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Rural and Urban Differences in Choice of and Satisfaction with Medicare Part D Plans

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Key Findings

- Medicare beneficiaries in rural locations were more likely than those in urban counties to have considered a variety of factors when choosing a Part D prescription drug plan, although beneficiaries across all geographic settings reported that monthly premium cost was the most important factor in choosing a plan.
- Most urban and rural respondents reported positive satisfaction with their Part D drug plans, but fewer than half were "very satisfied" with either the amount of information available to them when choosing a Part D plan or with their plans overall.
- Less than one in five respondents felt "extremely confident" that they had made the best plan decision. Residents in more-densely populated rural areas were significantly less likely than those in urban areas to be extremely confident.
- Respondents in more-densely populated rural counties reported significantly lower satisfaction levels with their Part D plans than those in urban counties.

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Purpose

The purpose of this project was to determine whether rural Medicare beneficiaries are satisfied with their Medicare Part D drug plans and whether there is a difference in beneficiary satisfaction and plan selection experience by rurality.

Background and Policy Context

Since 2006, Medicare beneficiaries have had access to Part D prescription drug coverage, either through a standalone prescription drug plan (PDP) for beneficiaries enrolled in traditional fee-for-service Medicare or through Medicare Advantage PDPs (MA-PDPs) for those enrolled in Medicare Advantage (MA).[1] There are differences in Part D enrollment by rural/urban status. For example, rural residents are less likely to have Part D coverage and, for those who have coverage, less likely to be enrolled in MA-PDPs.[2-5]

Overall, Medicare beneficiaries have reported high levels of satisfaction with their Part D prescription drug plans.[6] However, they also report much lower confidence in their knowledge about Part D plans:[3] a 2012 survey found that fewer than half report being aware of policy changes to Part D plans (such as the reduction of the coverage gap* between a plan's spending limit and federally-supplied catastrophic coverage), and less than twenty percent report having received any information in the previous year about Part D plans.[6]

Less is known about differences in satisfaction and experience with choosing plans by geographic location, despite differences in the availability of plans by rural/urban setting. There is evidence that rurality influences beneficiaries' knowledge of and decision-making experience in choosing plans[7,8] and that urban residents tend to be more satisfied with Part D.[8]

In order to improve beneficiaries' experiences, it is important to understand how specific experiences vary by rural/urban setting, as approaches to increasing satisfaction and improving the experience of choosing a plan may differ by geographic setting.

*The Affordable Care Act is phasing this "donut hole" out for beneficiaries in this situation by decreasing their share of drug costs annually until it reaches 25 percent in 2020.

Approach

Data from the 2012 Medicare Current Beneficiary Survey (MCBS) was used to examine Medicare beneficiary satisfaction with Part D drug plans by geographic location. The MCBS is a longitudinal survey of a nationally representative sample of Medicare beneficiaries. The analysis focused on questions from the Access to Care (ATC) module, including questions about overall satisfaction, satisfaction with specific plan elements and the decision-making process, factors considered in choosing a plan, and confidence with plan choice.

Beneficiaries were classified as residing in urban (metropolitan), micropolitan (more-densely populated rural), or non-core (less-densely populated rural) counties based on Office of Management and Budget (OMB) definitions; we also analyzed all rural counties together. Analyses were performed in StataMP 12 utilizing cross-sectional weights to obtain national estimates. The weighted sample began with 29,721,746 in 2012. We only included those beneficiaries living in the United States, ages 65 and older, and in a PDP or MA-PDP during the month of the interview, which reduced the final sample to 15,294,289. Bivariate analyses were conducted to identify differences by geographic location in satisfaction and experience with plan choice, using adjusted Wald tests for significant differences.

From the final sample, 58.3% of respondents were enrolled in PDPs, versus 41.7% in MA-PDPs. The majority (78.1%) of the sample resided in urban counties, 13.5% resided in micropolitan counties, and the remaining 8% resided in non-core counties. Consistent with previous literature,[2-4] urban areas had significantly fewer beneficiaries enrolled in PDPs than micropolitan and non-core areas. Among urban beneficiaries, 53.5% were in a PDP, versus 73.2% in micropolitan areas and 78.9% in non-core areas.

Table 1. Percentage of respondents who were "very satisfied" with elements of their plan

		Rural	
	Urban	Micropolitan	Non-Core
Overall satisfaction	45.8%	40.5%**	43.2%
Amount you have to pay for prescription drugs	23.7%	19.2%*	23.5%
Formulary or list of drugs covered	24.5%	18.0%**	22.8%
Ease of finding pharmacy which accepts drug plan	46.4%	41.3%	40.2%

Note: Figure based on estimates from weighted sample. Differences from urban locations significant at: *p<0.05 and **p<0.01.

