



## Press Release

### **J.D. Power and Associates Reports: Three-Fourths of Beneficiaries Enrolled in Medicare Part D Are Satisfied with Their Drug Plan**

#### More Than 80 Percent of Medicare D Beneficiaries Report Paying the Same or Saving Money on Prescriptions

**WESTLAKE VILLAGE, Calif.: 19 September 2006** —Despite consumer confusion surrounding the Medicare Part D stand-alone prescription drug plan, three-fourths of beneficiaries enrolled in the program are satisfied with the plan they selected and its coverage, according to the J.D. Power and Associates 2006 Medicare Part D Beneficiary Satisfaction Study<sup>SM</sup> released today.

Of the more than 3,400 beneficiaries surveyed, 45 percent indicate that they are “delighted” with their coverage, rating their Medicare Part D drug plan a 10 on a 10-point scale, and 30 percent indicate that they are “pleased” with their coverage, rating it an eight or nine. Only 12 percent of beneficiaries express disappointment with their plan, giving it a score of less than five.

“Beneficiaries over age 65 rate their satisfaction with their Medicare Part D plan higher than they have with either healthcare or vision insurance in other studies conducted by J.D. Power and Associates,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power and Associates. “High levels of satisfaction are to be expected when 43 million Americans are given access to affordable prescription drugs, especially since many of those enrolled in the plan may not have had prescription insurance coverage prior to January.”

The study finds that nearly one-half (49%) of beneficiaries enrolled in a Medicare Part D plan report paying the same (49%)—or oftentimes less (32%)—for prescriptions than they did prior to enrollment. Only 19 percent of beneficiaries report paying more for prescriptions. Those reporting a cost savings are not receiving this added benefit simply by converting to generic drugs. Only 9 percent of beneficiaries report an increased use of generic medications as a result of enrollment.

“Medicare Part D is a benefit that gives all beneficiaries, regardless of their income, access to a wide range of drugs in a broad distribution of categories and classes that cover virtually all diseases at their various stages,” Bowler said. “Depending on their specific plan, beneficiaries may not have coverage for every brand-name drug available to treat high blood pressure, for example, but in every case they do have access to at least one FDA-approved medication for every basic drug category.”

While overall satisfaction levels with Medicare Part D are favorable, satisfaction with individual plans varies by region and over time. Two-thirds of delighted beneficiaries and nearly one-half of pleased beneficiaries indicate that they “definitely will” stay with their current plan. Only 20 percent of the remaining beneficiaries indicate that they definitely will renew with their current plan, leaving 80 percent perhaps looking for a new plan during the next open enrollment period in mid-November.

The 2006 Medicare Part D Beneficiary Satisfaction Study is designed to measure customer satisfaction with individual Medicare Part D plans, from plan selection and enrollment through ongoing service, while establishing the importance of the voice of the customer in plan design and benefit administration. Overall customer

satisfaction is measured based on five factors: drug benefits, cost and billing, enrollment, pharmacy experience and service interaction.

The study finds that education and communication are two areas of Medicare Part D with room for improvement. Most beneficiaries indicate that the enrollment process is confusing, most notably when it comes to fully understanding the program and deciding on a plan. Beneficiaries also express concern over the cost structure of the plan, specifically pertaining to monthly premiums and deductibles.

“Medicare Part D is still a new program, so beneficiaries are learning about the program as they go along,” Bowler said. “As the government and the individual plans work to better educate beneficiaries about the plan, we expect to see satisfaction levels move even higher.”

The study results include a national benchmark and provider performance rankings for California, Florida and Texas, which combined account for nearly one-fourth of the nation’s Medicare Part D beneficiaries.

PacifiCare ranks highest among providers in California, and is the only provider performing above the market average in that state. Humana ranks highest among providers in Florida, followed closely by WellCare and Blue Cross and Blue Shield of Florida, respectively. AARP Medicare Rx ranks highest among providers in Texas, followed by Humana and MemberHealth, respectively.

The 2006 Medicare Part D Beneficiary Satisfaction Study is based on Medicare Part D beneficiaries who enrolled in the program between Jan. 1 and May 15, 2006, and who were surveyed between June and September 2006.

For more comprehensive provider performance ratings, and consumer tips for Medicare Part D enrollment, visit the J.D. Power Consumer Center at [www.jdpower.com](http://www.jdpower.com).

