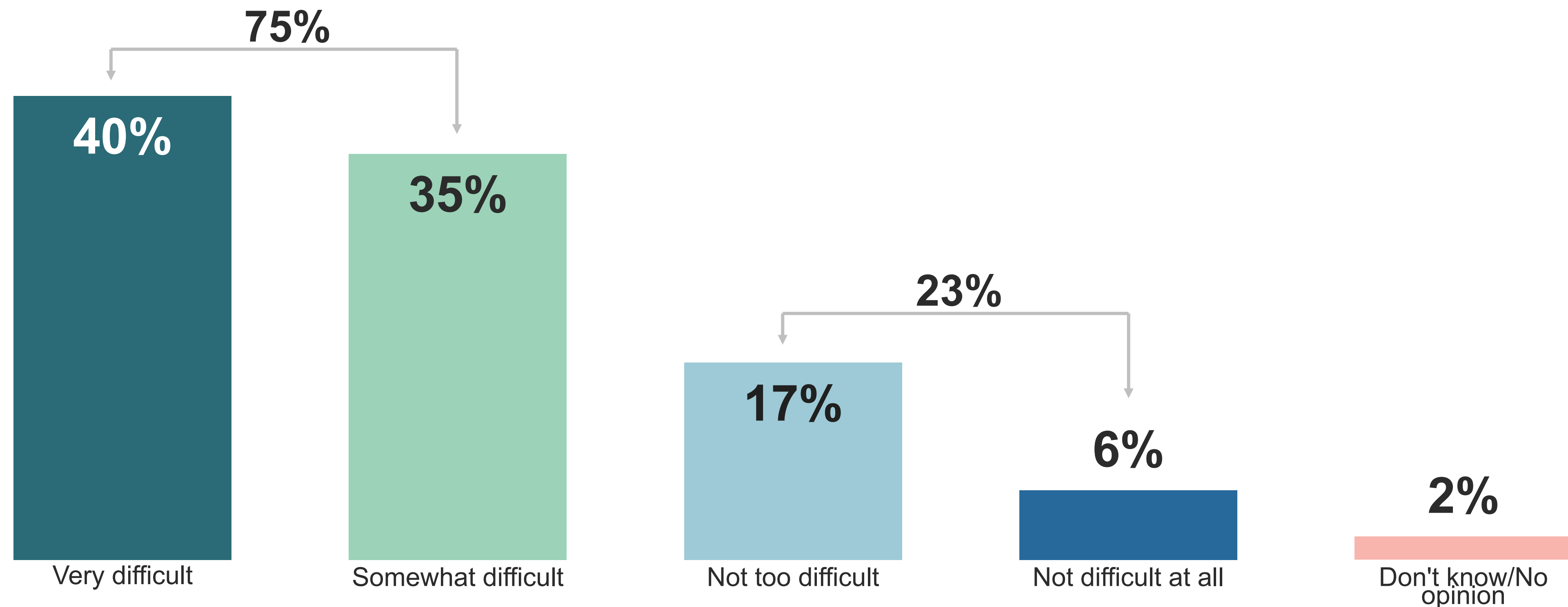
Other listed tradeoffs include:

- Travel
- Gas
- Cable TV
- Entertainment

Three-in-four (75%) adults with high annual out-of-pocket (OOP) costs say it is difficult to pay \$2K each year for out-of-pocket prescription medication costs, including 40% who say it is *very difficult*.

How difficult is it, if at all, for you to pay \$2,000 out of pocket each year for out-of-pocket prescription medication costs?

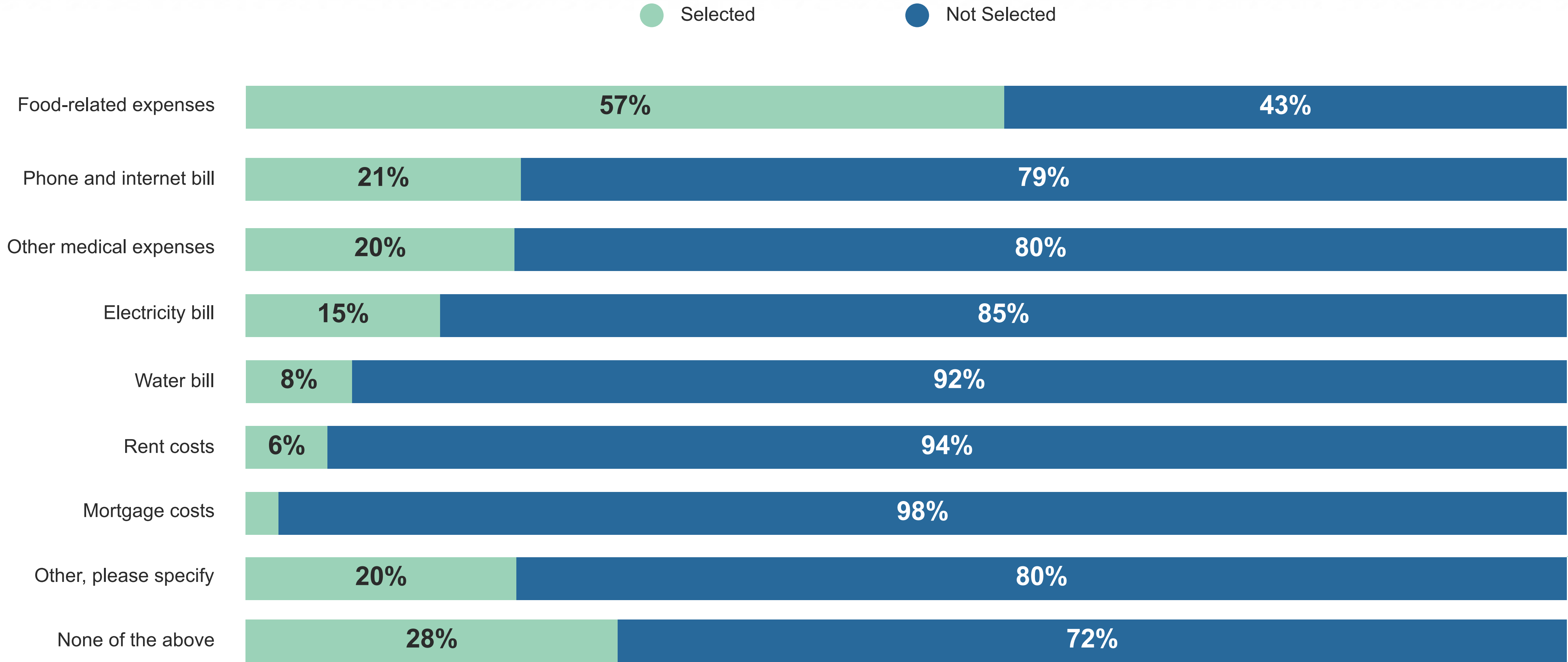
AMONG ADULTS WHO SPEND MORE THAN \$2K OOP EACH YEAR, n= 208



Among adults with high annual out-of-pocket costs, nearly six-in-ten (57%) report they would need to cut back on food-related expenses if faced with out-of-pocket prescription medication costs that exceeded \$2K.

You mentioned you typically spend more than \$2,000 on out-of-pocket prescription medication costs each year. To afford your out-of-pocket costs, which of the following have you needed to cut back on before, if any? Please select all that apply.

AMONG ADULTS WHO SPEND MORE THAN \$2K OOP EACH YEAR, n= 208



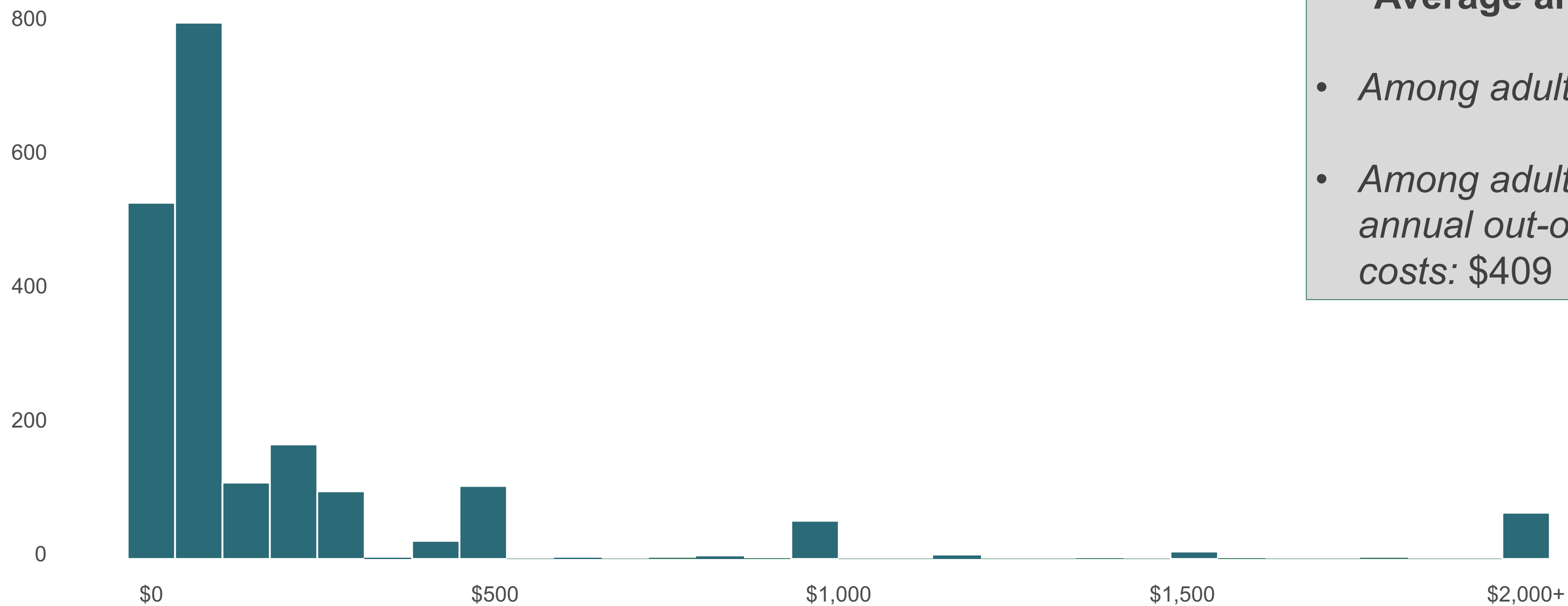
Other listed tradeoffs include:

- Entertainment
- Travel
- Discretionary spending

On average, adults say the maximum amount they can afford to pay out-of-pocket for prescription medications each month is \$241.