Table 2. Factors that the recipient considered in deciding on drug coverage (% responding yes to each)

		Rural	
	Urban	Micropolitan	Non-Core
Cost of monthly premium	59.7%	71.4%**	62.3%*
Deductible	51.7%	66.4%***	57.7%
Formulary/covered drugs	54.8%	66.5%**	59.5%
Convenience of pharmacies in plan	62.2%	70.7%*	62.6%
Someone's recommendation	27.4%	34.2%	32.1%
Gap in coverage, "donut hole"	34.5%	39.4%*	35.7%
Dollar amount you would pay for prescribed medicines	56.7%	64.3%*	59.7%

Note: Figure based on estimates from weighted sample. Differences from urban locations significant at: *p<0.05, **p<0.01, and ***p<0.001.

Results

Satisfaction with Plan

Table 1 shows the percentage of respondents reporting that they were "very satisfied" overall and with various elements of their Part D plan by urban, micro, and non-core location. Overall, nearly 46% of urban residents were "very satisfied," compared with 41% of micropolitan residents (p<0.01) and 43% of non-core residents (no statistical difference). Urban residents were also more likely than micropolitan residents to be "very satisfied" with the amount they have to pay for prescription drugs under their plan (24% vs. 19%, p<0.05) and with the formulary of covered drugs (25% vs. 18%, p<0.01).

We conducted additional analyses combining "very satisfied" and

"satisfied" response categories and found fewer differences by rural/urban setting. In fact, more than 90% of all respondents were either "satisfied" or "very satisfied" with their plan overall across all three settings (full results available upon request). These findings point to the importance of looking at the individual response categories, as there may be meaningful differences in experiences for someone who is "very satisfied" vs. simply "satisfied." For example, someone who is "very satisfied" may feel that all of their needs are being met by the plan, whereas someone who is simply "satisfied" may still have concerns or needs that are not being adequately addressed by their current plan.

Factors Considered When Choosing Plan

We identified differences by geographic area in the factors that respondents considered when choosing plans (Table 2, previous). Respondents were asked which listed factors they considered; they could answer positively to all that applied. In all cases, respondents living in rural areas were more likely to have considered each factor, although not all differences were statistically significant. Respondents in both micropolitan and non-core locations were significantly more likely to have considered premium cost. Micropolitan residents were significantly more likely than urban residents to have considered deductible, formulary, convenience of pharmacies, coverage gap, and actual dollar amount for prescribed medications. This may indicate that residents of rural areas place more weight on factors related to how difficult it will be obtain their prescriptions, above and beyond cost.

Ranking of Factors by Order of Importance

While respondents could reply that they had considered a variety of factors, they were asked to choose the single most important factor in making their final plan choice. Across all three geographic areas, the most common response was premium cost and the least common was the coverage gap (Figure 1). There were no statistically significant differences in these relationships.

