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Medicare Policy

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DATA SPOTLIGHT

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MEDICARE PART D
A First Look at Part D Plan Offerings in 2012

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The Centers for Medicare & Medicaid Services (CMS) recently released information about the Medicare Part D stand-alone prescription drug plans (PDPs) that will be available in 2012.[1] More than 29 million beneficiaries are enrolled in Part D plans, about two-thirds of whom are in PDPs. This Medicare Part D Spotlight provides an overview of the 2012 stand-alone PDP options and key changes from prior years.[2]

Summary of Key Findings

In 2012, Medicare beneficiaries will have a choice of 31 stand-alone PDPs, on average, even though fewer Medicare Part D stand-alone prescription drug plans will be offered nationwide than in any year since the Medicare drug benefit was implemented in 2006. Average premiums are expected to increase by just 4 percent across all plans from 2011 to 2012 – the lowest projected increase since the program began – although premium changes will vary widely across plans. In 2012, beneficiaries receiving low-income subsidies (LIS) will have access to about the same number of plans for no monthly premium as in 2011, but some plans with large LIS enrollment have lost benchmark status for 2012. The majority of plans offered in 2012 will offer no gap coverage beyond that which is required by the Patient Protection and Affordable Care Act of 2010, which phases out the coverage gap by 2020. For 2012, manufacturer prices for brand-name drugs purchased in the gap will be discounted by 50 percent (with enrollees paying the other 50 percent), and plans will pay 14 percent of the cost for generic drugs in the gap (with enrollees paying 86 percent).

Part D Plan Availability

In 2012, a total of 1,041 PDPs will be offered nationwide, down 6 percent from 1,109 PDPs in 2011.

- Fewer PDPs will be offered in 2012 than in any previous year, and this year's total represents 834 fewer PDPs than the peak level of 1,875 plans in 2007. **(Exhibit 1)**

The average beneficiary will have a choice of 31 stand-alone PDPs in 2012.

- The number of PDPs per region in 2012 will range from a low of 25 PDPs in the Alaska and Hawaii regions to a high of 36 PDPs in the Pennsylvania/West Virginia region. These numbers are a modest reduction from 2011 but down considerably from a range of 41 PDPs (Alaska and Hawaii) to 55 PDPs (Pennsylvania/ West Virginia) in 2010, yet beneficiaries across the country continue to have a substantial number of Part D plan choices. **(Exhibit 2; Appendix 1)**

The reduction in PDP offerings between 2011 and 2012 results primarily from the different ways sponsors have responded to recent regulatory changes by CMS intended to eliminate duplicative plan offerings and plans with low enrollment. Mergers among plan sponsors have also resulted in the exit of some plans.

- Most of the plan reductions in 2012 will result from local or regional plan sponsors dropping PDP offerings with low enrollments. On average, the exiting plans have about 500 enrollees in 2011, compared to almost 18,000 in the continuing plans. About one-fourth of plans with 1,000 or fewer enrollees in 2011 will exit the program (versus only 4 percent of larger plans).
- Several of the top national PDP sponsors reduced their offerings for 2012. Two sponsors (CVS Caremark and Aetna[3]) dropped one of their PDP offerings, and two other sponsors will no longer offer an enhanced

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PDP in all regions. In future years, other PDPs will be eliminated as a result of two recent mergers: the acquisition of a second firm (Universal American, sponsor of the CCRx PDPs) by CVS Caremark and the acquisition of Bravo Health by HealthSpring.

- One national sponsor (Coventry) added an additional PDP in 32 of 34 regions[4], while several plans have added affiliations with pharmacy chains for 2012, similar to the alliance created last year between Humana and Walmart. Aetna and Envision RxPlus have added co-branding relationships with CVS and Rite Aid, respectively.

Monthly Premiums

The projected average monthly PDP premium will be $39.40 in 2012 (weighted by 2011 enrollment, assuming beneficiaries remain in their current plan.[5] This is a 4 percent increase ($1.44) from the weighted average monthly premium of $37.96 in 2011, and a 52 percent increase from $25.93 in 2006, the first year of the Medicare Part D drug benefit. CMS reported a small decrease (4 percent) in the average premium for standard Part D coverage offered by PDPs and Medicare Advantage drug plans between 2011 and 2012; the increase reported here is based on all PDPs only, excluding Medicare Advantage drug plans, and includes PDPs offering enhanced coverage, which typically have higher premiums. **(Exhibit 3)**

Monthly premiums (weighted by enrollment) have risen every year since 2006 for PDPs, on average, but there is wide variation across plans in year-to-year premium changes.

- About 510,000 beneficiaries enrolled in PDPs will experience an increase of at least $10 in their monthly plan premium in 2012 unless they select a less expensive plan.
- By contrast, approximately 370,000 beneficiaries will see premium reductions of at least $10 if they stay with their current PDPs in 2012. About 32 percent of all PDP enrollees would see at least a nominal premium reduction.

