

TRACKING MEDICARE HEALTH AND PRESCRIPTION DRUG PLANS

Monthly Report for July 2009

*Prepared by Stephanie Peterson and Marsha Gold, Mathematica Policy Research Inc.
as part of work commissioned by the Kaiser Family Foundation*

PROGRAM STATUS: PRIVATE PLAN OFFERINGS, ENROLLMENT, AND CHANGE

Enrollment and Penetration, by Plan Type	Current Month: July 2009	Change From Previous Month*	Same Month Last Year	
			July 2008	Change From July 2008- 2009
Enrollment				
Total Stand-Alone Prescription Drug Plans (PDPs):	17,462,365	+70,546	17,359,456	+102,909
Individual	16,510,342	+26,797	16,476,608	+33,734
Group**	952,023	+43,749	882,848	+69,175
Total Medicare Advantage (MA)	11,141,390	+55,899	10,119,338	+1,022,052
Individual	9,176,455	+42,733	8,364,860	+811,595
Group	1,964,935	+13,166	1,754,478	+210,457
Medicare Advantage-Prescription Drug (MA-PD)	9,474,409	+60,094	8,401,402	+1,073,007
Medicare Advantage (MA) only	1,666,981	-4,195	1,717,936	-50,955
Medicare Advantage (MA) by Type				
MA Local Coordinated Care Plans** *	7,873,832	+41,097	7,109,358	+764,474
Health Maintenance Organizations (HMOs)	6,908,104	+27,540	6,431,529	+476,575
Provider Sponsored Organizations (PSOs)	16,076	+226	18,242	- 2,166
Preferred Provider Organizations (PPOs)	949,613	+13,330	659,554	+290,059
Regional Preferred Provider Organizations (PPO)	426,791	+3,861	288,816	+137,975
Medical Savings Account (MSA)	3,436	+43	3,552	-116
Private Fee For Service (PFFS)	+2,439,516	+9,752	2,273,374	+166,142
Individual	+1,700,839	+4,655	1,668,849	+31,990
Group and RFB****	+738,677	+5,097	604,452	+134,225
Cost	289,101	+1,305	271,974	+17,127
Pilot*****	20,360	-162	79,737	-59,377
Other*****	88,354	+3	92,527	-4,173
General vs Special Needs Plans*****				
Special Needs Plan Enrollees	1,333,989	+15,313	1,218,413	+115,576
Dual-Eligibles	937,597	+8,293	868,342	+69,255
Institutional	116,894	-685	133,790	-16,896
Chronic or Disabling	279,498	+7,705	217,281	+62,217
Other Medicare Advantage Plan Enrollees	9,807,401	+40,586	8,900,925	+906,476
Penetration (as percent beneficiaries)*****				
Prescription Drug Plans (PDPs)	39.7%	+0.2% points	39.7%	No Change
Medicare Advantage Plans (MA)	24.7%	+0.2% points	22.7%	+2.0% points
Medicare Advantage-Prescription Drug Plans (MA-PDs)	21.0%	+0.2% points	18.8%	+2.2% points
Local Health Maintenance Organizations (HMOs), Local Preferred Provider Organizations (PPOs)	15.3% 2.1%	+0.1 % point No Change	14.4% 1.4%	+0.9% points +0.7% points
Private Fee For Service (PFFS)	5.4%	+0.1 % point	5.1%	+0.3% points

July 2009 data is from the 7.31.09 Medicare Advantage, Cost, PACE, Demo, and Prescription Drug Plan Organizations—Monthly Summary Report released by CMS on its website. at: (<http://www.cms.hhs.gov/MCRAAdvPartDENrolData/>)

*The July 2009 data is from data released by CMS on 7.14.09 also on its website

**The breakdown by Group includes Employer/Union Only Direct Contract PDP (122,584)

***The data for the breakdown of MA Local Coordinated Care Plans is from the 7.31.09 Medicare Advantage, Cost, PACE, Demo, and Prescription Drug Plan Organizations-Monthly Report by Contract. The total for each CCP plan by type does not sum to the total CCP because the breakdown totals do not include enrollment numbers for contracts whose enrollment is less than 10.

****The breakdown by Group includes Employer Direct PFFS (13,579) and RFB-PFFS (155)

*****CMS is now including Pilot enrollees in this count. The Pilots refer to contracts to provide care management services for fee-for-service beneficiaries with chronic condition. CMS reports that this data is being included in their monthly count since they are part of the total monthly Medicare payment. However, beneficiaries for whom such payments are made are in the traditional Medicare program. Hence, users probably should exclude these enrollees from analysis and trending.

*****Other includes Demo contracts, HCPP and PACE contracts.

*****The SNP total for July is from the SNP Enrollment Comprehensive Monthly Report released by CMS on 7.14.09 and includes counts of 10 or less. (See: (<http://www.cms.hhs.gov/MCRAAdvPartDENrolData/>).