Generally speaking, what is the maximum amount you can afford to pay out-of-pocket for your prescription medications each month?
[OPEN END]*

Distribution of out-of-pocket costs for each month



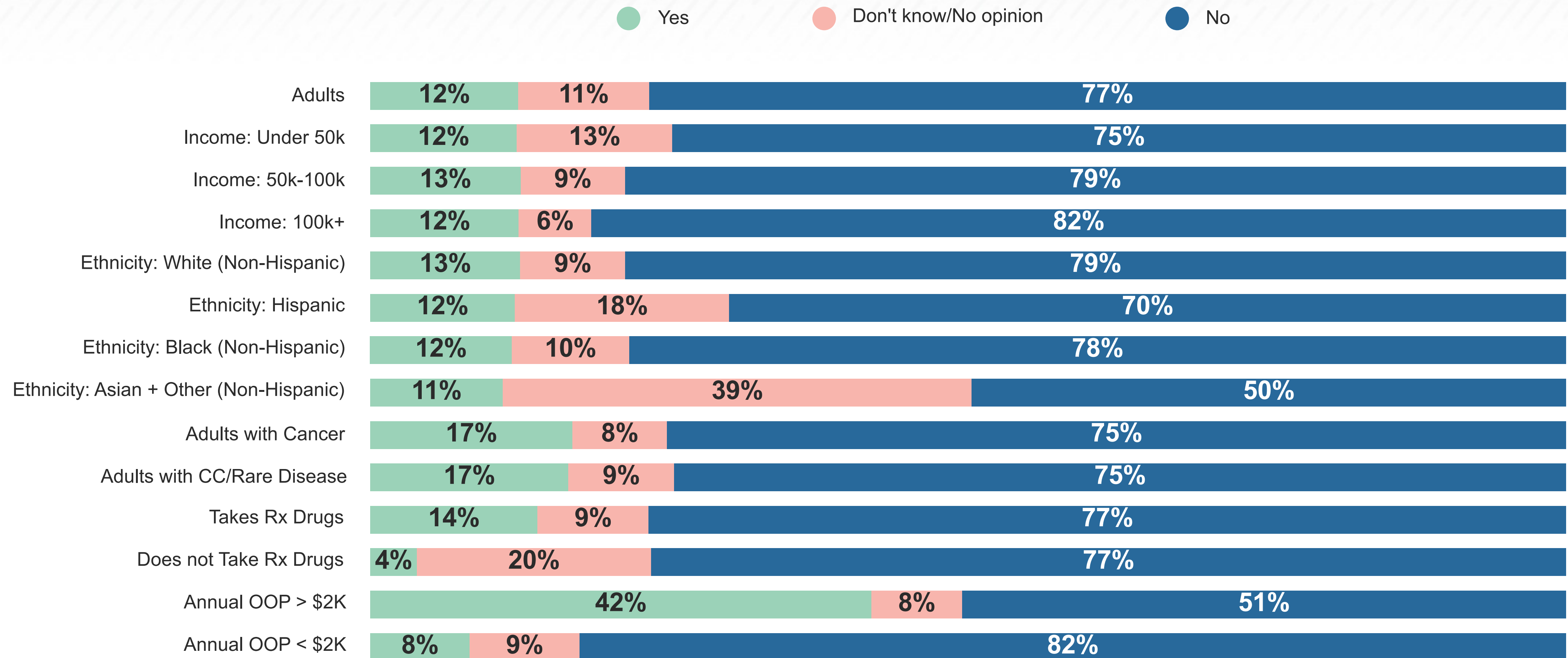
Average amounts:

- *Among adults: \$241*
- *Among adults with high annual out-of-pocket costs: \$409*

*Adults were asked to input the specific amount of money they can afford in a text entry box. Averages were calculated based on the inputted responses.

About four-in-ten (42%) adults with high annual out-of-pocket (OOP) costs say their costs tend to be higher in specific months.

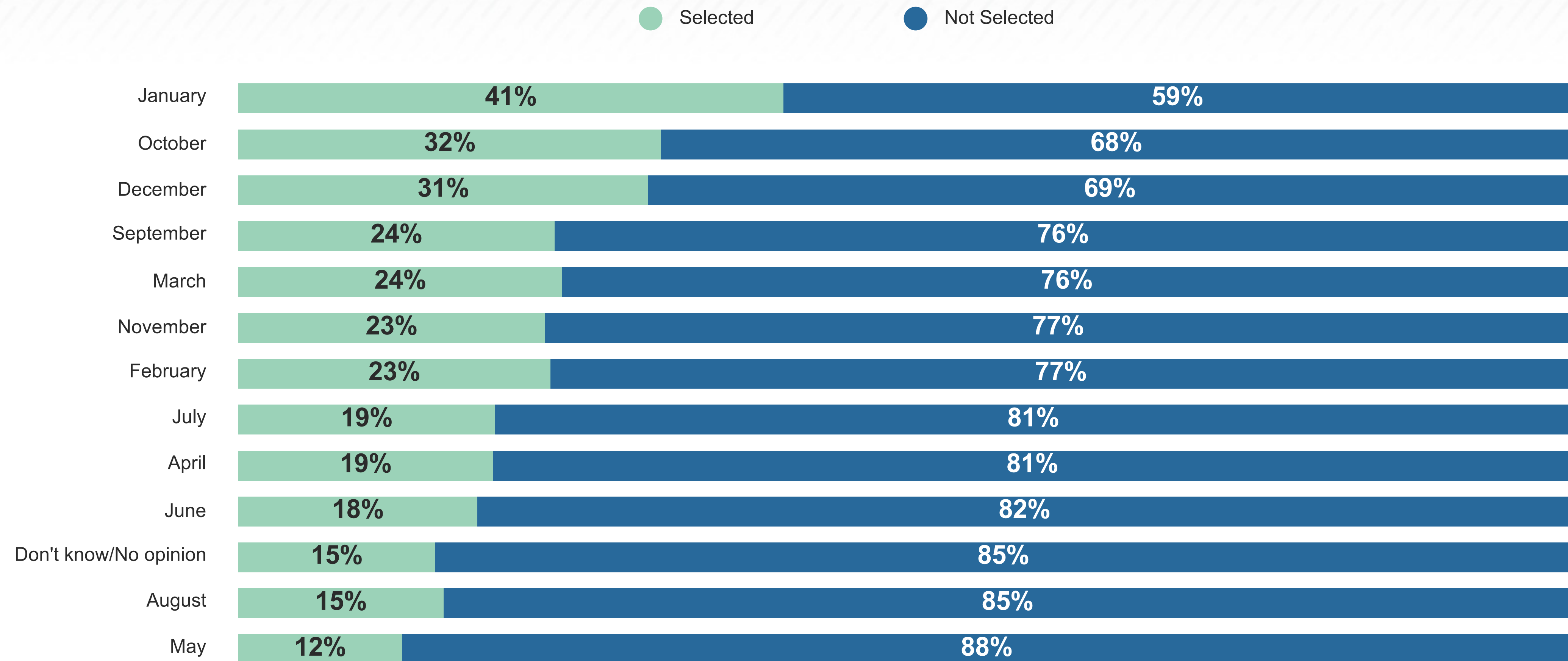
Do your out-of-pocket costs for prescription medications tend to be higher in any specific month(s) of the year?



Adults who experience higher out-of-pocket prescription medication costs in specific month(s) of the year are most likely to specify it is during the month of January (41%).

Please indicate which month(s) of the year you tend to experience higher out-of-pocket prescription medication costs.

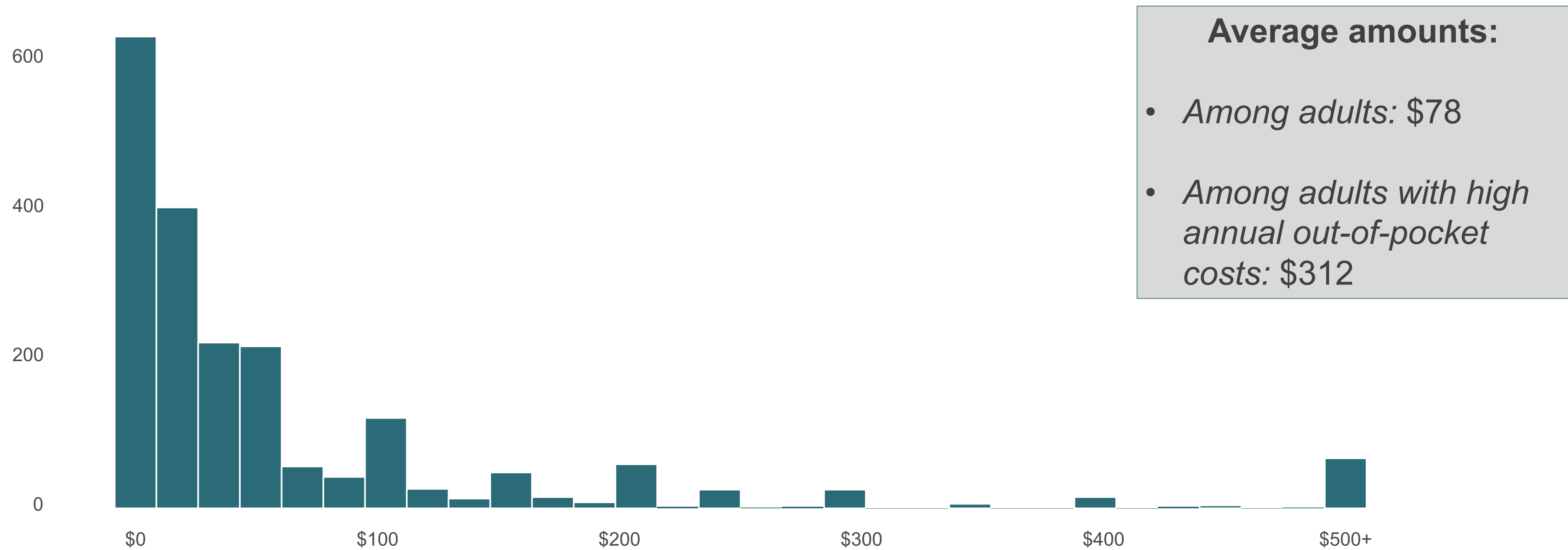
AMONG ADULTS WHO SAY THEIR OOP COSTS TEND TO BE HIGHER IN A SPECIFIC MONTH, n= 253



On average, adults with high annual out-of-pocket costs typically have to pay more than all adults in January (\$312 versus \$78).

Could you estimate the amount you typically have to pay for out-of-pocket prescription medication costs in January, specifically?
[OPEN END]

Distribution of out-of-pocket costs for January

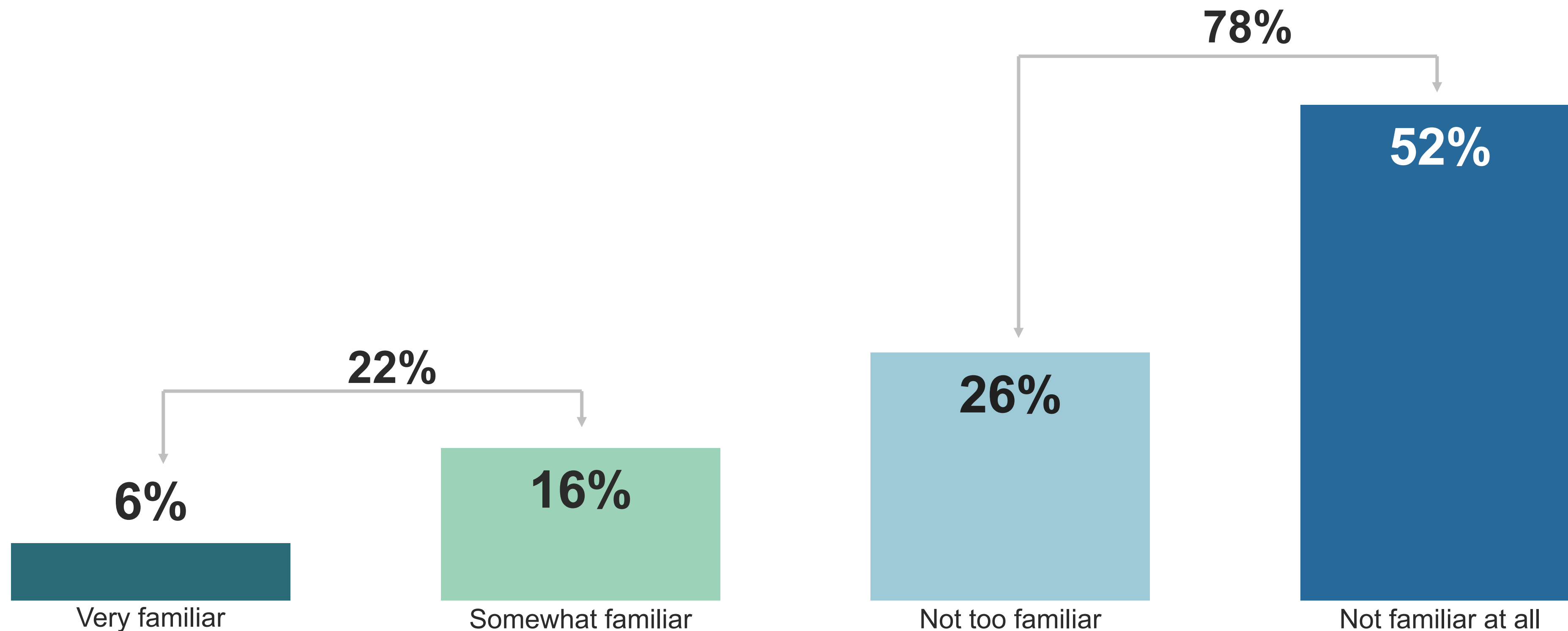


*Adults were asked to input the specific amount of money they typically have to pay in a text entry box. Averages were calculated based on the inputted responses.