Since 2006, premium changes have varied across some of the most popular Part D plans. **(Exhibit 4)**

- The average premium for Humana PDP Enhanced will decrease by 9 percent to $39.62 in 2012 after five years of increases; overall, this plan's premium is up nearly 170 percent since 2006.
- The premium for Humana's low-premium Walmart-Preferred Rx Plan will increase uniformly across all regions by 2 percent, to $15.10 in 2012. This PDP remains the lowest-premium plan available nationwide (excluding the territories).
- Beneficiaries enrolled in UnitedHealth's AARP Preferred MedicareRx PDP – more than 4.6 million enrollees – will see a 14 percent increase in their premium in 2012, to $39.70, if they remain in this plan.
- Most other large national PDPs are making more modest premium changes for 2012, similar to the relatively flat change in the national average premium.

Average weighted PDP monthly premiums will vary widely in 2012 across regions, ranging from $27.93 per month for PDPs in the New Mexico region (one of only three regions with an average under $35) to $44.17 and $44.38 per month for PDPs in the Idaho/Utah and Kansas regions, respectively. **(Appendix 1)**

- Premium changes from 2011 to 2012 vary considerably by region. For example, average premiums in three regions (Louisiana, Nevada, and southern New England) are projected to fall slightly, whereas average premiums in California and the Maine/New Hampshire region are projected to rise by at least 10 percent. **(Exhibit 5)**

These average and plan-level premium amounts do not take into account the income-related Part D premium that took effect in 2011 for Part D enrollees with higher annual incomes ($85,000/individual and $170,000/couple). Established by the 2010 health reform law, the income-related Part D premium requires higher-income enrollees to make an additional payment to the government for Part D coverage, regardless of the plan selected. In 2012, the monthly surcharge will range from $11.60 to $66.40, in addition to the monthly premium payment by higher-

income enrollees for their specific Part D plan. An estimated 4 percent of Part D enrollees will be required to make these additional payments in 2012.[6] Under current law, the income thresholds are not indexed to increase annually until 2020.

Benefit Design: The Coverage Gap and Deductibles

All beneficiaries who reach the coverage gap, or "doughnut hole," in 2012 will pay less than the full cost of the price of their drugs, as a result of changes made by the Affordable Care Act. For 2012, manufacturer prices for brand-name drugs purchased in the gap will be discounted by 50 percent (with enrollees paying the other 50 percent), and plans will pay 14 percent of the cost for generic drugs in the gap (with enrollees paying 86 percent). In 2012, the coverage gap begins after an enrollee incurs $2,930 in total drug spending and ends after an enrollee has spent a total of $4,700 out of pocket (or $6,658 in total drug costs under the standard benefit). At that point, catastrophic coverage begins, where enrollees generally pay only 5 percent of drug costs. **(Appendix 2)**

Most Part D plans will offer little or no gap coverage in 2012 beyond what is required under the standard benefit.

- About three-fourths (76 percent) of all PDPs will not offer significant gap coverage in 2012 – 74 percent of plans will offer nothing beyond what the ACA requires and 2 percent will cover fewer than 10 percent of the generic drugs on their formulary. This is a slight increase from 2011. **(Exhibits 6 and 7)**
- Among the 24 percent of PDPs offering gap coverage in 2012 beyond what the law requires (defined as covering more than a "few" generics), the majority limit gap coverage to generic drugs, with no gap coverage for brand-name drugs. **(Exhibit 7)**
- In 2012 just 7 percent of PDPs (73 plans, including plans offered by First Health, Humana, and Wellpoint) will cover "some" brand-name drugs (defined as between 10 percent and 65 percent of the brand-name drugs on the plan's formulary) in the coverage gap, a slight decrease from 2011. No PDP will offer full gap coverage for all drugs on their formulary in 2012.

A majority of PDPs (53 percent) will charge a deductible in 2012, down modestly from 2011. Most PDPs with a deductible will charge the standard $320 amount. The number of PDPs with a deductible that charge a lower amount has declined from 2010 to 2012. **(Exhibit 8)**

Low-income Subsidy ("Benchmark") Plans

The total availability of benchmark plans – PDPs available for no monthly premium to Low-Income Subsidy (LIS) enrollees – will be mostly unchanged for 2012, but many individuals are in plans that will lose benchmark status.

- In 2012, 327 plans will be available for enrollment of LIS recipients for $0 premium. This represents a 2 percent decrease in plans for LIS recipients, or 5 fewer plans, which is smaller than the decrease in the overall number of PDPs. **(Exhibit 9)**
- New policies adopted by CMS in previous years make it easier for PDPs to qualify as benchmark plans, including the "de minimis" policy that allows plans to waive a premium of up to $2 in order to retain their LIS enrollees.[7] Of the 327 benchmark plans in 2012, 75 qualify through the "de minimis" policy.