#### **About J.D. Power and Associates**

Headquartered in Westlake Village, Calif., J.D. Power and Associates is an ISO 9001-registered global marketing information services firm operating in key business sectors including market research, forecasting, consulting, training and customer satisfaction. The firm’s quality and satisfaction measurements are based on responses from millions of consumers annually. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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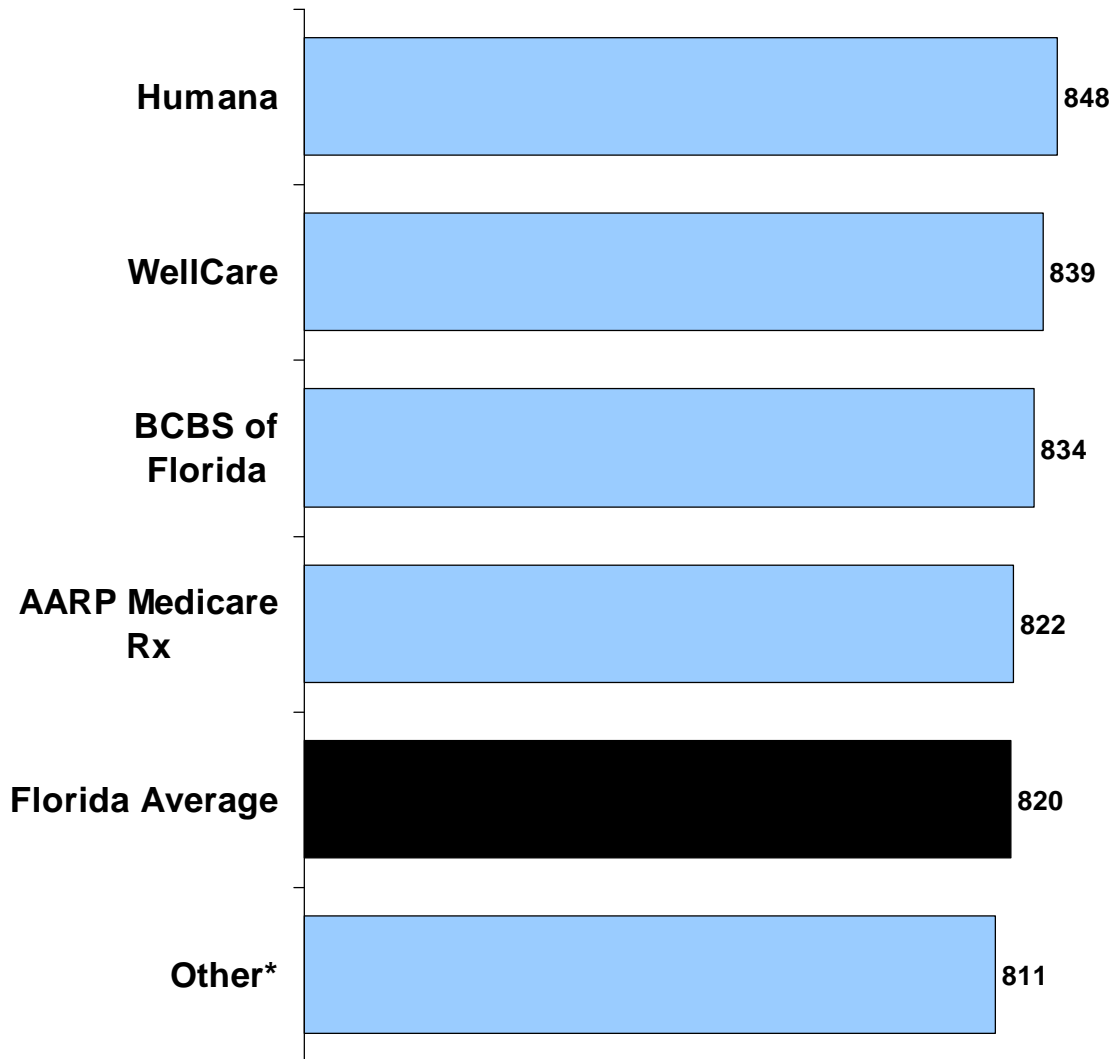
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NOTE: Three charts follow.