Financial assistance from charitable foundations

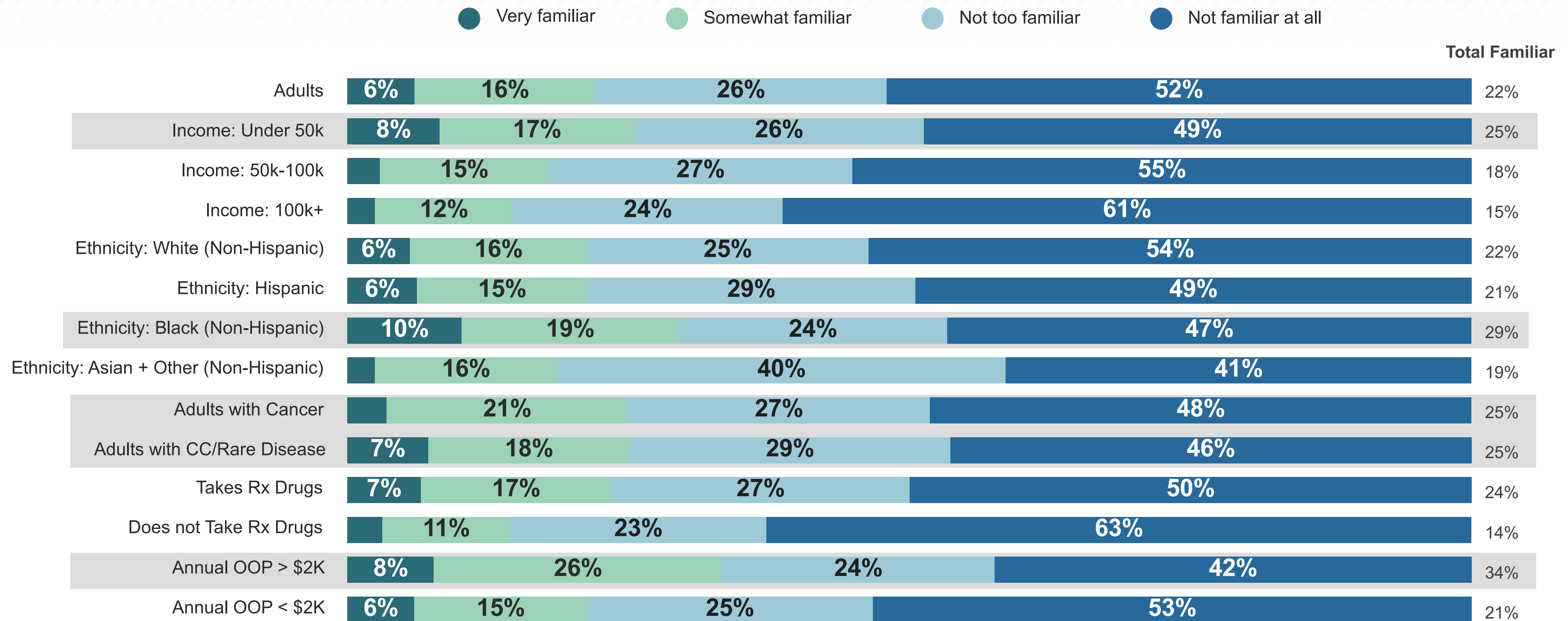
A majority (78%) of adults say they are not familiar with financial assistance programs provided by some national charitable foundations, while 22% say they are familiar.

As you may know, some national charitable foundations provide financial assistance to qualifying adults on Medicare to help cover out-of-pocket prescription medication costs. How familiar are you with these financial assistance programs, if at all?



Approximately a third (34%) of adults with high annual out-of-pocket (OOP) costs are familiar with financial assistance programs provided by some national charitable foundations.

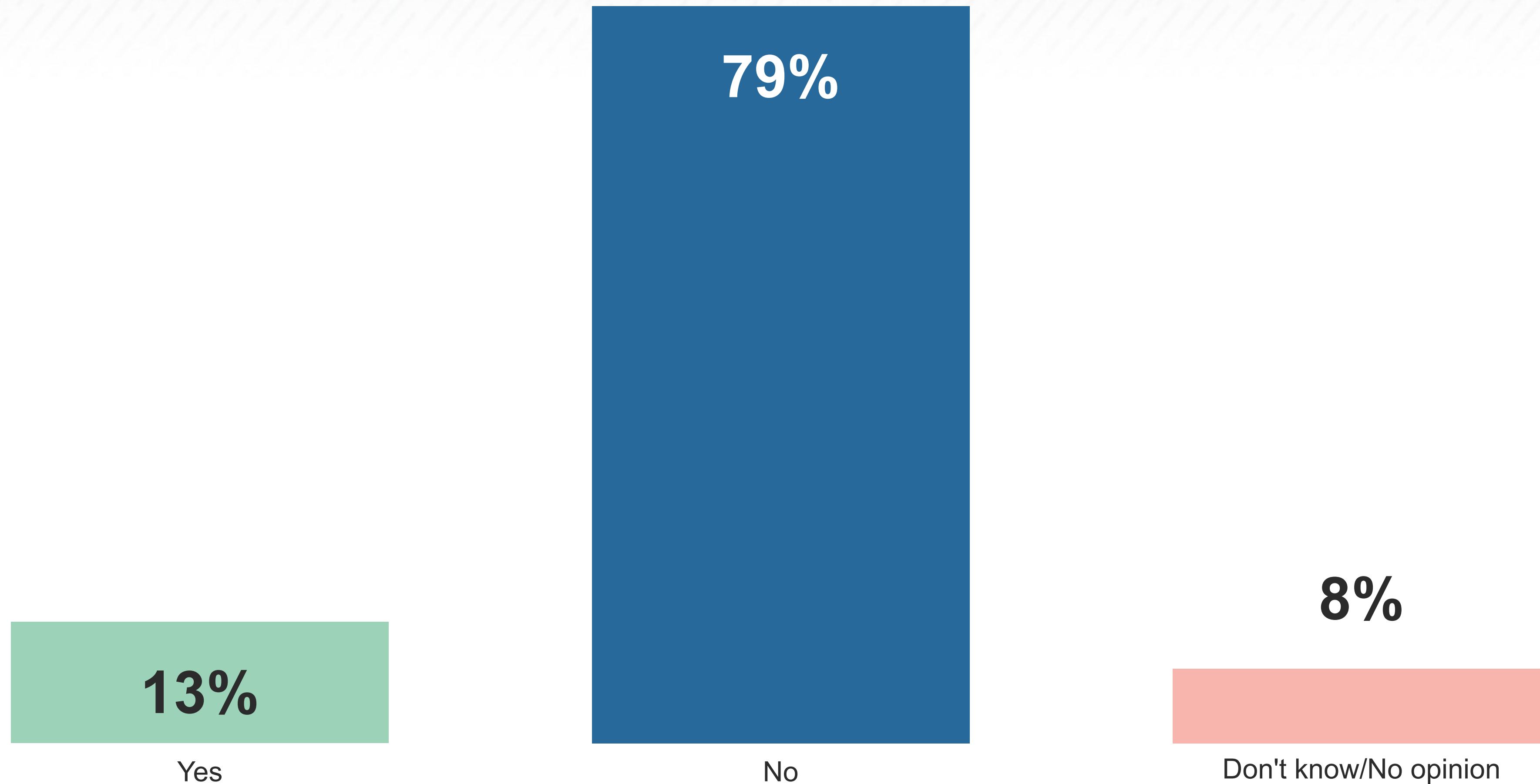
As you may know, some national charitable foundations provide financial assistance to qualifying adults on Medicare to help cover out-of-pocket prescription medication costs. How familiar are you with these financial assistance programs, if at all?*



*More granular income level break out available in appendix

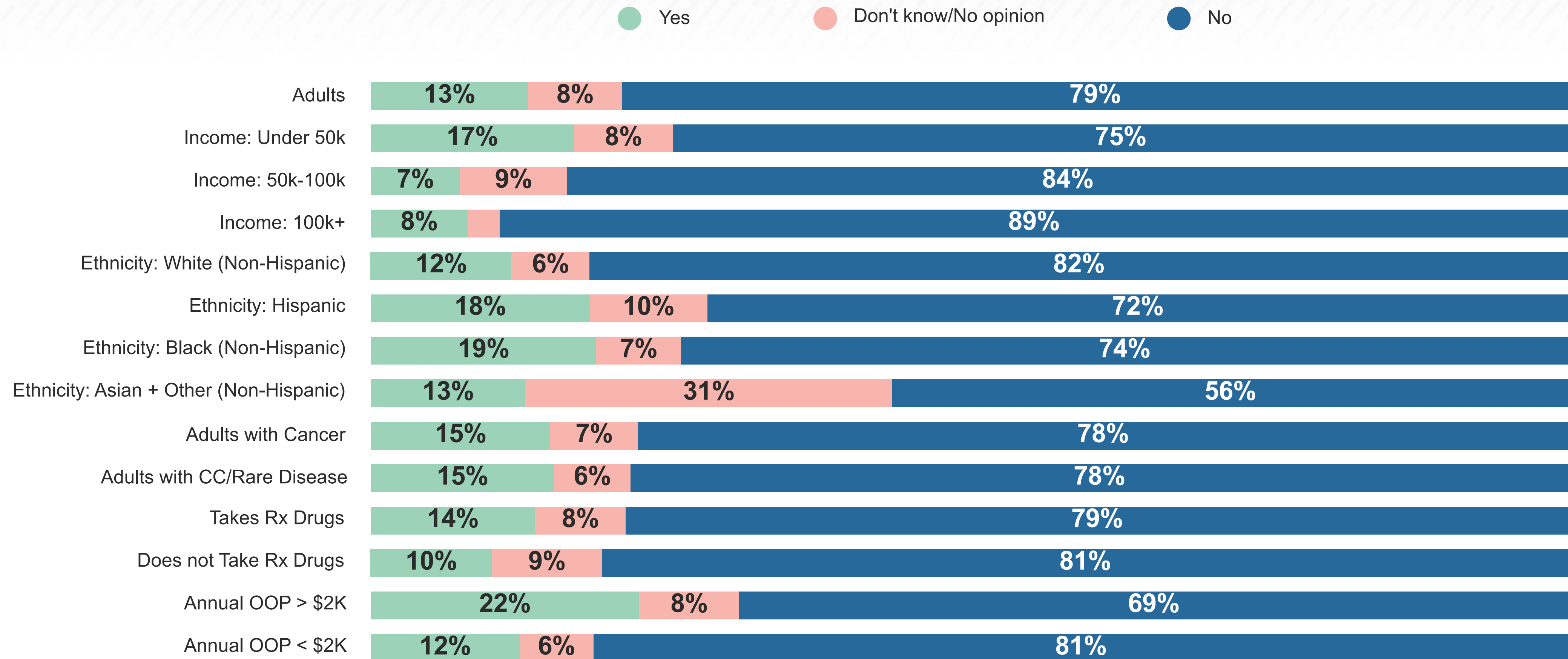
Additionally, a majority (79%) of adults say neither their health care provider nor a member of their team has ever mentioned these financial assistance programs to them.

Has your health care provider or a member of their team ever mentioned these financial assistance programs to you?