The number of benchmark plans available in 2012 will vary by region, from 2 benchmark PDPs in the Nevada region and 3 in Florida (out of 29 and 33 PDPs, respectively) to 15 benchmark PDPs in the Arkansas region (out of 30 PDPs). **(Exhibit 10)**

- Benchmark plan availability will decline in 15 of 34 regions between 2011 and 2012, while more LIS plans will be available in 13 regions. Year-to-year changes in each region are relatively modest – just a few plans more or less in 2012 than in 2011. **(Exhibit 11)**

About 2.5 million people – nearly 1 in 3 LIS beneficiaries – are enrolled in PDPs that will not qualify as benchmark plans in 2012. More than one-third (37 percent) of these beneficiaries were previously enrolled in non-benchmark plans and thus paid a premium in 2011; the rest are in PDPs that are losing their benchmark status in 2012.

- The 2.5 million LIS beneficiaries who will potentially pay a premium represent a 19 percent increase from the 2.1 million LIS beneficiaries who were in a similar situation in last year's open enrollment period. The increase is due in part to over 1 million LIS beneficiaries who are currently enrolled in UnitedHealth's AARP Preferred MedicareRx PDP in 18 regions where this plan will no longer qualify as a benchmark plan in 2012. **(Exhibit 12)**
- CMS will reassign an estimated 500,000 of these LIS enrollees (down somewhat from 600,000 last year), and several states will help reassign those enrolled in their state pharmacy assistance programs (SPAPs).[8] But as many as four-fifths of the LIS beneficiaries not scheduled to be in benchmark plans in 2012 must switch plans on their own or pay a premium if they remain in their 2011 plan. Most affected LIS beneficiaries will receive a letter from CMS or their SPAP either informing them of their reassignment or reminding them that they can choose a different plan and avoid paying a premium.

The number of benchmark plans offered by the major Part D organizations has fluctuated substantially during the program's five years.

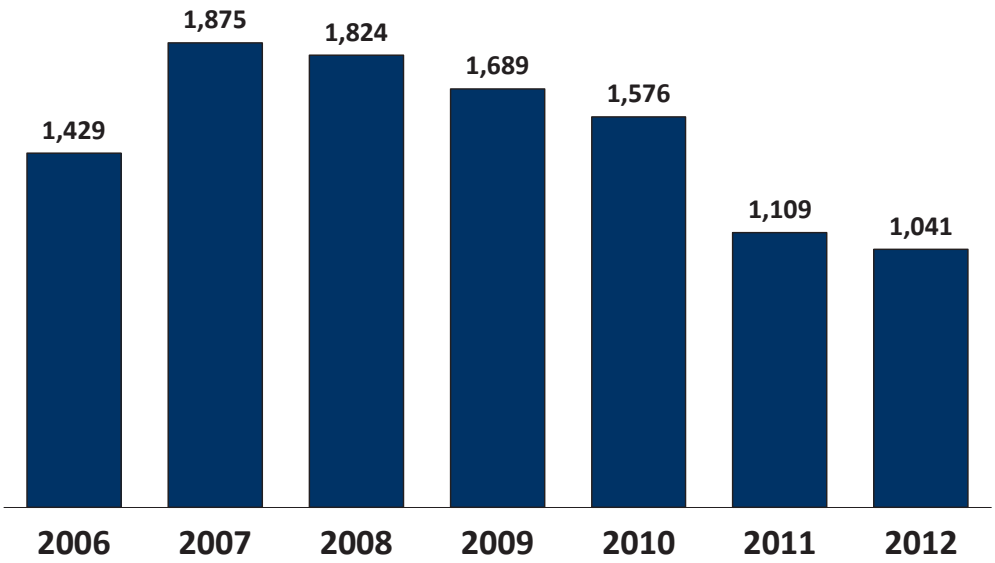
- Between 2011 and 2012, the most significant change is the loss of benchmark status for most plans offered by UnitedHealth. The company qualified to offer LIS plans in a majority of regions in 2006 and 2007 and again from 2009 to 2011, but in 2012, UnitedHealth's AARP Preferred MedicareRx PDP will qualify in only four regions.
- Other national plan sponsors with a history of qualifying to offer LIS plans in many regions will continue to qualify in a majority of regions in 2012. As in 2011, Humana's Walmart-Preferred Rx PDP qualifies in all 34 regions for 2012, while CVS Caremark (through both its own plans and the Community CCRx plans it recently acquired) and WellCare each have qualifying plans in at least 25 regions in 2012. **(Exhibit 13)**

Discussion

In 2012, the number of Medicare Part D stand-alone prescription drug plans offered nationwide will decline as a result of mergers between plan sponsors and actions taken by CMS to discourage plans with low enrollment. Even with these changes, the average Medicare beneficiary will still have a choice of 31 PDPs in 2012 and most will also have access to several Medicare Advantage drug plans. On average, plan enrollees who remain in the same plan will see a premium increase of about $1 per month, but the amount and rate of increase will vary across plans, and about one in four PDP enrollees will experience a premium reduction for 2012. Beneficiaries receiving low-income subsidies will have a similar number of plans available to them for no monthly premium, although one in four LIS beneficiaries will need to shift plans between 2011 and 2012 to avoid paying a premium. The majority of plans offered in 2012 will offer no gap coverage beyond that which is required by the Affordable Care Act of 2010, underscoring the importance of the provision of the health reform law that is gradually phasing out the Medicare Part D "doughnut hole" by 2020.