*****Penetration for July and June 2009 is calculated using the number of eligible beneficiaries reported in the August 2008 MA State/County Penetration file. July 2008 is calculated using the number of eligible beneficiaries reported in the December 2005 State/County File.

DEFINITIONS: Coordinated Care Plans, or CCPs, include health maintenance organizations (HMOs), provider-sponsored organizations (PSOs) and preferred provider organizations (PPOs). The Medicare preferred provider organization demonstration began in January 2003. PFFS refers to private fee-for-service plans. Cost plans are HMOs that are reimbursed on a cost basis, rather than a capitated amount like other private health plans. Other Demo refers to all other demonstration plans that have been a part of the Medicare+Choice / Medicare Advantage program. “Special needs individuals” were defined by Congress as: 1) institutionalized; 2) dually eligible; and/or 3) individuals with severe or disabling chronic conditions.

Summary of MA contracts in July:

Plan Participation, by type	CURRENT MONTH: JULY 2009*	SAME MONTH LAST YEAR	
		JULY 2008	CHANGE FROM JULY 2008– 2009
MA Contracts			
Total	751	731	+20
Local Coordinated Care Plan	545	510	+35
Health Maintenance Organizations (HMOs)	375	369	+6
Preferred Provider Organizations (PPOs) (Includes Physician Sponsored Organizations (PSOs))	170	141	+29
Regional Preferred Provider Organizations (rPPOs)	14	14	0
Private Fee For Service (PFFS)	72	79	-7
General	69	77	-8
Employee Direct	2	2	0
RFB	1	NA	NA
Cost	22	25	-3
Medicare Savings Account (MSA)	2	9	-7
Special Needs Plans	415	443	-28
Dual-Eligible	252	270	-18
Institutional	63	66	-3
Chronic or Disabling Condition	100	107	-7
Other**	96	83	+13

*Contract counts for July 2009 are from the 7.31.09 Medicare Advantage, Cost, PACE, Demo, and Prescription Drug Plan Organizations—Monthly Summary Report released by CMS on its website at:

((<http://www.cms.hhs.gov/MCRAAdvPartDENrolData/>)) and the SNP Comprehensive Monthly Report also released on its website at: ((<http://www.cms.hhs.gov/MCRAAdvPartDENrolData/>))

**Other includes Demo contracts, Health Care Prepayment Plans (HCPP), and Program for all-inclusive care of Elderly (PACE)

NEW ON THE WEB FROM CMS

Relevant to Both Medicare Advantage and Prescription Drug Plans

- This month, CMS released the final Annual Notice of Change/Evidence of Coverage (ANOC/EOC) template. (The draft template was issued by CMS on June 5, 2009 for public comment.) CMS stated it received over 4,000 comments on the revised template and made some changes based on these comments (mostly making the language in the template clearer, for example by clarifying particular timeframes and revising typing errors). These final template/materials are relevant to current and applicant MA organizations; cost plans; prescription drug plans as well as health plan demonstrations. This information is available on CMS's website at: http://www.cms.hhs.gov/ManagedCareMarketing/Downloads/2010_ANOC-EOC_Memo073109.pdf
- CMS released a memorandum this month to all MA, PDP, cost and demonstration organizations inviting them to submit feedback on the 2010 bid submission process—specifically on the benefits software, HPMS Bid Submission Module and the HPMS bid and benefit reports. (Comments were due by July 23, 2009). This information is online at: https://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/Memo2010LessonsLearnedFeedback_07.09.09.pdf

Relevant to Medicare Advantage

- None

Relevant to Prescription Drug Plans

- On July 1, 2009, CMS released updated guidance on creditable coverage to Medicare Part D eligible. This guidance supersedes the previous guidance issued on February 15, 2007 and includes changes to the required data elements in the model personalized disclosure notice/statement. The updated guidance includes an overview of entities required to provide a disclosure (as well as those entities that are exempt from this requirement) as well as an overview of the guidance issued to date. The updated guidance as well as instructions and the on-line form are available on CMS's website at: http://www.cms.hhs.gov/CreditableCoverage/08_CCafterJanuary1.asp#TopOfPage
- Also this month, CMS released a memorandum titled “Quality Assurance Checks for 2010 Data Submitted for Posting on the Medicare Prescription Drug Plan Finder Tool”. The memorandum provides the list of targeted prescription drug plan quality assurance (QA) analyses that will be performed on the data. Part D sponsors are expected to perform QA for their submitted pricing files to ensure that these files are complete and accurate. CMS includes two attachments with the memorandum: 1) Attachment-A describes the checks that are required to be performed on the submitted pricing files and 2) Attachment-B provides technical specifications for these checks where applicable. The memorandum and the attachments are available on CMS's website at: http://www.cms.hhs.gov/PrescriptionDrugCovContra/11_PartDContacts.asp#TopOfPage

Of General Interest

- None

Relevant to Special Needs Plans Specifically

- None