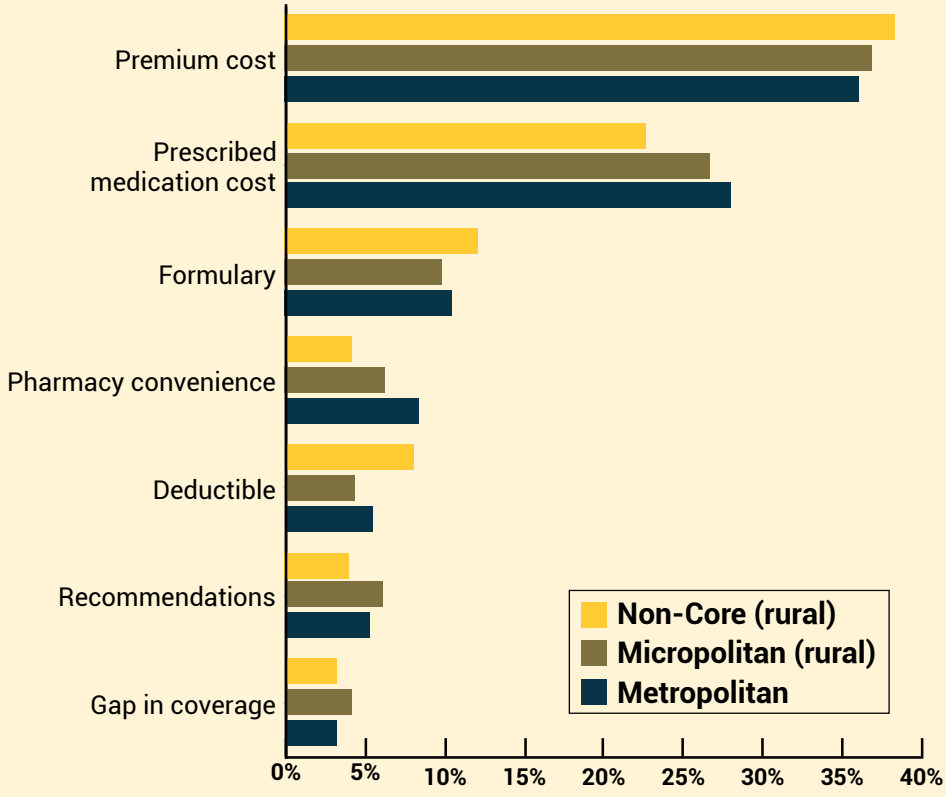
Satisfaction with Information Amount

Fewer than half of all respondents were "very satisfied" with the amount of information they had available to them to make their final plan choice (Figure 2, next). Urban respondents were significantly more likely than micropolitan respondents to be "very satisfied" with available information (40% vs. 33%, $p<0.001$). There were no statistical differences between urban and non-core respondents.

Confidence in Plan Choice

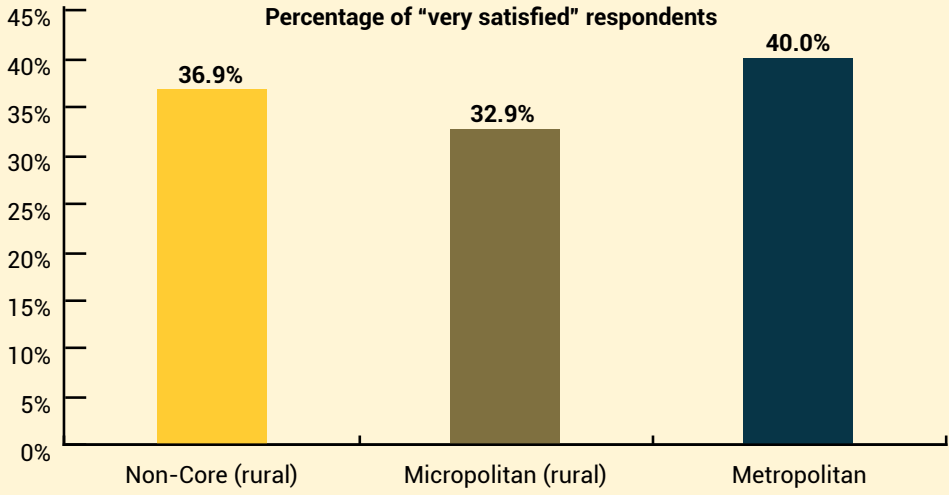
Fewer than one in five respondents felt "extremely confident" that they chose a plan that meets their needs (Figure 3). Again, there was a statistically significant difference between urban and micropolitan residents (19.7 vs. 15.2%, $p<0.01$). There were no statistical differences between urban and non-core respondents in plan choice confidence.

Figure 1. Most important consideration in choosing a plan



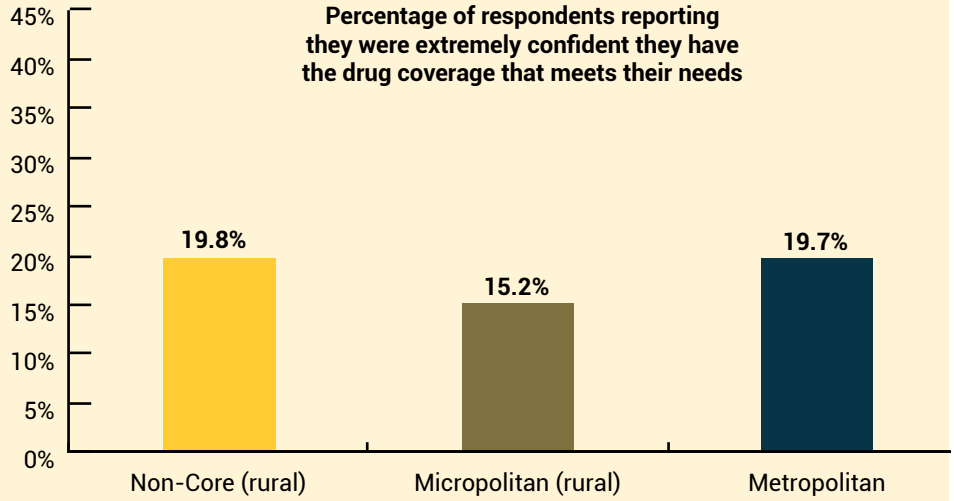
Notes: Figure based on estimates from weighted sample. Percentages do not add to 100 because "don't know" category is not shown. Differences between non-core, micropolitan, and urban areas not statistically significant.