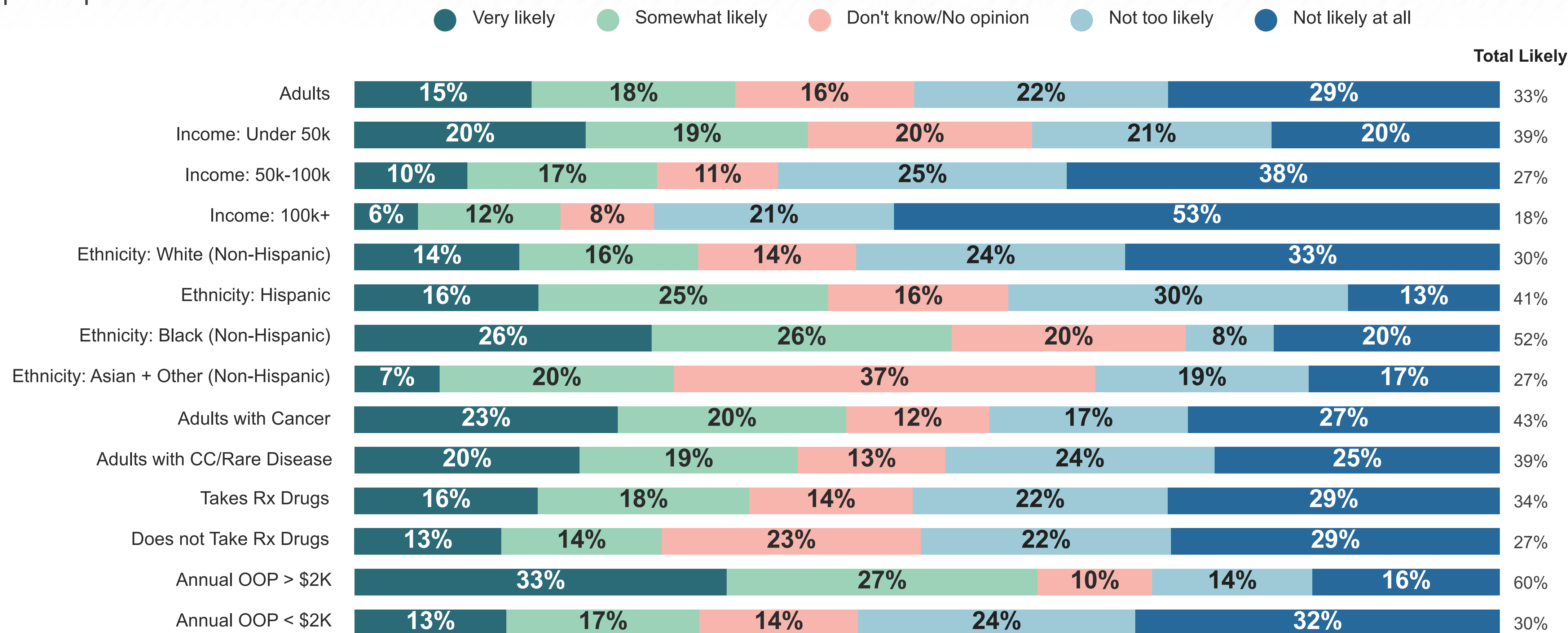
About a fifth (22%) of adults with high annual out-of-pocket costs say that a health care provider or a member of their team has mentioned these financial programs to them.

Has your health care provider or a member of their team ever mentioned these financial assistance programs to you?



Black adults (52%) and adults with high annual out-of-pocket costs (60%) are especially likely to consider applying for financial assistance from a charitable organization to cover out-of-pocket prescription medication costs.

How likely are you to consider applying for financial assistance from one of these charitable organizations to cover out-of-pocket prescription medication costs?



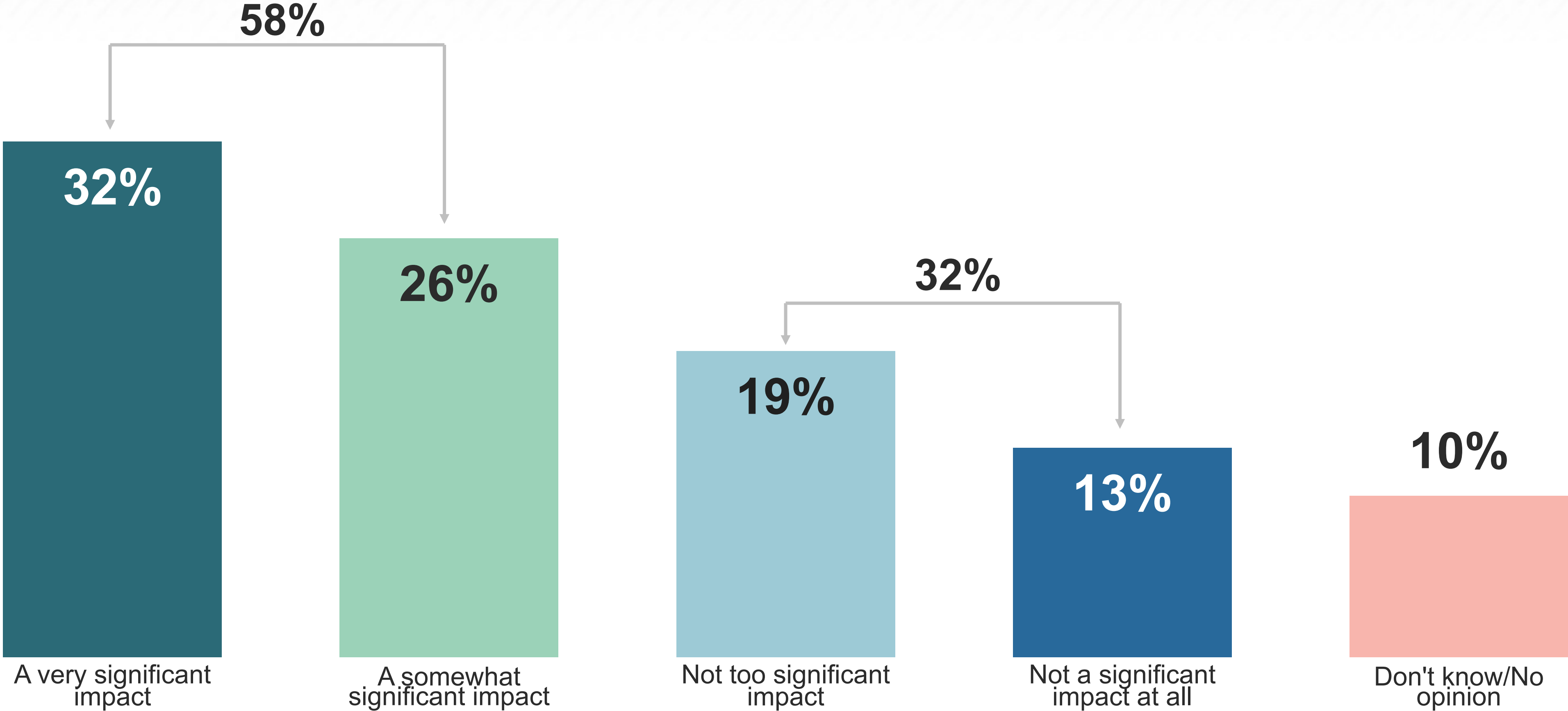
Additionally, adults with an income under \$35k are especially likely to consider applying for financial assistance from a charitable organization.

How likely are you to consider applying for financial assistance from one of these charitable organizations to cover out-of-pocket prescription medication costs?

Income Level	% Likely	MOE
Adults	34%	+/- 2
Under 20 thousand dollars	46%	+/- 6
20 to under 35 thousand	44%	+/- 4
35 to under 50 thousand	31%	+/- 5
50 to under 75 thousand	26%	+/- 5
75 to under 100 thousand	28%	+/- 7
100 thousand or more	17%	+/- 6

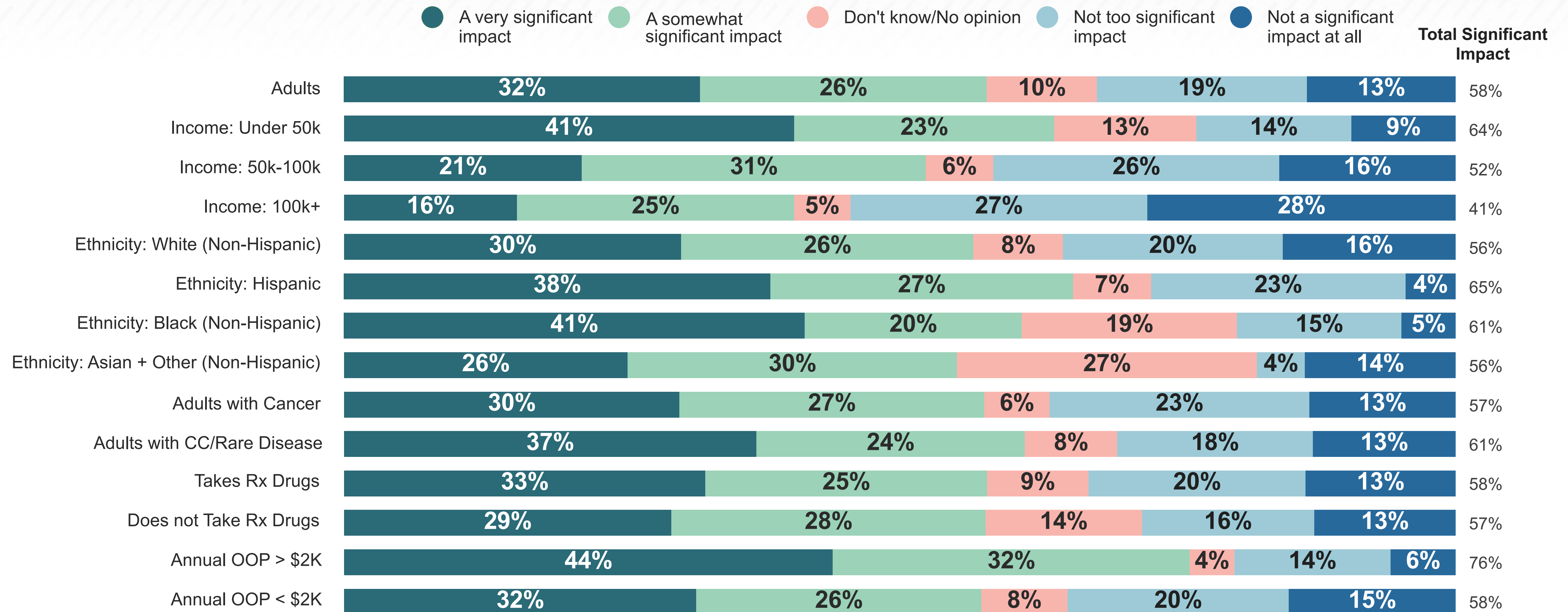
Approximately six-in-ten adults (58%) say that a \$2K limit on annual out-of-pocket (OOP) spending would have a significant impact on their ability to afford their prescription medications.

How significant of an impact, if at all, would a \$2,000 annual limit on out-of-pocket spending have on your ability to afford for your prescription medications?



A \$2K annual limit on out-of-pocket spending would have a more significant impact on adults with high annual out-of-pocket costs (76%), compared to adults whose annual out-of-pocket costs do not exceed \$2K (58%).

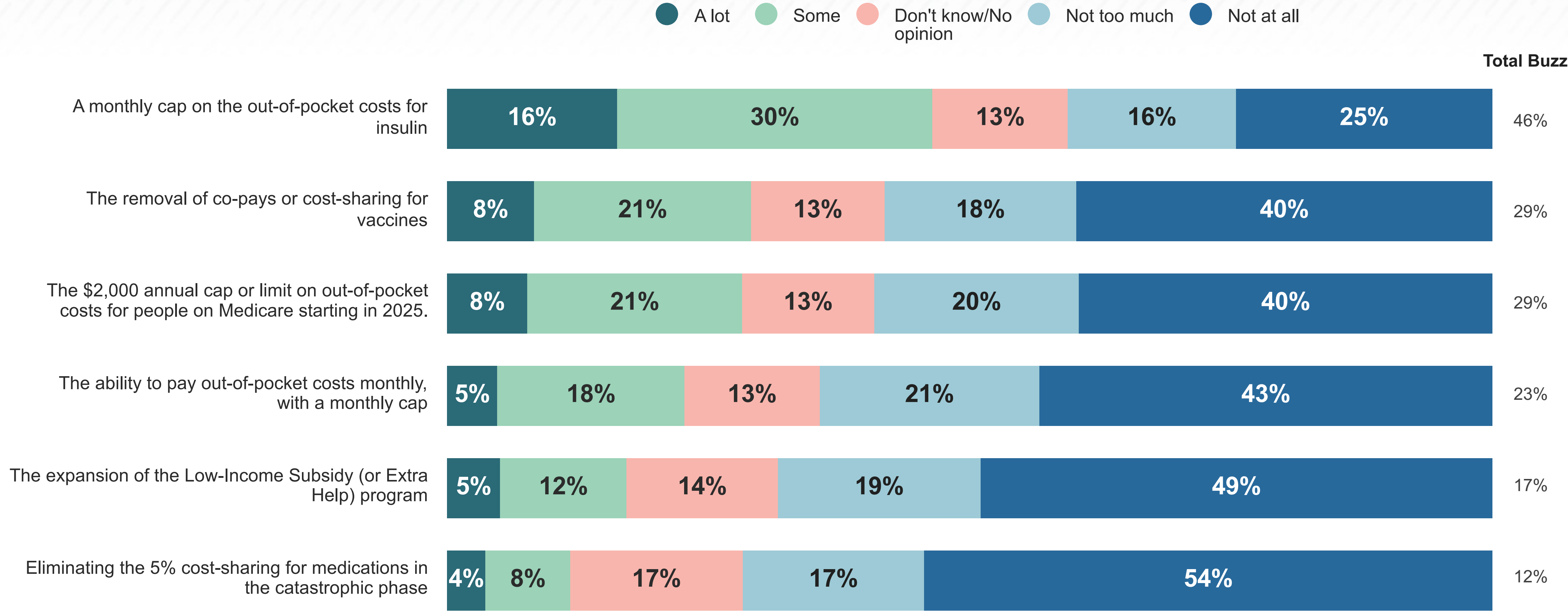
How significant of an impact, if at all, would a \$2,000 annual limit on out-of-pocket spending have on your ability to afford your prescription medications?



