



**Prescription Drug Coverage, Utilization, and Affordability  
for Senior Citizens in Florida**

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**Prepared for Rep. Karen Thurman**

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U.S. House of Representatives**

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## EXECUTIVE SUMMARY

Because the Medicare program does not cover the cost of prescription drugs, millions of Medicare recipients nationwide lack prescription drug coverage. These seniors, many of whom live on a fixed income, are faced with rapidly increasing drug bills and increasing difficulty paying for their medications.

Nationally, studies have estimated that there are over ten million Medicare recipients who do not have prescription drug coverage. But previously there have been no state-level estimates of the scope of the problem in Florida. This report, which was prepared at the request of Rep. Karen Thurman, is the first statewide estimate of the number of seniors in Florida who lack prescription drug coverage.

This report is based on surveys of Florida Medicare recipients conducted by researchers at the New England Medical Center in 1998 and 1999. In addition to presenting the first estimates of the number of Florida seniors who have no prescription drug coverage, the report contains new data on the use of prescription drugs by seniors in Florida, as well as a new assessment of the problems that Florida seniors face in affording prescription drugs.

This report finds that the lack of prescription drug coverage for Medicare recipients represents a severe problem for Florida seniors:

- **The report estimates that over 40% of Florida seniors lacked prescription drug coverage in 1999.** Statewide, the report estimates that approximately 1.1 million seniors in Florida were forced to pay for their own prescription drugs with no assistance from insurance in 1999.
- **The number of Florida seniors without prescription drug coverage appears to be rapidly increasing.** In 1998, 29% of Florida seniors responding to the survey reported that they did not have prescription drug coverage. By 1999, the percentage of surveyed seniors reporting that they had no drug coverage had increased significantly to 41%.
- **Many Florida seniors have difficulty affording prescription drugs.** In 1999, over one in eight surveyed Florida seniors reported that they were forced to skip necessary prescription drugs or to reduce their dosage because they could not afford the cost of their drugs. Statewide, the report estimates that approximately 350,000 Florida seniors were forced to skip necessary prescription drugs or reduce their dosage in 1999 because of the high cost of prescription drugs.

## I. INTRODUCTION

Millions of Medicare recipients face extensive hardships paying for prescription drugs because they have no drug coverage. Studies show that although senior citizens use twice as many prescription drugs as individuals under the age of 65, over ten million senior citizens in the United States have no prescription drug coverage. These national studies also show that seniors without prescription drug coverage use one-third fewer prescription drugs than seniors with coverage. And many of these seniors simply cannot afford the drugs that they need to maintain their health.<sup>1</sup>

National studies also show that even when seniors do have prescription drug coverage, it is frequently inadequate. Many seniors have Medigap plans, which are often prohibitively expensive with high deductibles and limited coverage.<sup>2</sup> Others receive benefits through Medicare managed care plans, which are sharply reducing benefits and coverage.<sup>3</sup>

While these analyses provide national data about drug coverage, utilization, and affordability for seniors, to date there has been little information about these issues in Florida. Rep. Karen L. Thurman, who represents Florida's 5th Congressional District, requested that the minority staff of the Committee on Government Reform investigate this issue. At Rep. Thurman's request, the minority staff analyzed information from a detailed survey of Florida senior citizens. This report, which is based on that survey data, contains the first detailed analysis of prescription drug coverage, expenditures, and affordability among senior citizens in Florida.

## II. METHODOLOGY

This report is based on a survey of almost 1,400 Florida seniors conducted by researchers at the New England Medical Center.<sup>4</sup> The survey, known as the Study of Choice and Quality in Senior Health Care, was funded by the Agency on Health Care Quality and Research and the National Institute on Aging, and was originally designed to compare the quality of care in the conventional

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<sup>1</sup>Department of Health and Human Services, *Report to the President: Prescription Drug Coverage, Spending, Utilization, and Prices*, 42 (Apr. 2000).

<sup>2</sup>*Id.*

<sup>3</sup>National Economic Council, Domestic Policy Council, *Disturbing Truths and Dangerous Trends: The Facts About Medicare Beneficiaries and Prescription Drug Coverage* (July 21, 1999).

<sup>4</sup>See Safran, et al., *Drug Coverage and Out-of-Pocket Spending Among Medicare Beneficiaries*, Institute for Medicare Practice, Seminar Series (May 9, 2000).