Figure 2. Satisfaction with amount of available information when making plan decision



Notes: Figure based on estimates from weighted sample. Difference between urban and micropolitan locations significant at p<0.01. No significant difference between non-core and micropolitan or urban areas.

Figure 3. Confidence in having made the best plan decision



Notes: Figure based on estimates from weighted sample. Difference between urban and micropolitan locations and between non-core and micropolitan areas significant at p<0.01. No significant difference between non-core and urban areas.

Conclusions and Implications

Overall, Medicare beneficiaries reported positive satisfaction with their Part D drug plans across urban, micropolitan, and non-core areas in 2012. Still, across geographical settings fewer than half of all respondents reported being "very satisfied" with their overall plan, implying room for improvement in beneficiary experience. The percentage of respondents reporting that they were "very satisfied" with the amount they had to pay for prescription drugs and the formulary of drugs covered was less than one in four. Respondents in micropolitan counties had significantly lower satisfaction than those in urban counties, suggesting important geographic differences in Part D experiences.

A variety of factors may contribute to beneficiaries' overall experience with Part D, including their available options, access to information, and interaction with pharmacies. These are all at least partially geographically-determined factors, and differences in enrollment patterns between PDPs and MA-PDPs by urban/rural setting provide evidence of differing experiences by location. Policy interventions to improve satisfaction should be mindful of constraints specific to rural areas; for example, plan limits on the amount of medication that can be obtained at a time can pose difficulties for rural residents who may have farther to travel to fill prescriptions and may therefore face barriers in making frequent trips to the pharmacy.[9] In bivariate analyses (not shown here), we found no difference between urban and rural residents in the use of mail or Internet to order prescriptions, so solutions to address barriers to obtaining prescriptions in rural areas may need to address knowledge about and accessibility of such programs.

In addition to differences in satisfaction with plan elements, we analyzed differences by geographic area in the decision-making process for enrolling in Part D. Out of a list of seven potential factors respondents may have considered in choosing their plan, rural residents were more likely to have considered each factor. This may indicate that the decision-making

process is more complicated and multi-faceted in a rural context. In particular, residents of both micropolitan and non-core areas were significantly more likely to have considered the cost of the monthly premium than urban residents, and those in micropolitan areas were significantly more likely than urban residents to have considered the deductible, formulary, pharmacy convenience, coverage gap, and cost of medications.

These results indicate that rural residents consider more factors in making their decisions, which should be taken into account by providing a wide breadth of information and education about plan options. Across geographic areas, the cost of the premium was the single most important factor in choosing a plan. This provides insight into how beneficiaries are making decisions, but may also indicate a gap in knowledge about the impact of other potential costs, including the plan's deductible and coverage gap.

Fewer than half of all respondents were "very satisfied" with the amount of information available to them when making a plan decision and less than one in five felt "extremely confident" that they had made the best plan decision for their particular needs. In both cases, beneficiaries in micropolitan locations were significantly less likely than those in urban locations to report positive experiences. These findings confirm previous research, which has found that beneficiaries report relatively low confidence in their knowledge about Part D and limited access to education and information about plan options.[3,6]

Policymakers could address this gap in consumer knowledge and confidence with educational outreach campaigns. Information exists, but few beneficiaries appear aware of and knowledgeable about it. For example, a 2012 survey found that fewer than four in ten older adults are aware of the online Medicare Plan Finder and that nearly half of Medicare beneficiaries do not use the Internet.[6] Moreover, national data indicate that rural households are less likely than urban households to have access to high-speed Internet.[10] This suggests that interventions to improve rural beneficiaries' knowledge about Part D may need to include mailings, telephone, or face-to-face interaction.

Future Research

Medicare beneficiary experiences and satisfaction have likely changed with the ongoing implementation of the Affordable Care Act (ACA), which included important changes to Part D, including phasing out the "donut hole." Future research should examine whether changes in satisfaction vary by rurality, in order to insure that beneficiaries are receiving high-quality experiences regardless of geographic setting. Further, research should investigate differences in plan satisfaction by type of plan (MA-PD vs. PDP), especially as the number and characteristics of MA-PD plans vary significantly by rurality. ■

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