Impact of future policies

Nearly half (46%) of adults have seen, read, or heard about a monthly cap on the out-of-pocket (OOP) costs for insulin.

The federal government recently passed a series of provisions related to out-of-pocket cost coverage for people on Medicare. Based on your knowledge, please indicate how much you have seen, read, or heard about each of the following provisions.



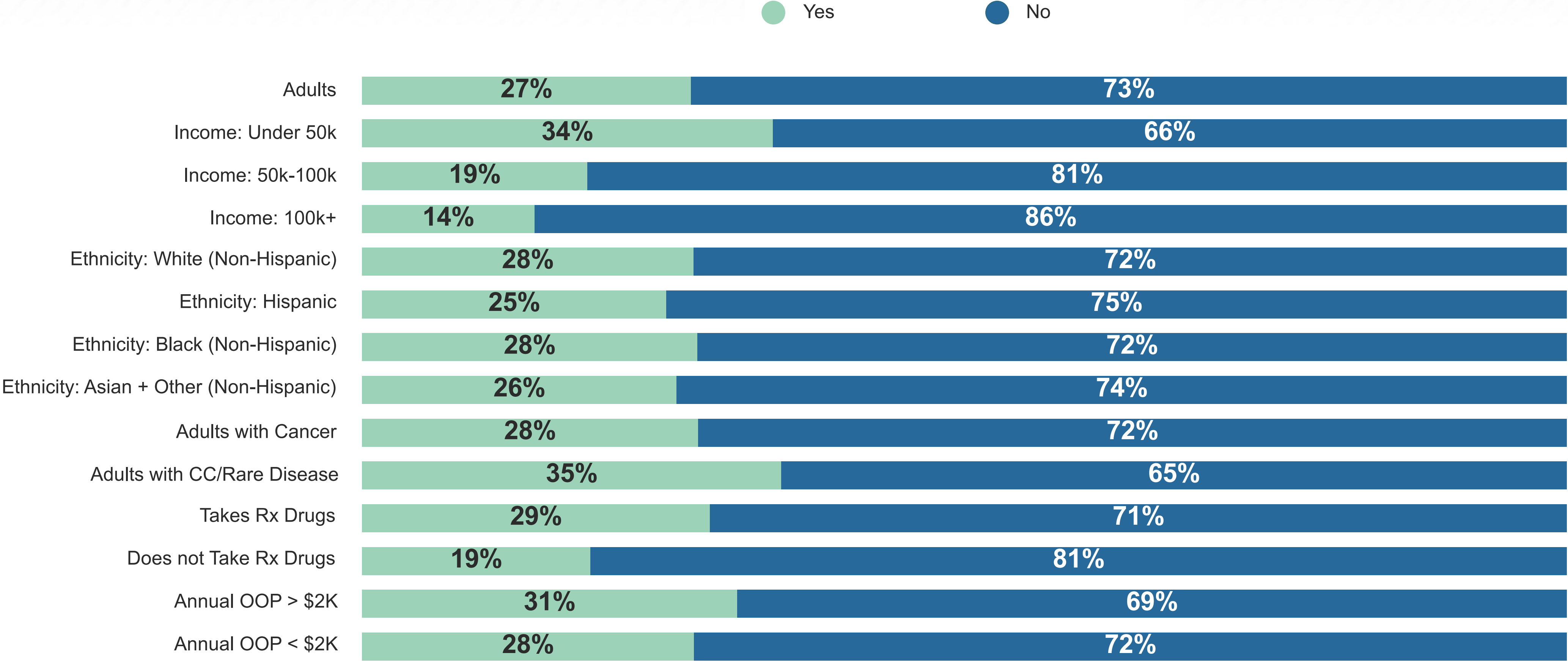
About a quarter (27%) of adults say they have heard of the Extra Help Program before.

As you may know, the Low-Income Subsidy Program (also known as the Extra Help Program), is a federal program operated by the Social Security Administration. This program covers most out-of-pocket costs for Medicare Part D premiums, deductibles, and prescription co-pays for qualifying low-income individuals. Have you heard of the Extra Help Program before?



Adults with low incomes (34%) are more likely than adults with middle incomes (19%) and high incomes (14%) to say they have heard of the Extra Help program before.

As you may know, the Low-Income Subsidy Program (also known as the Extra Help Program), is a federal program operated by the Social Security Administration. This program covers most out-of-pocket costs for Medicare Part D premiums, deductibles, and prescription co-pays for qualifying low-income individuals. Have you heard of the Extra Help Program before?*

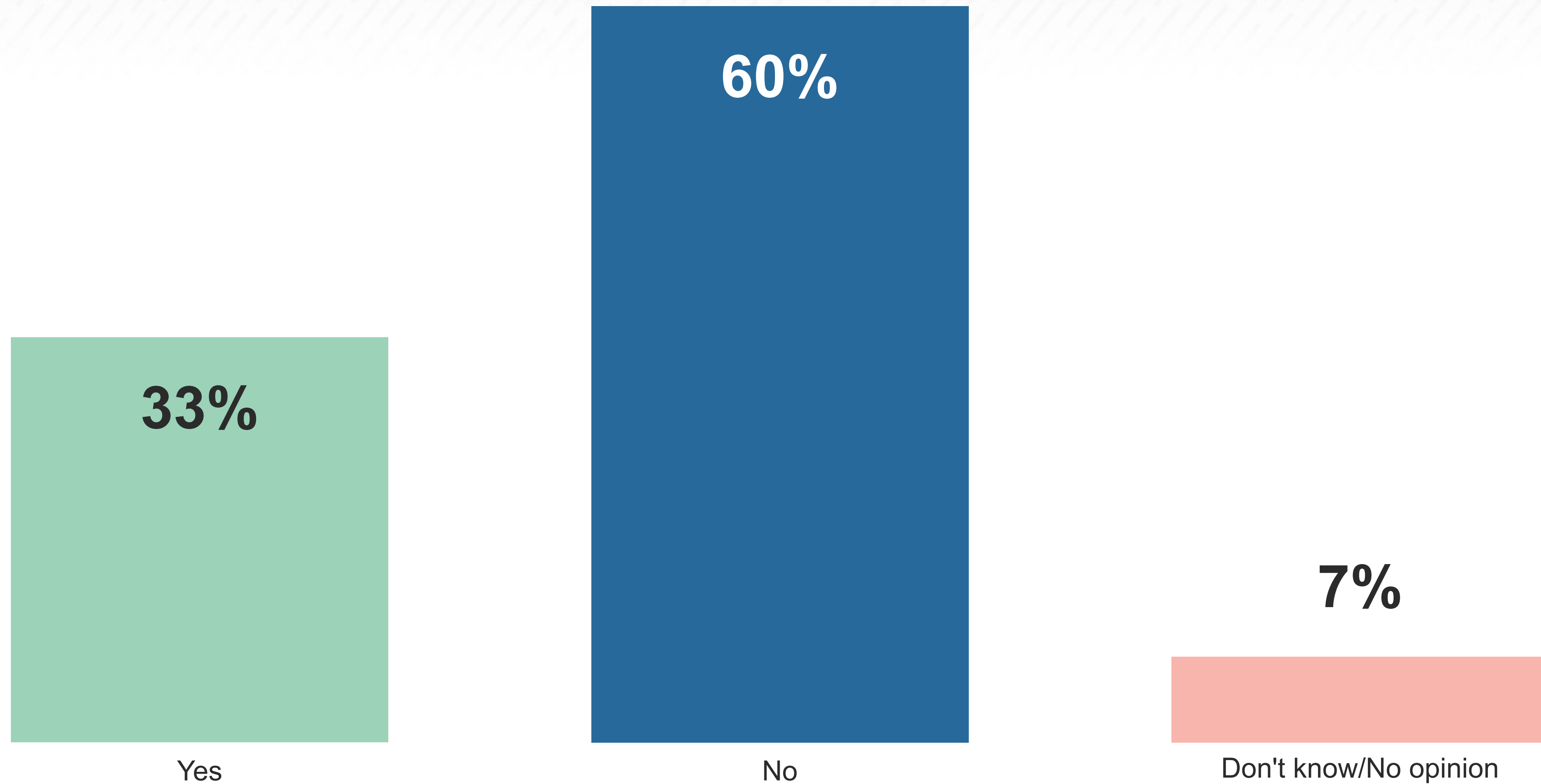


*More granular income level break out available in appendix

A third (33%) of adults who have heard of the Extra Help Program are currently enrolled in the Program.

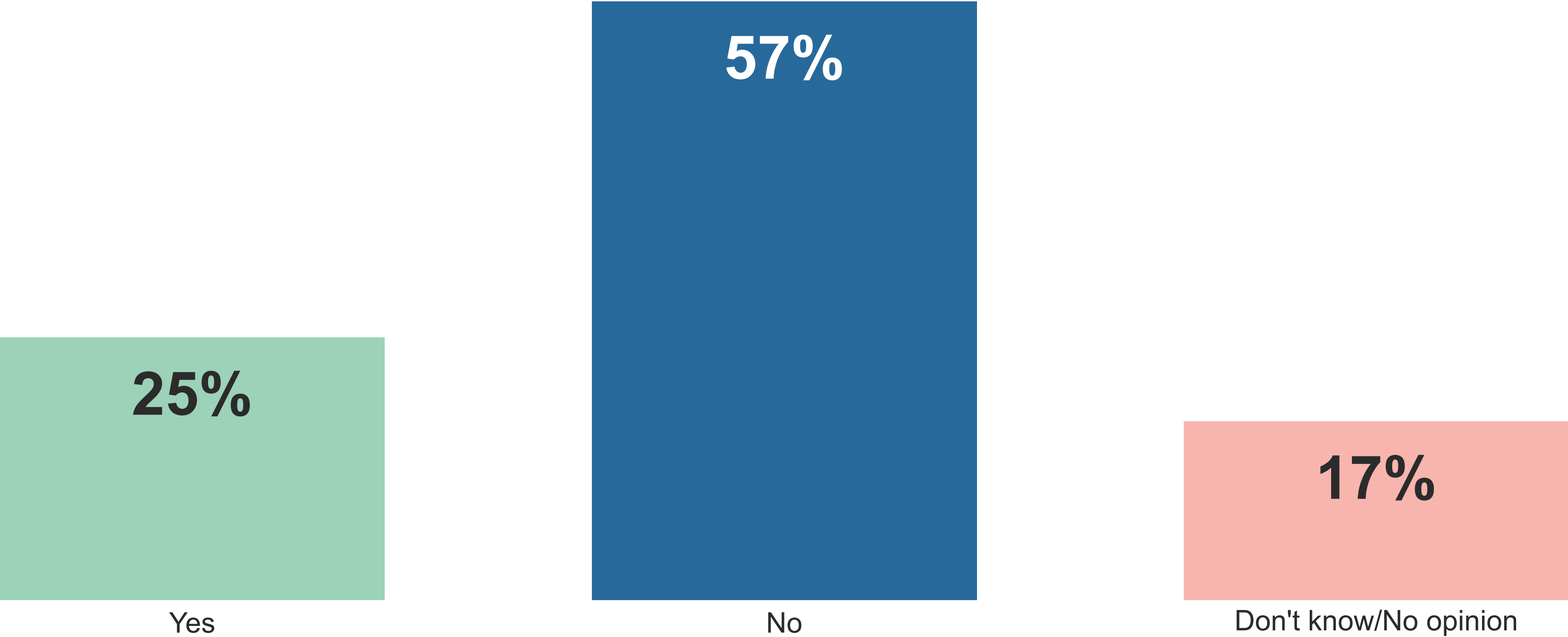
Are you currently enrolled in the Extra Help Program?