Exhibit 1

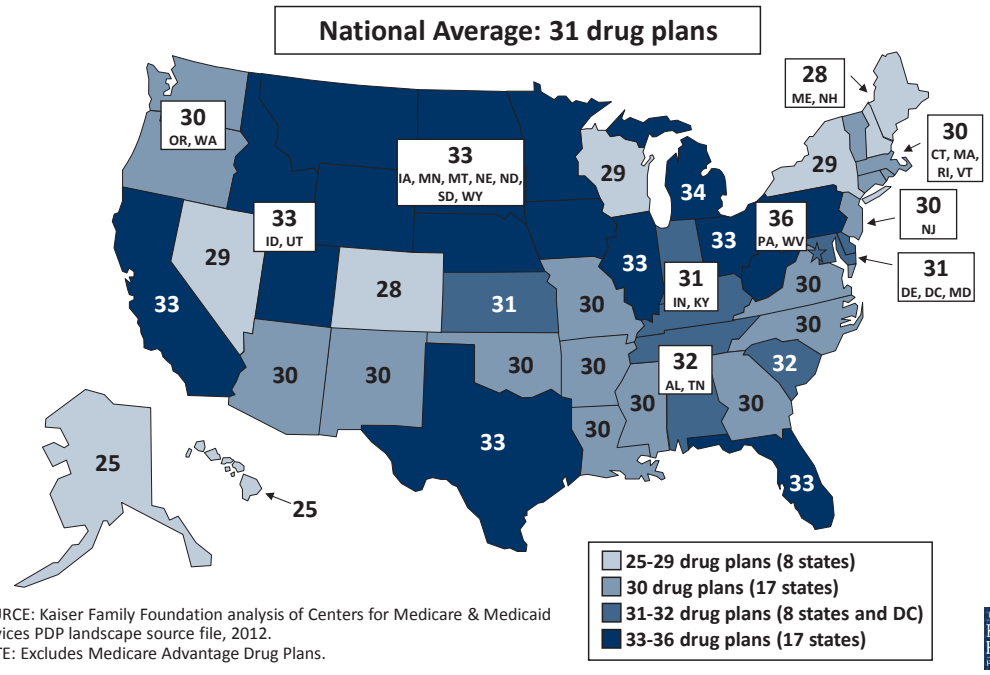
Number of Medicare Part D Stand-Alone Prescription Drug Plans, 2006-2012



SOURCE: Georgetown/NORC analysis of CMS PDP landscape source files, 2006-2012, for the Kaiser Family Foundation.
NOTE: Excludes Part D plans in the territories.

Exhibit 2

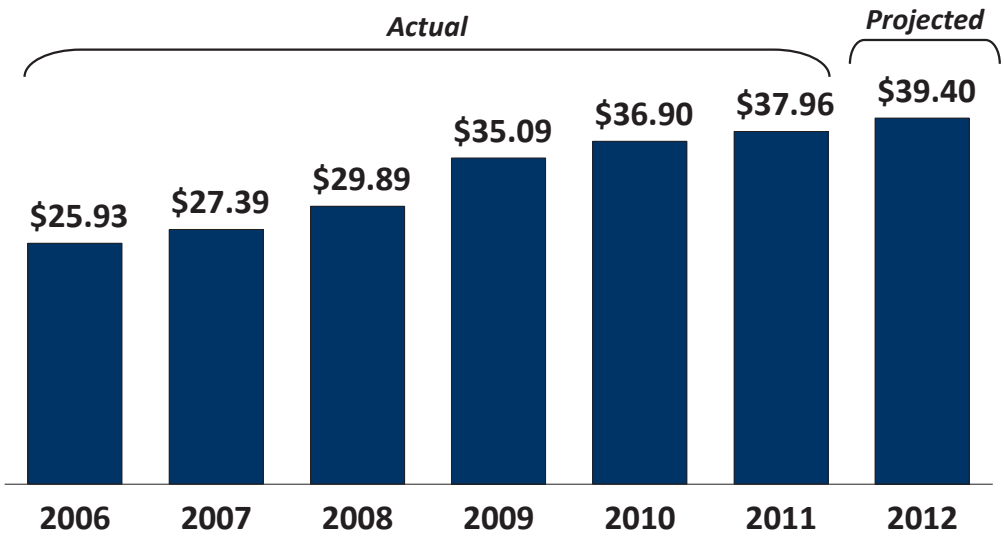
Number of Medicare Part D Stand-Alone Prescription Drug Plans, by Region, 2012



SOURCE: Kaiser Family Foundation analysis of Centers for Medicare & Medicaid Services PDP landscape source file, 2012.
NOTE: Excludes Medicare Advantage Drug Plans.

Exhibit 3

Weighted Average Monthly Part D Stand-Alone Prescription Drug Plan Premiums, 2006-2012



SOURCE: Georgetown/NORC analysis of CMS PDP enrollment, crosswalk, and landscape source files, 2006-2012, for the Kaiser Family Foundation.
NOTE: Average premiums are weighted by enrollment in each year (September for 2010-2012; September 2011 enrollment used for 2012 weighting). Excludes Part D plans in the territories.