# J.D. Power and Associates 2006 Medicare Part D Beneficiary Satisfaction Study<sup>SM</sup>

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## Florida Beneficiary Satisfaction Index Scores (Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are: Coventry, PacifiCare and UniCare.

\* "Other" is an aggregate of smaller insurance companies.

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Source: J.D. Power and Associates 2006 Medicare Part D Beneficiary Satisfaction Study<sup>SM</sup>

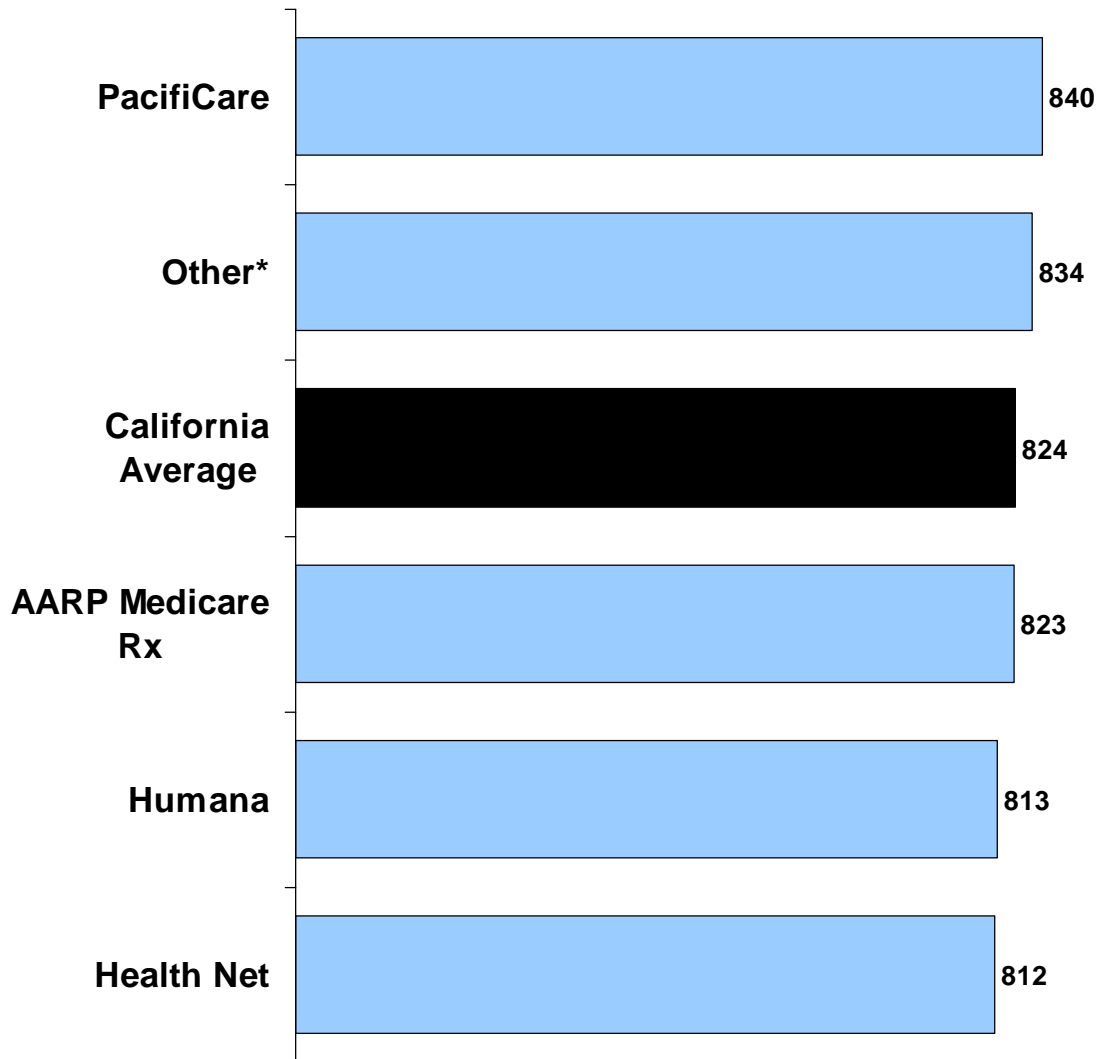
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## California Beneficiary Satisfaction Index Scores (Based on a 1,000-point scale)