AMONG ADULTS WHO HAVE HEARD OF THE EXTRA HELP PROGRAM, n= 557



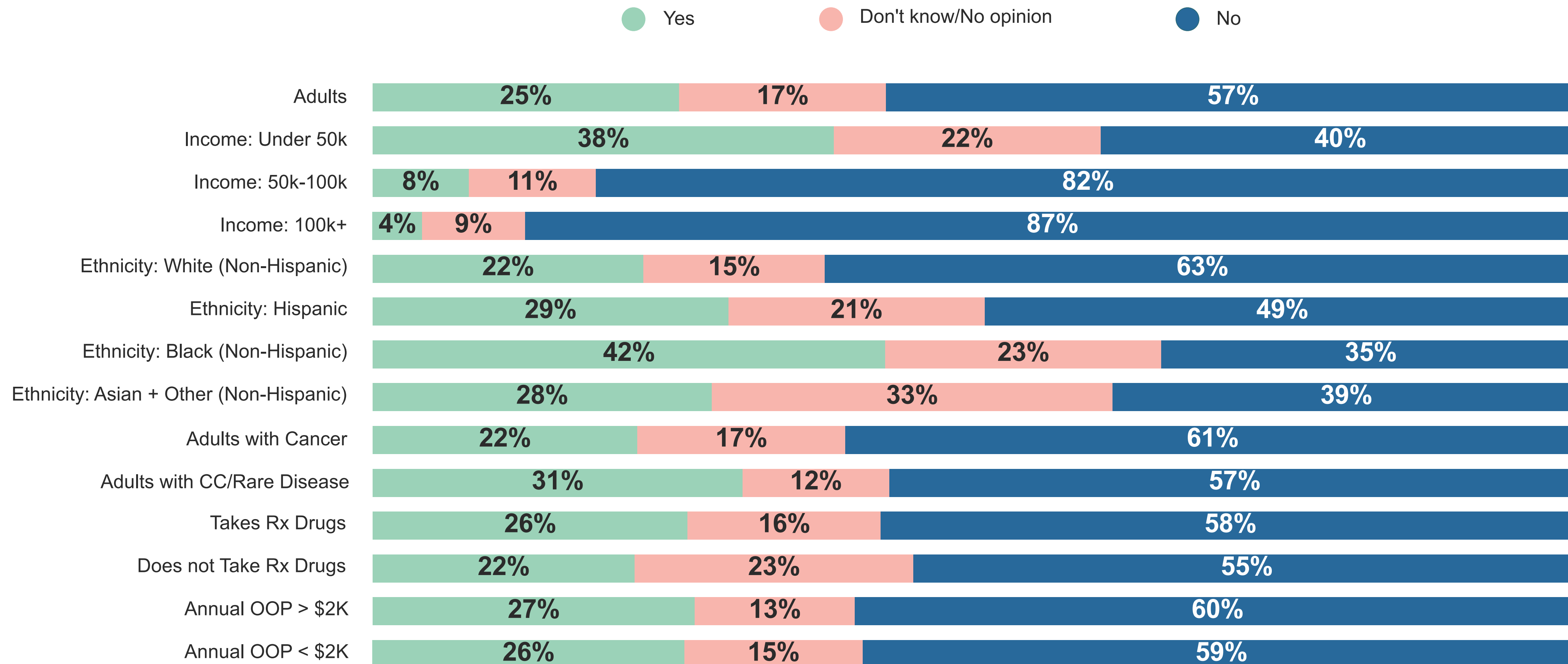
After reading about the expanded guidelines of the Extra Help Program, based on their current income, a quarter of adults (25%) think they will qualify for the expanded program.

Beginning in 2024, the Extra Help Program will expand to allow a person who makes up to 150 percent of the federal poverty level to apply for maximum assistance. The federal poverty line changes annually, but in 2022, 150 percent of the federal poverty level translates to an annual income of about \$20,000 for an individual or \$27,000 for a family of two. Based on these new guidelines and your current income, do you think you will qualify for the expanded program?



Approximately two-in-five adults with low incomes (38%) and Black adults (42%) say based on the new guidelines and their current income, they think they would qualify for the expanded Extra Help Program.

Beginning in 2024, the Extra Help Program will expand to allow a person who makes up to 150 percent of the federal poverty level to apply for maximum assistance. The federal poverty line changes annually, but in 2022, 150 percent of the federal poverty level translates to an annual income of about \$20,000 for an individual or \$27,000 for a family of two. Based on these new guidelines and your current income, do you think you will qualify for the expanded program?*

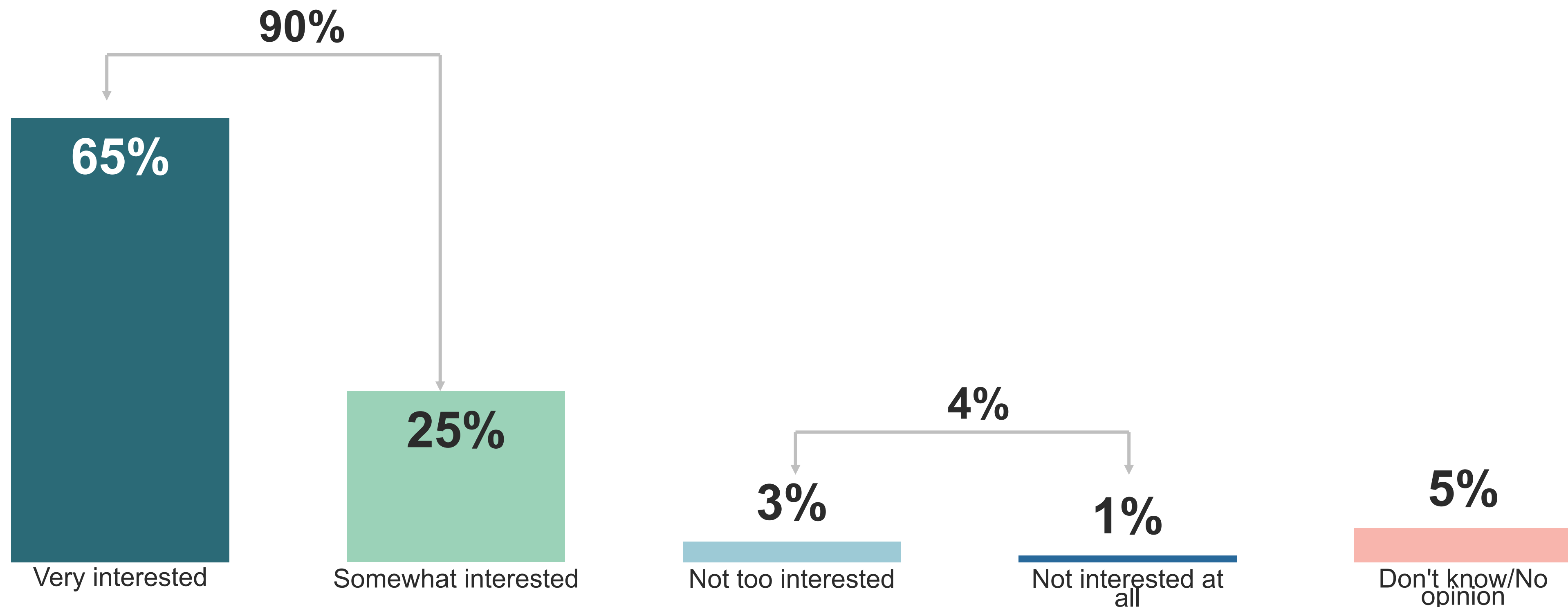


*More granular income level break out available in appendix

Among adults who think they will qualify for the expanded Extra Help Program, nine-in-ten (90%) would be interested in applying, including 65% who would be very interested.

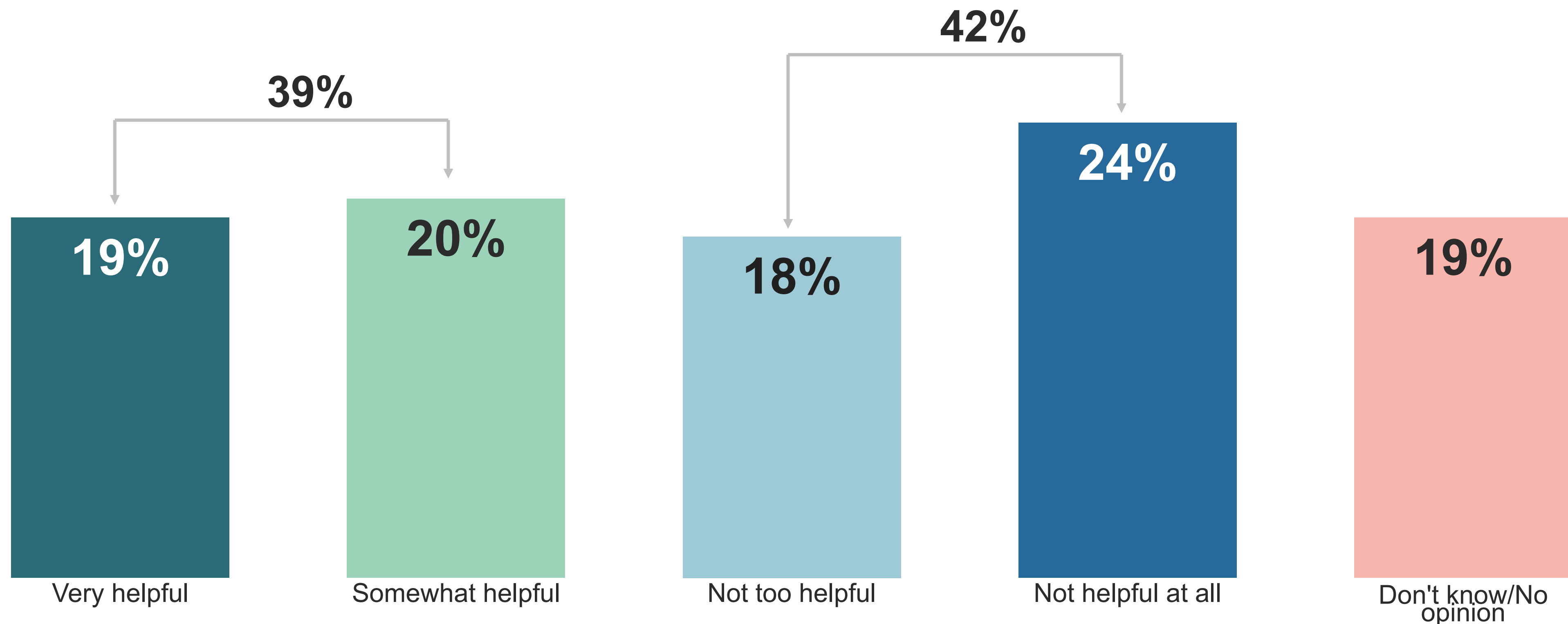
As a reminder, beginning in 2024, the Extra Help Program will expand to allow a person who makes up to 150 percent of the federal poverty level will be able to apply for maximum assistance. How interested would you be, if at all, in applying to the expanded Extra Help program in 2024?