Exhibit 4

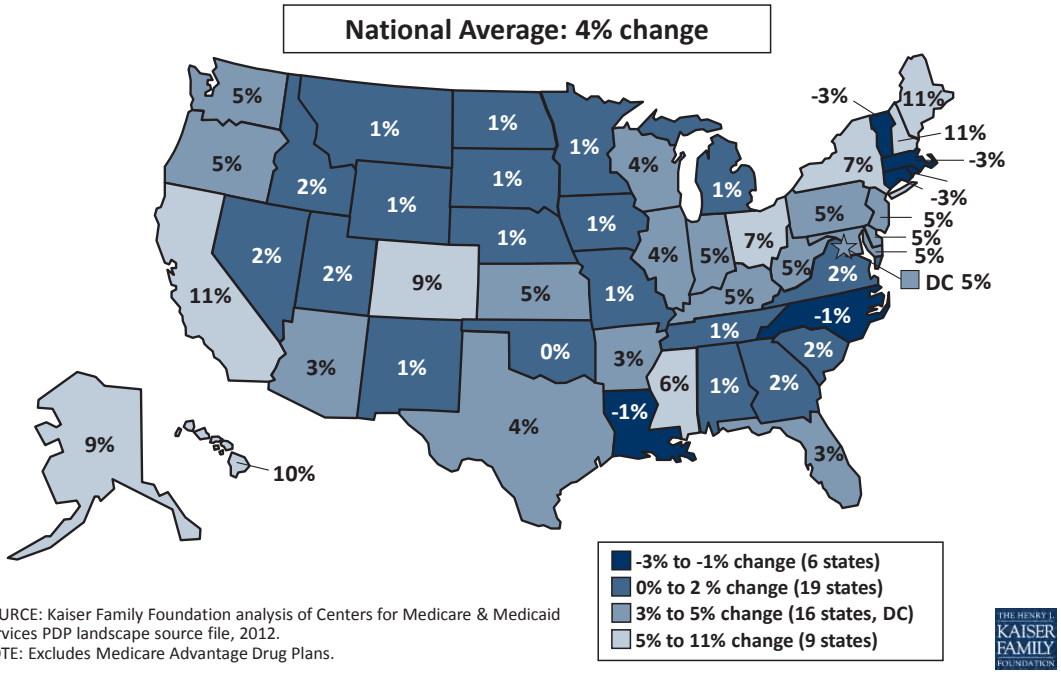
Premiums in Medicare Part D Stand-Alone Prescription Drug Plans with Highest 2010 Enrollment, 2006-2012

Name of PDP in 2012	2011 Enrollment (of 17.2 million)*		Weighted Average Monthly Premium**			% Change	
	Number	% of Total	2006	2011	2012	2011-2012	2006-2012
AARP MedicareRx Preferred	4,657,669	27.1%	$26.31	$34.72	$39.70	+14%	+51%
CCRx Basic	1,704,775	9.9%	$30.94	$29.71	$30.84	+4%	0%
Humana PDP Enhanced	1,368,597	8.0%	$14.73	$43.74	$39.62	-9%	+169%
CVS Caremark Value	1,276,547	7.4%	$28.32	$30.54	$30.49	0%	+8%
First Health Premier	1,049,323	6.1%	$24.98	$35.53	$32.88	-7%	+32%
Humana Walmart- Preferred[2]	1,033,102	6.0%	--	$14.80	$15.10	+2%	--
WellCare Classic[3]	714,748	4.2%	$15.80	$31.83	$32.97	+4%	+109%

SOURCE: Georgetown/NORC analysis of CMS PDP Landscape Source Files, 2006-2012, for the Kaiser Family Foundation.
NOTE: [1]Average premiums are weighted by enrollment in each region for each year. [2]Humana Walmart-Preferred PDP was not offered before 2011. [3]WellCare Classic was first offered in 2007; average 2006 premium and percent change from 2006-2011 are based on 2007 data.