*Included in the study but not ranked due to small sample size are: Blue Cross of California, Blue Shield of California, UniCare and WellCare.*

*\* "Other" is an aggregate of smaller insurance companies.*

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*Source: J.D. Power and Associates 2006 Medicare Part D Beneficiary Satisfaction Study<sup>SM</sup>*

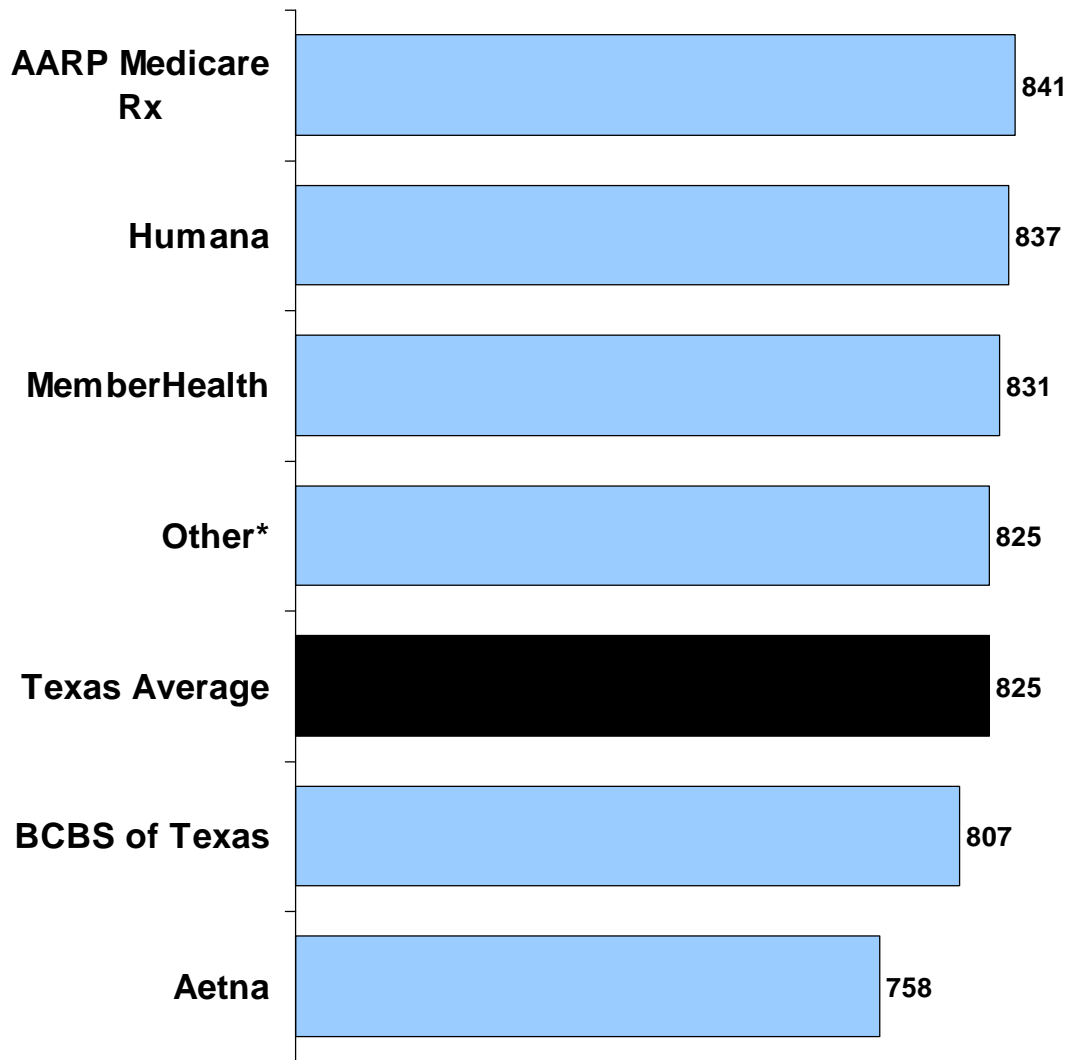
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## **Texas Beneficiary Satisfaction Index Scores** (Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are: Coventry, WellCare and PacifiCare.

\* "Other" is an aggregate of smaller insurance companies.

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Source: J.D. Power and Associates 2006 Medicare Part D Beneficiary Satisfaction Study<sup>SM</sup>

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