AMONG ADULTS WHO THINK THEY WILL QUALIFY FOR THE EXPANDED EXTRA HELP PROGRAM, n= 518



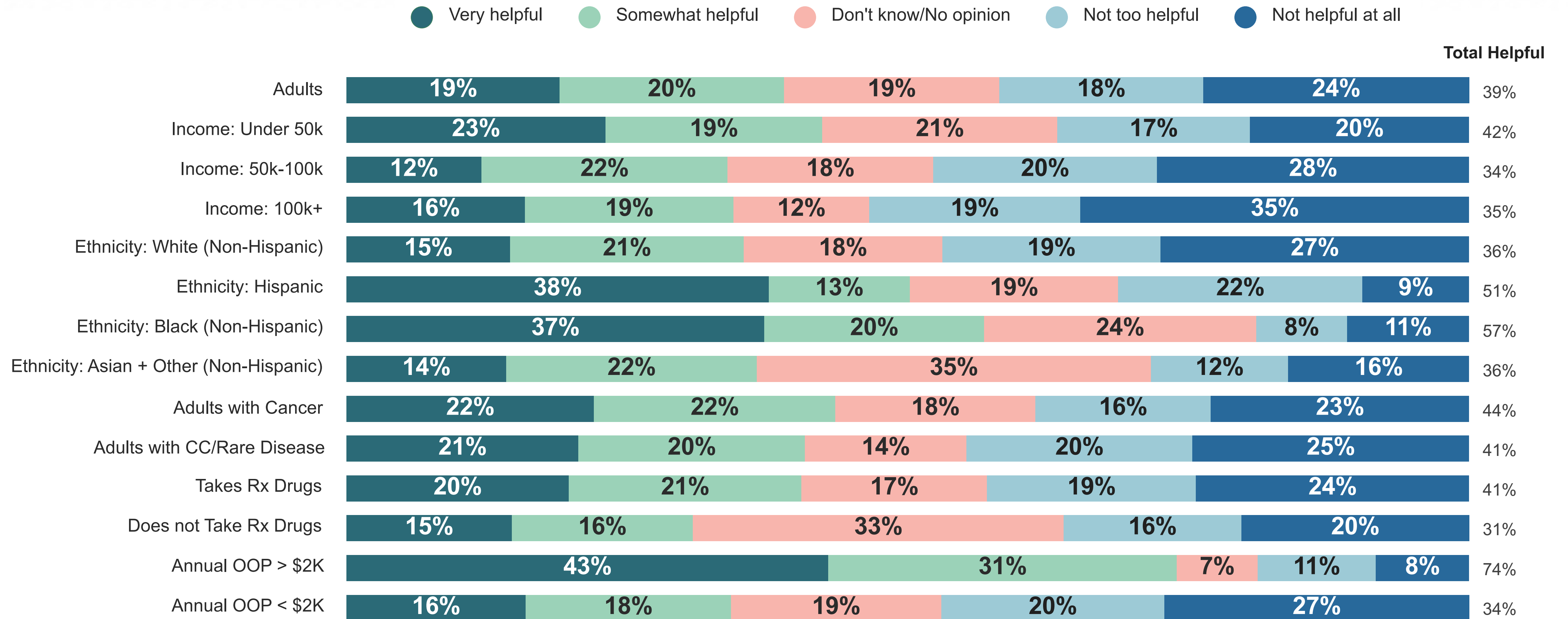
Adults are divided on how helpful the \$2K annual cap or limit on out-of-pocket costs for people on Medicare will (39%) or will not (42%) be to them when it takes effect in 2025.

As you may know, according to a new law signed in August, there will be a \$2,000 annual cap or limit on out-of-pocket costs for people on Medicare starting in 2025. This cap or limit means people on Medicare will no longer pay more than \$2,000 each year for their prescription medications. Based on your current prescriptions, when the Part D cap of \$2,000 takes effect in 2025, how helpful will the cap be to you, if at all?



Adults with high annual out-of-pocket (OOP) costs say the Part D cap of \$2K will be helpful (74%) to them when it takes effect in 2025, including 43% who say it will be *very helpful*.

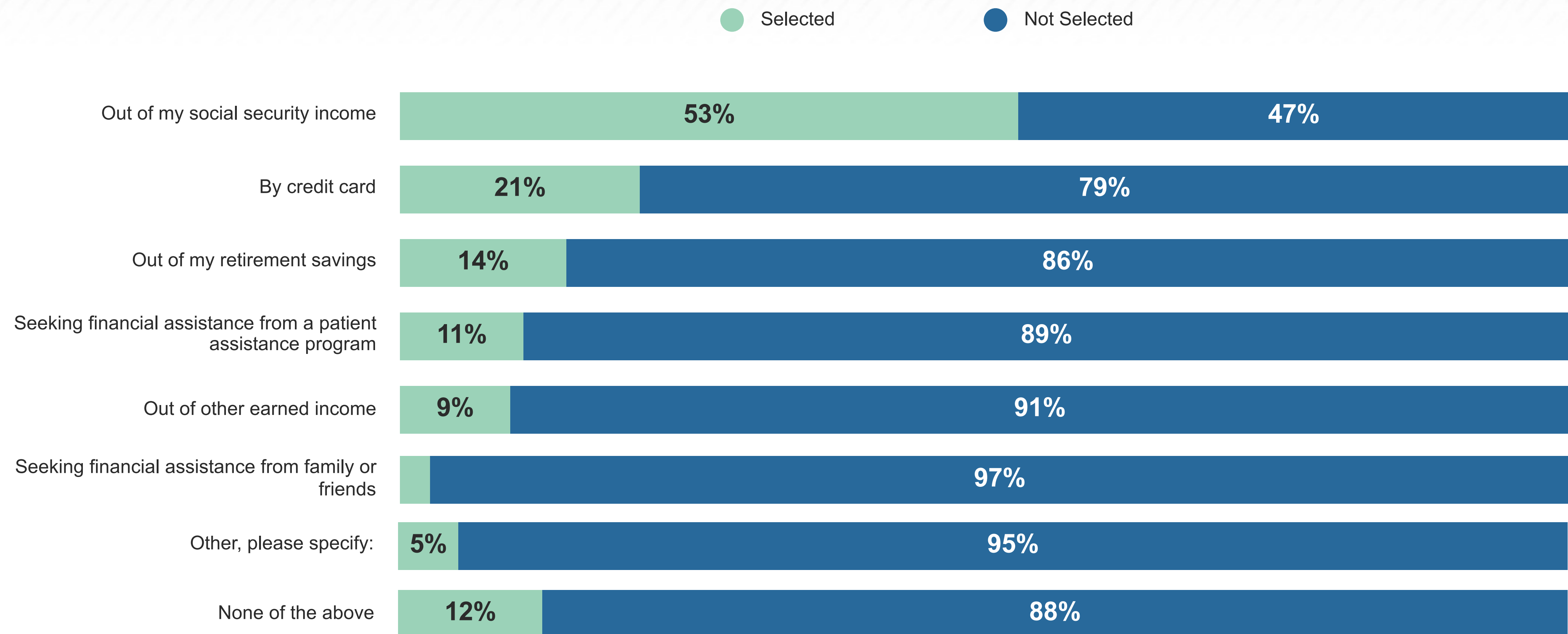
As you may know, according to a new law signed in August, there will be a \$2,000 annual cap or limit on out-of-pocket costs for people on Medicare starting in 2025. This cap or limit means people on Medicare will no longer pay more than \$2,000 each year for their prescription medications. Based on your current prescriptions, when the Part D cap of \$2,000 takes effect in 2025, how helpful will the cap be to you, if at all?*



*More granular income level break out available in appendix

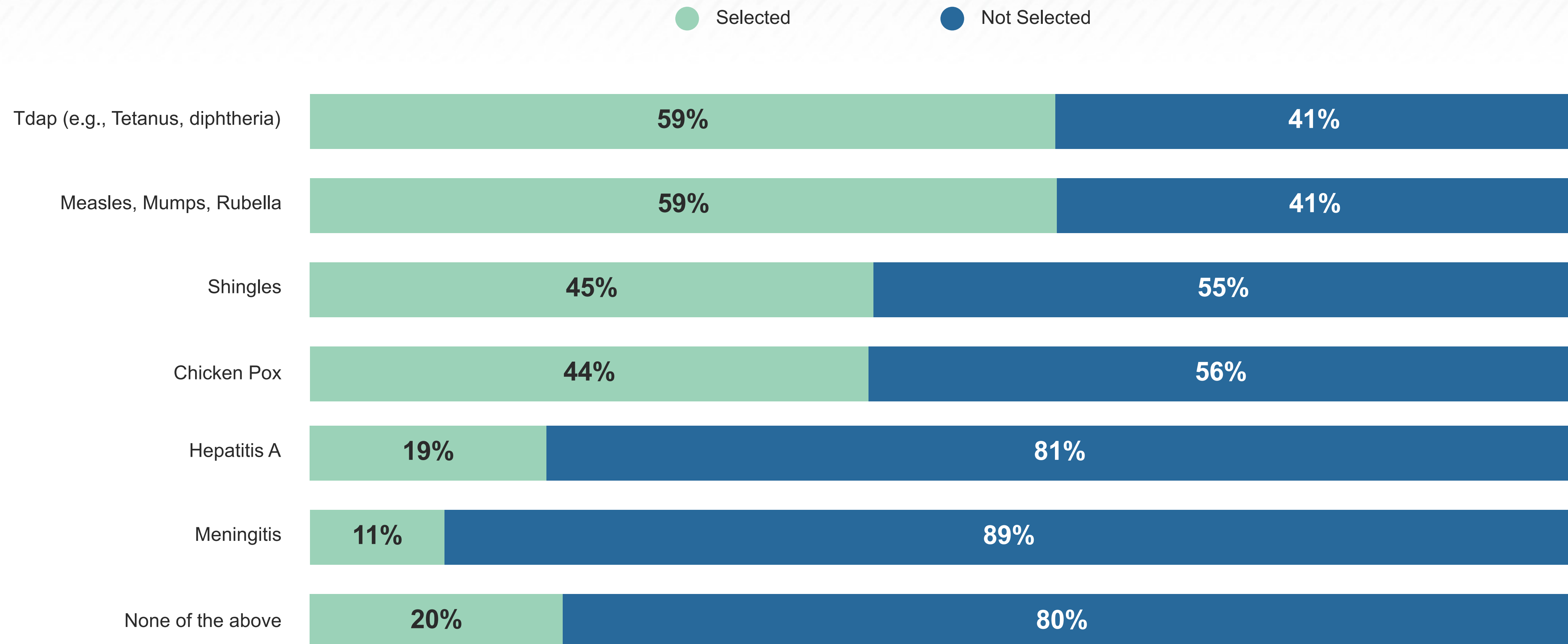
When the Part D cap of \$2K takes effect in 2025, adults anticipate paying for their prescription medications out of their social security income (53%).

Based on what you know, when the Part D cap of \$2,000 takes effect in 2025, how do you anticipate paying for your prescription medications? Please select all that apply.



A fifth (20%) of adults say they have received none of the tested vaccines before.

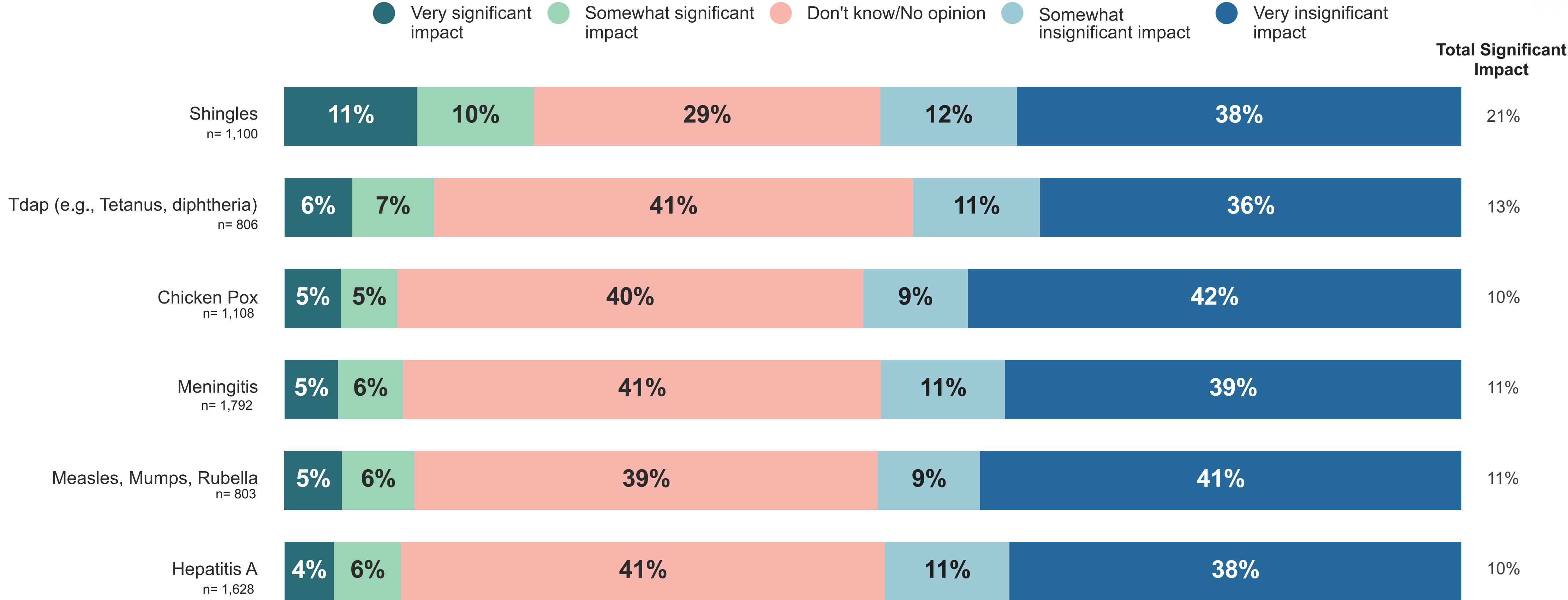
Beginning January 1, 2023, people on Medicare Part D plans will no longer have any co-pays or cost-sharing for their vaccines. Which of the following vaccines have you received before? Please select all that apply.



