

APPENDIX

We start by presenting you with a hypothetical situation. Please read the following carefully and answer the questions that follow using only the information you gained by reading the example.

Imagine that one of your friends, whom we'll call Bill, has asked you to help him in choosing a Medicare prescription drug plan. He has made it clear that he is only concerned about saving money, and therefore would like to enroll in the plan that minimizes his total combined annual cost for prescription drugs and the insurance for those drugs. We will provide you with a card containing information about several insurance companies covering prescription drugs. After you review this information in Card A, you will be asked several questions. Please choose the answer which you think is the best one.

We will also provide you with a card containing the definitions of various terms used throughout this experiment that can help you in answering the questions.

If you have any questions during the study, do not hesitate to ask a member of the project team.

Please answer the following questions using Card A:

1. Given Bill's desire to minimize total annual cost of prescription drugs, which one of the drug plans listed on Card A would you recommend that he choose? Please write down the Company Letter.

Company Letter _____

2. Thinking about your decision on Question 1, please indicate how **confident** you are that your decision is a good one. Provide a rating from 1 to 5, using the following scale. Please circle only one number. (1=Not Confident at All, 5=Very Confident)
3. Looking at the information in Card A, which company has the largest number of pharmacies? Please write down the Company Letter.

Company Letter _____

4. Looking at the information in Card A, what is your opinion about the number of companies offering prescription drug coverage? Provide a rating from 1 to 5, using the following scale. Please circle only one number. (1=Not enough choice, 5=Too much choice)
5. Which of the companies listed does NOT offer mail order but has the closest pharmacy location? Please write down the Company Letter.

Company Letter _____

6. Thinking about the questions you just answered, how hard was it for you? Please circle only one number. (1=Not hard at all, 5=Very hard)

Now suppose that another friend, whom we'll call Linda, has also asked you for help with choosing a Medicare prescription drug plan. Unlike Bill, Linda is interested in purchasing a policy that both has low total combined annual cost AND also allows policyholders to order their medication by mail. Please refer again to Card A when answering the following questions.

Please answer the following questions using Card A:

7. Given Linda's desire to minimize the total combined annual cost for prescription drugs, AND to buy one that allows receiving the drugs through mail order, which one of drug plans listed on Card A would you recommend she choose? Please write down the Company Number.

Company Letter _____

8. Thinking about your decision on Question 7, please indicate how **confident** you are that your decision is a good one. Provide a rating from 1 to 5 using the following scale. Please circle only one number. (1=Not confident at all, 5=Very confident)
9. Thinking about the questions you just answered (Questions 7 and 8), how hard was it for you? Please circle only one number. (1=Not hard at all, 5=Very hard)

DEFINITION OF PRESCRIPTION DRUG INSURANCE TERMS

Total combined annual cost: When you have Medicare prescription drug coverage, you pay part of the costs, and Medicare pays part of the costs. Your total combined annual cost is the total amount of money you are likely to spend in a year, including monthly drug premiums, the annual deductible, the monthly cost share, and other amounts not covered by Medicare.

Mail order: This indicates if you can receive prescriptions in the mail. You are still allowed to go to the pharmacy to pick up your prescriptions.

Number of Pharmacies: Prescription drug plans contract with pharmacies in your area. Card A shows the number of pharmacies in your area from which you can fill your prescriptions.

Distance to Closest Pharmacy: Prescription drug plans contract with pharmacies in your area. Card A shows the number of miles between your home and the closest pharmacy.

Annual deductible: The amount you will have to pay first for your prescription drugs each year before your plan starts to pay.

Monthly cost share: The amount you pay for each prescription after you have paid the annual deductible.

CARD A

Company Letter	Total combined annual cost	Mail order	Number of pharmacies	Distance to closest pharmacy (in miles)	Annual deductible	Monthly cost share
A	\$4,860	Yes	14	3	\$0	\$140
B	\$5,230	No	13	6	\$0	\$160
C	\$4,530	Yes	20	4	\$250	\$250
D	\$7,020	No	16	10	\$250	\$420
E	\$5,140	Yes	20	8	\$100	\$210
F	\$4,890	No	17	5	\$0	\$220
G	\$4,830	No	16	9	\$250	\$270
H	\$6,740	Yes	14	8	\$0	\$380
I	\$4,870	Yes	18	2	\$0	\$200
J	\$6,250	Yes	18	1	\$0	\$310
K	\$4,410	No	12	2	\$250	\$240
L	\$4,880	No	15	9	\$250	\$130
M	\$4,950	No	15	6	\$0	\$230
N	\$6,870	Yes	19	7	\$100	\$310
O	\$4,990	No	21	8	\$100	\$210
P	\$5,250	Yes	16	1	\$100	\$220
Q	\$4,950	Yes	12	3	\$0	\$230
R	\$4,800	No	16	6	\$50	\$170
S	\$4,830	No	13	15	\$0	\$180

T	\$6,720	Yes	15	7	\$0	\$420
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