Medicare program with the quality of care by Medicare HMOs in 13 states.

The survey gathered data that is representative of the Medicare population in the 13 states. According to the primary researcher, “the analyses represent, in true proportion, the population of elderly Medicare beneficiaries in these 13 states who were stably enrolled in conventional Medicare or in a mature Medicare HMO for one year or more as of Fall of 1998.”<sup>5</sup>

Several questions on this survey focused on prescription drugs, including questions on the prescription drug coverage of respondents, the number of prescription drugs taken by respondents, out of pocket expenditures for prescription drugs by respondents, and whether respondents were ever forced to skip medications because they were too expensive. A total of 1,379 seniors in Florida were surveyed in 1998. Six hundred and eighty-nine seniors responded to the survey in 1999.

Although the data from the survey has been compiled and released at the national level, the researchers have not yet released the survey results from Florida. However, the researchers provided the survey results for Florida at the request of the minority staff of the Committee on Government Reform.<sup>6</sup>

The data that was provided estimated the percentage of seniors in Florida meeting particular criteria for prescription drug coverage, utilization, and expenditures in 1998 and 1999. According to U.S. Census data, there are 2.7 million persons in Florida age 65 and over.<sup>7</sup> Based on the survey results, these population estimates were used by the minority staff to calculate the number of seniors with and without drug coverage.

### **III. FINDINGS**

The results from the survey of drug coverage for seniors in Florida indicate that there are over one million Florida seniors who do not have prescription drug coverage. Many of these seniors use multiple prescription drugs and have monthly prescription drug bills that total hundreds of dollars. Moreover, the report estimates that hundreds of thousands of Florida seniors have been forced to skip

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<sup>5</sup>Memo from Dr. Dana Gelb Safran, New England Medical Center, to Minority Staff of the Committee on Government Reform (July 31, 2000).

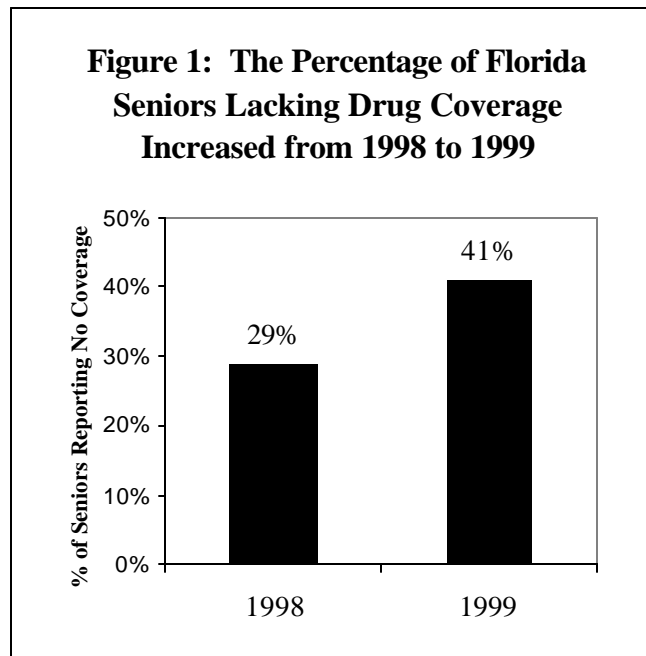
<sup>6</sup>Memo from Dr. Dana Gelb Safran, New England Medical Center, to Minority Staff of the Committee on Government Reform (May 25, 2000).

<sup>7</sup>U.S. Census, *Population Estimates for the U.S., Regions, and States by Selected Age Groups and Sex: Annual Time Series, July 1, 1990 to July 1, 1999* (2000) (online at [www.census.gov/population/estimates/state/st-99-09.txt](http://www.census.gov/population/estimates/state/st-99-09.txt)).

medications or to reduce their dosage because of high prescription drug costs.

**A. Prescription Drug Coverage for Florida Seniors**

Survey data collected during 1999 shows that 41% of the Medicare beneficiaries surveyed in Florida reported that they had no prescription drug coverage. This represents approximately 1.1 million Florida seniors without prescription drug coverage. The survey results also show a large increase in the number of seniors without prescription drug coverage between 1998 and 1999. In 1998, 29% of surveyed Florida seniors reported that they did not have prescription drug coverage. One year later, 41% of surveyed seniors reported that they did not have drug coverage. This increase in the percentage of seniors who reported having no drug coverage suggests that approximately 250,000 Florida seniors lost drug coverage in this one year period (Figure 1).