Exhibit 5

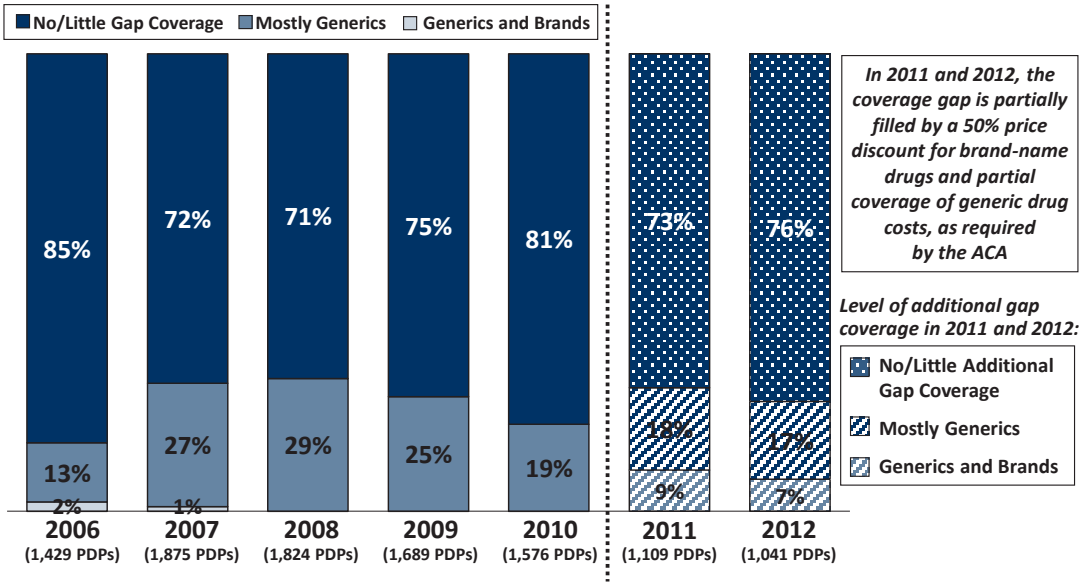
Change in Weighted Average Premiums for Medicare Part D Stand-Alone Prescription Drug Plans, by Region, 2012



SOURCE: Kaiser Family Foundation analysis of Centers for Medicare & Medicaid Services PDP landscape source file, 2012.
NOTE: Excludes Medicare Advantage Drug Plans.

Exhibit 6

Share of Medicare Part D Stand-Alone Prescription Drug Plans, By Type of Gap Coverage, 2006-2012

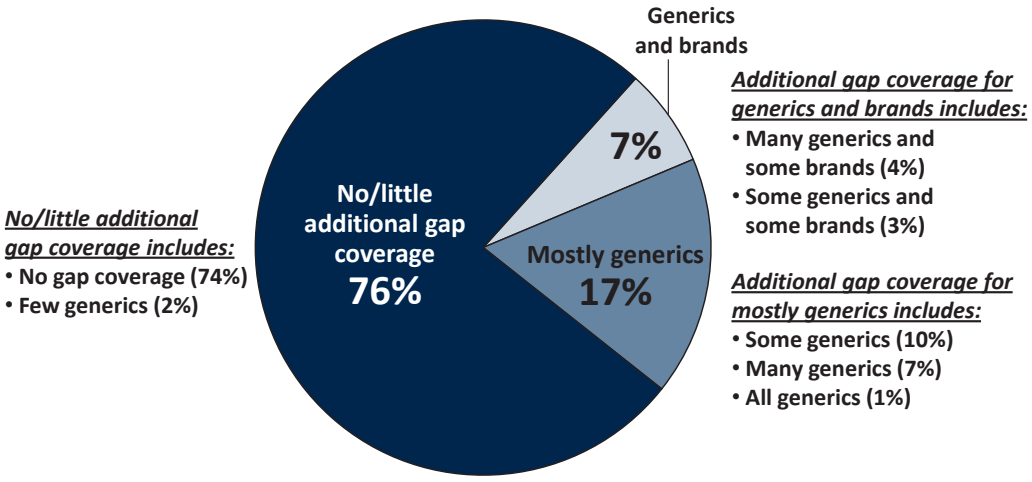


SOURCE: Georgetown/NORC analysis of CMS PDP landscape source files, 2006-2012, for the Kaiser Family Foundation.
NOTE: ACA is the Patient Protection and Affordable Care Act. Analysis excludes plans in the territories. The category "No/little" gap coverage includes PDPs offering coverage of few generics. In 2008 and 2009, the number of plans offering gap coverage for brands rounds to 0%.

Exhibit 7

Share of Medicare Part D Stand-Alone Prescription Drug Plans, By Type of Gap Coverage*, 2012

In 2012, the coverage gap is partially filled by a 50% price discount for brand-name drugs and 14% coverage of generic drug costs, as required by the ACA