About a fifth (21%) of adults who have not received the shingles vaccine say the cost of receiving the vaccine has had a significant impact on their decision not to receive the vaccine.

You mentioned that you have not received each of the following vaccines. How significant of an impact has the cost of receiving each vaccine had on your decision not to receive the vaccine?

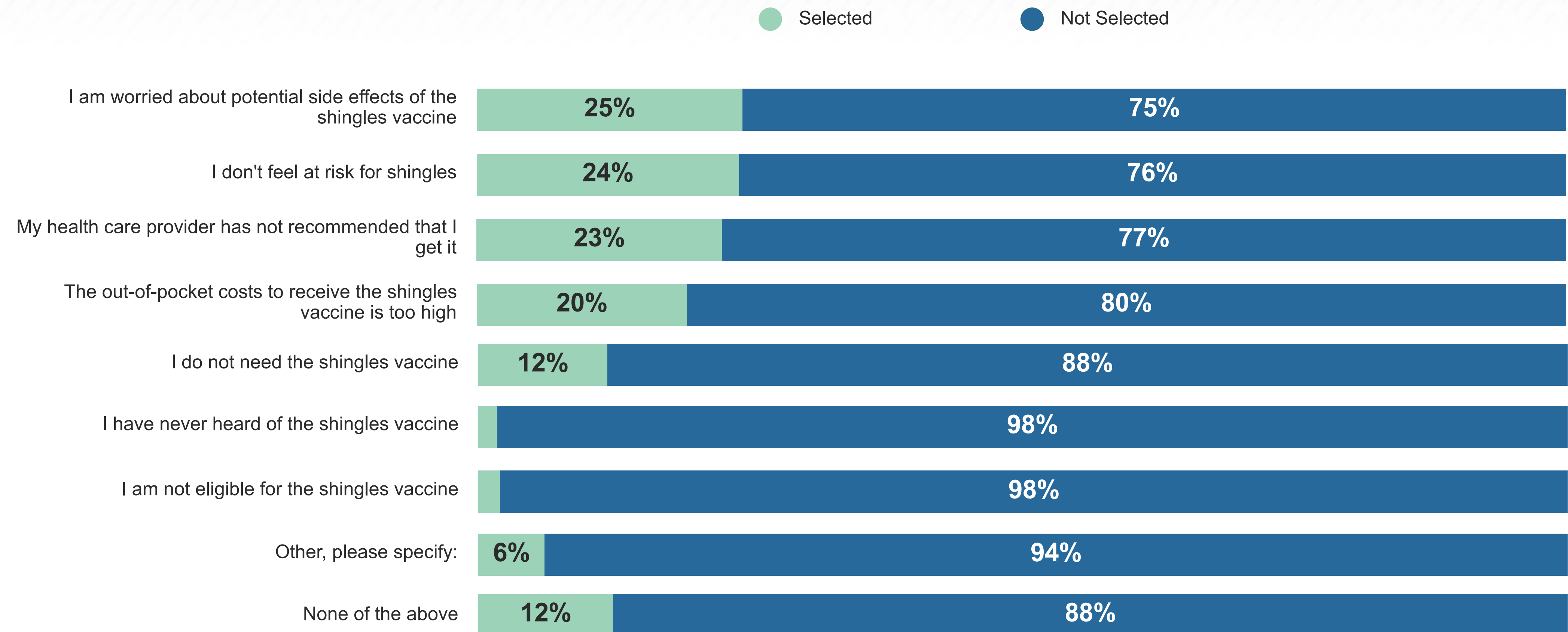
AMONG ADULTS WHO HAVE NOT RECEIVED EACH OF THE VACCINES, RESPECTIVELY



Adults who have not received the shingles vaccine also say it is because they are worried about potential side effects (25%), they don't feel at risk for shingles (24%), their health care provider has not recommended they get it (23%), and that the out-of-pocket costs to receive the vaccine is too high (20%).

Which of the following reasons describe why you have not received the shingles vaccine, in particular? Please select all that apply.

AMONG ADULTS WHO HAVE NOT RECEIVED THE SHINGLES VACCINE, n= 1,100



Custom demographics

Custom demographics

Have you been diagnosed with any of the following before? Please select all that apply.

Selected Not Selected

I have not been diagnosed with cancer, a chronic condition or a rare disease.



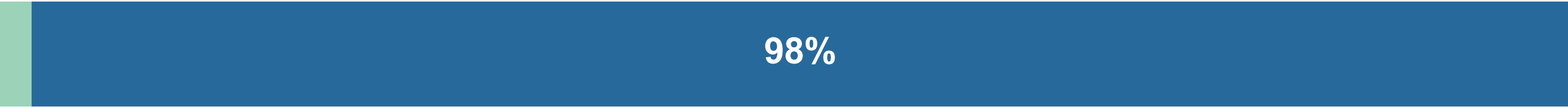
Chronic condition



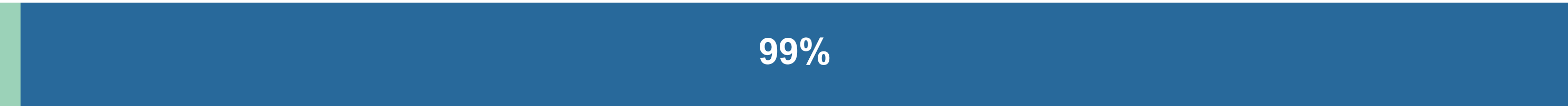
Cancer



Rare disease

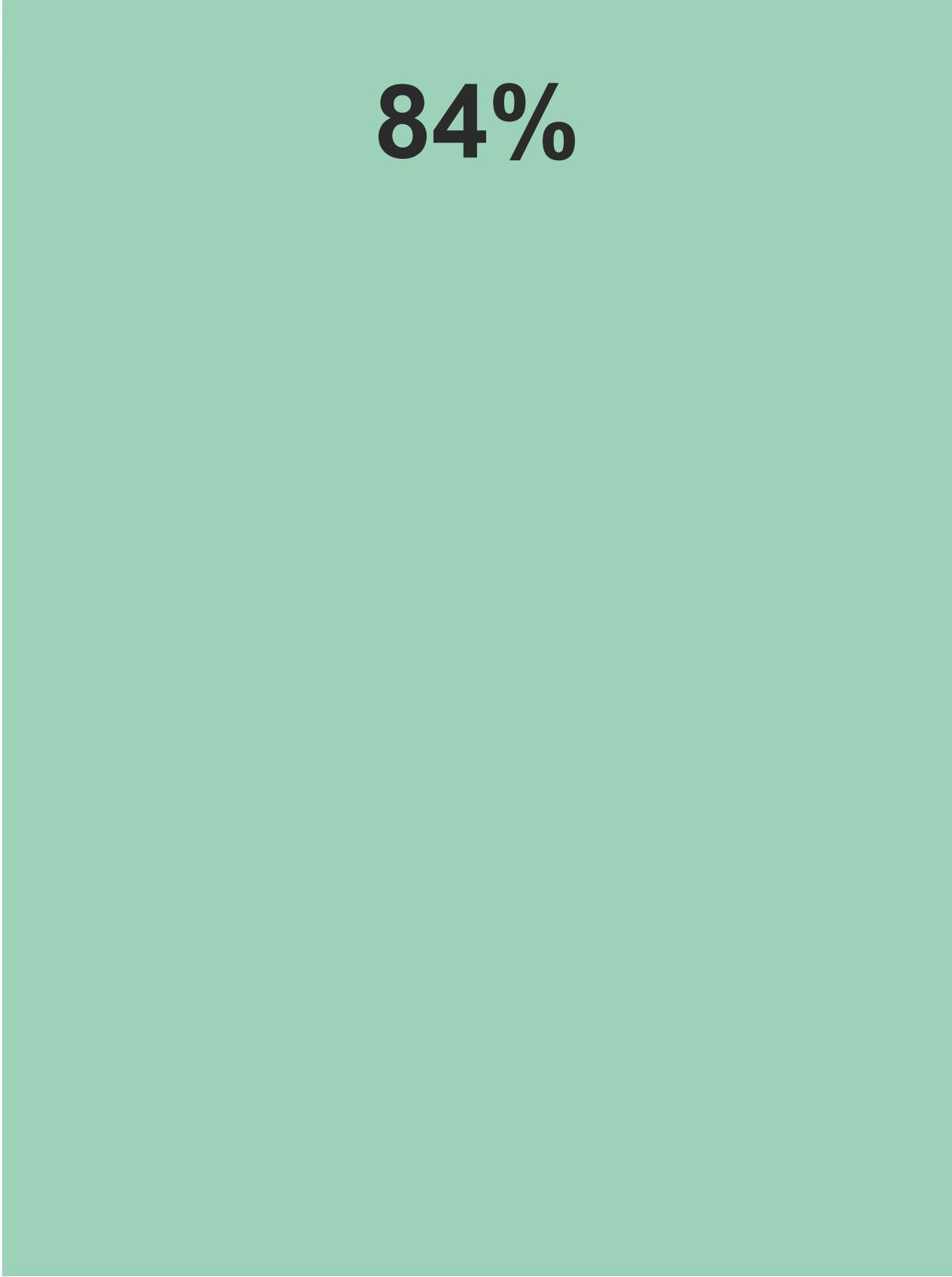


Prefer not to answer



Custom demographics

Do you currently take prescription drugs?



Yes



No

Appendix

Appendix

As you may know, some national charitable foundations provide financial assistance to qualifying adults on Medicare to help cover out-of-pocket prescription medication costs. How familiar are you with these financial assistance programs, if at all?

Income Level	% Familiar	MOE
Adults	22%	+/- 2
Under 20 thousand dollars	33%	+/- 6
20 to under 35 thousand	24%	+/- 4
35 to under 50 thousand	22%	+/- 5
50 to under 75 thousand	19%	+/- 5
75 to under 100 thousand	16%	+/- 7
100 thousand or more	16%	+/- 6

Appendix

As you may know, the Low-Income Subsidy Program (also known as the Extra Help Program), is a federal program operated by the Social Security Administration. This program covers most out-of-pocket costs for Medicare Part D premiums, deductibles, and prescription co-pays for qualifying low-income individuals. Have you heard of the Extra Help Program before?

Income Level	% Yes	MOE
Adults	28%	+/- 2
Under 20 thousand dollars	43%	+/- 6
20 to under 35 thousand	36%	+/- 4
35 to under 50 thousand	26%	+/- 5
50 to under 75 thousand	19%	+/- 5
75 to under 100 thousand	18%	+/- 7
100 thousand or more	14%	+/- 6

Appendix

Beginning in 2024, the Extra Help Program will expand to allow a person who makes up to 150 percent of the federal poverty level to apply for maximum assistance. The federal poverty line changes annually, but in 2022, 150 percent of the federal poverty level translates to an annual income of about \$20,000 for an individual or \$27,000 for a family of two. Based on these new guidelines and your current income, do you think you will qualify for the expanded program?

Income Level	% Yes	MOE
Adults	26%	+/- 2
Under 20 thousand dollars	69%	+/- 6
20 to under 35 thousand	38%	+/- 4
35 to under 50 thousand	17%	+/- 5
50 to under 75 thousand	9%	+/- 5
75 to under 100 thousand	6%	+/- 7
100 thousand or more	4%	+/- 6

Appendix

As you may know, according to a new law signed in August, there will be a \$2,000 annual cap or limit on out-of-pocket costs for people on Medicare starting in 2025. This cap or limit means people on Medicare will no longer pay more than \$2,000 each year for their prescription medications. Based on your current prescriptions, when the Part D cap of \$2,000 takes effect in 2025, how helpful will the cap be to you, if at all?

Income Level	% Helpful	MOE
Adults	39%	+/- 2
Under 20 thousand dollars	51%	+/- 6
20 to under 35 thousand	44%	+/- 4
35 to under 50 thousand	35%	+/- 5
50 to under 75 thousand	34%	+/- 5
75 to under 100 thousand	34%	+/- 7
100 thousand or more	33%	+/- 6