The survey results for Florida indicate that many seniors with incomes well above the poverty line lack prescription drug coverage. Among seniors with incomes above \$20,000 -- almost double the poverty line -- who were surveyed in 1999, 43% reported that they had no prescription drug coverage. This indicates that lack of coverage is not just a problem for low-income seniors.

The survey results also indicate that many Medicare HMOs are not providing drug

coverage for Florida seniors. In 1999, 42% of the fee-for-service Medicare recipients who were surveyed reported that they had no drug coverage. A similar percentage of surveyed Medicare HMO recipients -- 40% -- also reported that they did not have prescription drug coverage.

## **B. Prescription Drug Utilization by Florida Seniors**

The survey of senior citizens in Florida indicates a substantial reliance upon prescription drugs. Overall, in 1999, 87% of surveyed Florida seniors reported that they were taking at least one prescription drug. The survey data shows that the average respondent in 1999 reported that he or she took almost four (3.95) different prescription drugs. Each different drug utilized by a Florida senior can require filling numerous prescriptions each year.

At the same time that more seniors were uninsured in 1999 than in 1998, seniors were also taking more prescription drugs in 1999 than in 1998. In 1998, the average surveyed senior in Florida reported that he or she took 3.72 prescription drugs, compared to an average of 3.95 in 1999.

The survey data show that senior women in Florida took more prescription drugs than senior men in 1999. Florida women aged 65 and over reported that they took an average of 4.21 different prescription drugs, compared to an average of 3.49 for men. Overall, the survey data showed that women aged 65 and over in Florida used an average of 21% more prescription drugs than men.

Many Florida seniors use large quantities of prescription drugs. One in four surveyed Florida seniors reported that they used more than five different prescription drugs in 1999. This represents an estimated 675,000 seniors who used more than five prescription drugs in 1999.

## **C. Prescription Drug Affordability for Florida Seniors**

The results from the surveys of Florida seniors indicate that hundreds of thousands of seniors in the state are having difficulty affording prescription drugs. Overall, 13% of surveyed Florida seniors reported that they had either skipped a medication or reduced their dosage of a medication in 1999 because they could not afford the prescription drugs. Based on these survey results, the report estimates that approximately 350,000 Florida seniors were forced to either skip a medication or reduce their dosage of a medication in 1999 because of the high cost of prescription drugs.

The survey data also indicate an increase in the percentage of seniors who could not afford their medications between 1998 and 1999. In 1998, 11% of surveyed seniors reported skipping a medication or reducing their dosage because of the cost. In 1999, this percentage had increased to 13%. Statewide, this increase represents approximately 55,000 additional seniors who had difficulty affording their medications in 1999.



Seniors without prescription drug coverage are more likely than seniors with coverage to skip their medications because of cost concerns. Among surveyed seniors without drug coverage, 18% -- over one in six -- reported that they were forced to skip their medication or reduce their dosage because of the cost. Uninsured seniors also face the highest drug costs, with 12% of uninsured Florida seniors who were surveyed reporting that they had monthly drug bills of over \$200 per month.

**D. Inadequacies in Existing Coverage for Florida Seniors**

Survey data show that even when Florida seniors do have drug coverage, this coverage can be inadequate. The report estimates that approximately 25,000 Florida seniors with drug coverage had out-of-pocket drug costs that exceed \$200 per month in 1999. Moreover, 12% of surveyed seniors with drug coverage reported that they were forced to skip medications or reduce dosages in 1999 because they could not afford their prescription drugs. This represents approximately 175,000 Florida seniors who had difficulty affording prescription drugs despite having insurance that covered part of their costs.

**IV. CONCLUSION**

The survey results presented in this report provide evidence that the lack of prescription drug coverage under Medicare presents a severe problem for Florida seniors. Overall, the report estimates that more than 1.1 million seniors statewide had no prescription drug coverage in 1999, a number that appears to be increasing rapidly. Many seniors without prescription drug coverage use multiple prescription drugs and face high drug bills. Over one in six Florida seniors without drug coverage who were surveyed in 1999 reported that they were forced to either skip medications or reduce their dosage because they had trouble affording the prescription drugs that they need.