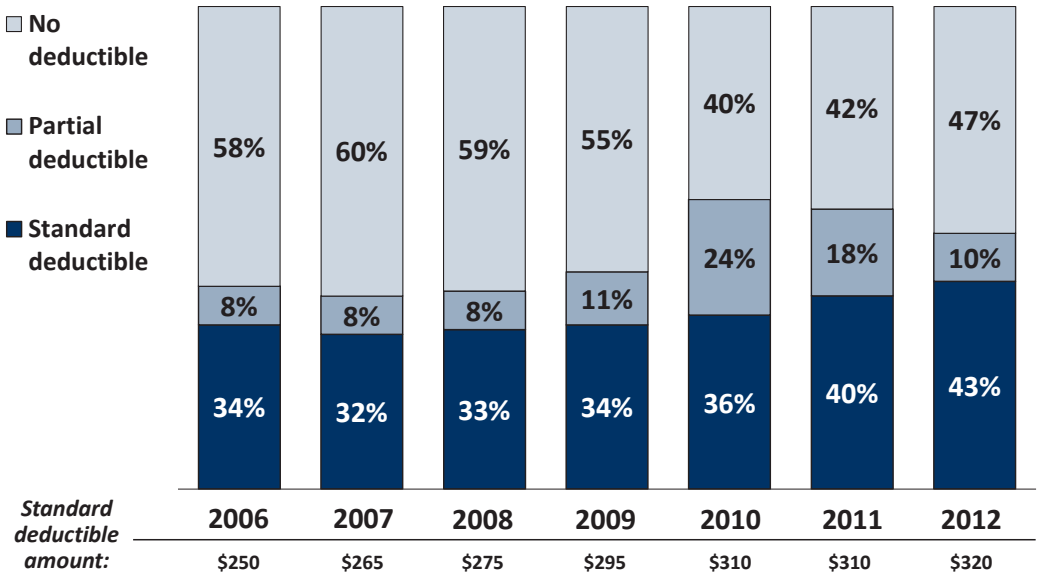


Total Number of PDPs in 2012 = 1,041

SOURCE: Georgetown/NORC analysis of CMS PDP landscape source file, 2012, for the Kaiser Family Foundation.
NOTE: ACA is the Patient Protection and Affordable Care Act. *Percent of formulary drugs covered in the gap: "few"=>0%-<10%; "some"=≥10%-<65%; "many"=≥65%-<100%.

Exhibit 8

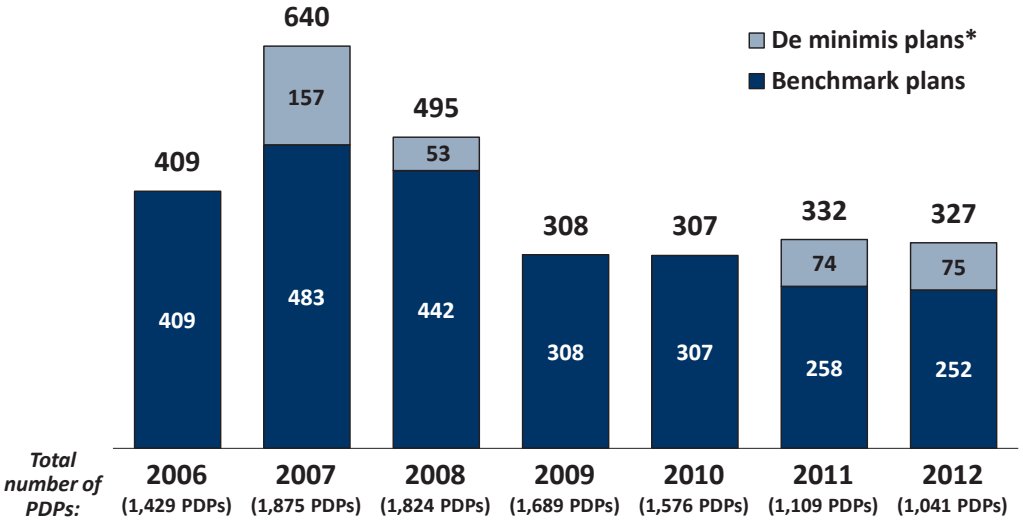
Share of Medicare Part D Stand-Alone Prescription Drug Plans, By Deductible Amount, 2006-2012



SOURCE: Georgetown/NORC analysis of CMS PDP landscape source files, 2006-2012, for the Kaiser Family Foundation.
NOTE: Estimates may not sum to total due to rounding.

Exhibit 9

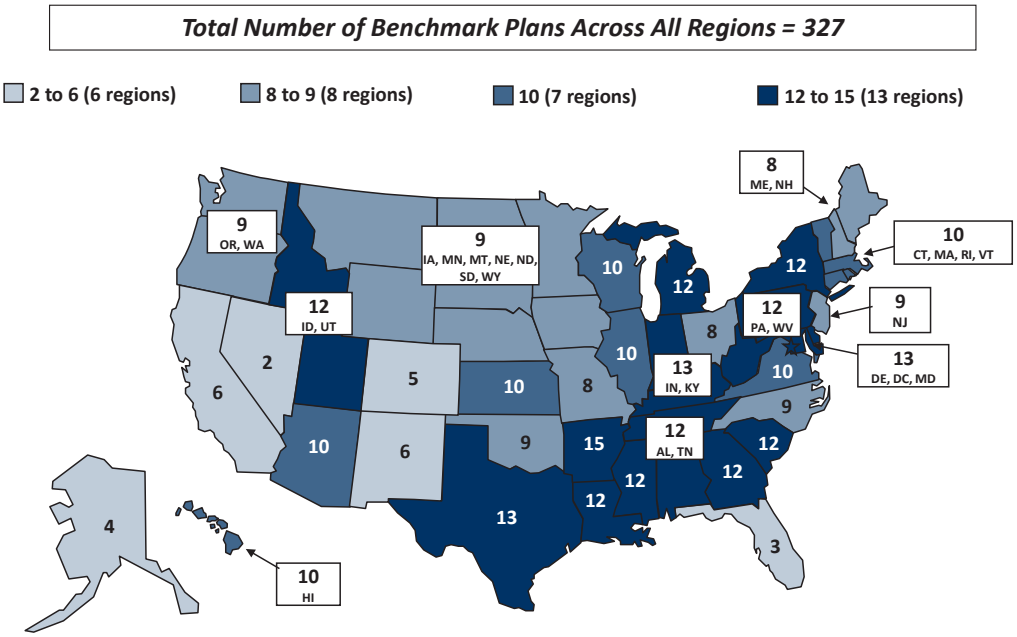
Number of Medicare Part D Stand-Alone Prescription Drug Plans Available Without a Premium to Low-Income Subsidy Recipients, 2006-2012



SOURCE: Georgetown/NORC analysis of CMS PDP landscape source files, 2006-2012, for the Kaiser Family Foundation.
NOTE: Excludes PDPs in the territories. *De minimis plans can retain LIS beneficiaries despite exceeding the benchmark premium by $2 in 2007, $1 in 2008, and $2 in 2011 and 2012.

Exhibit 10

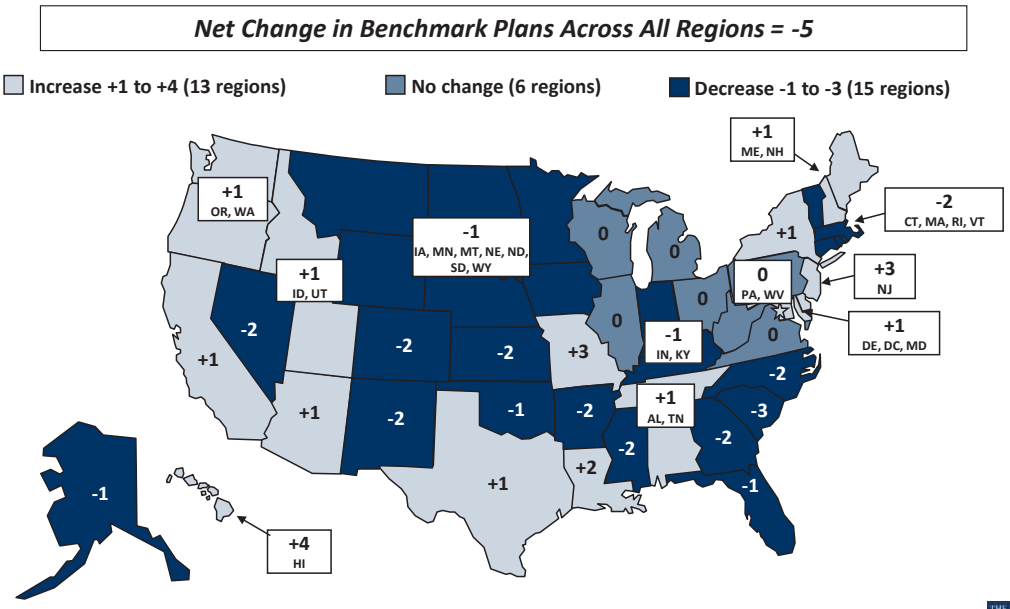
Number of Benchmark Plans, by Region, 2012



SOURCE: Georgetown/NORC analysis of CMS PDP landscape source file, 2012, for the Kaiser Family Foundation.

Exhibit 11

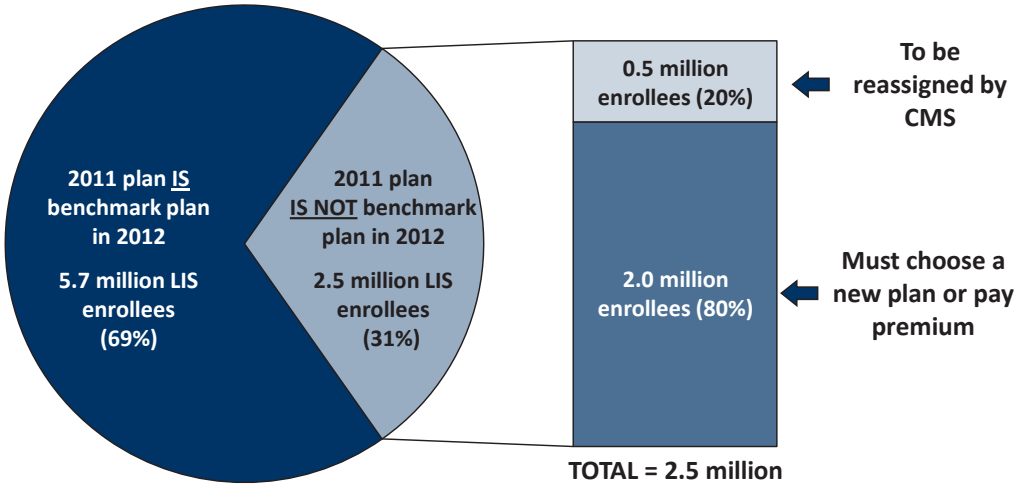
Change in Number of Benchmark Plans, By Region, 2011-2012



SOURCE: Georgetown/NORC analysis of CMS PDP landscape source files, 2011-2012, for the Kaiser Family Foundation.

Exhibit 12

Low-Income Subsidy (LIS) Enrollment in Benchmark Plans, as of 2012 Open Enrollment Period

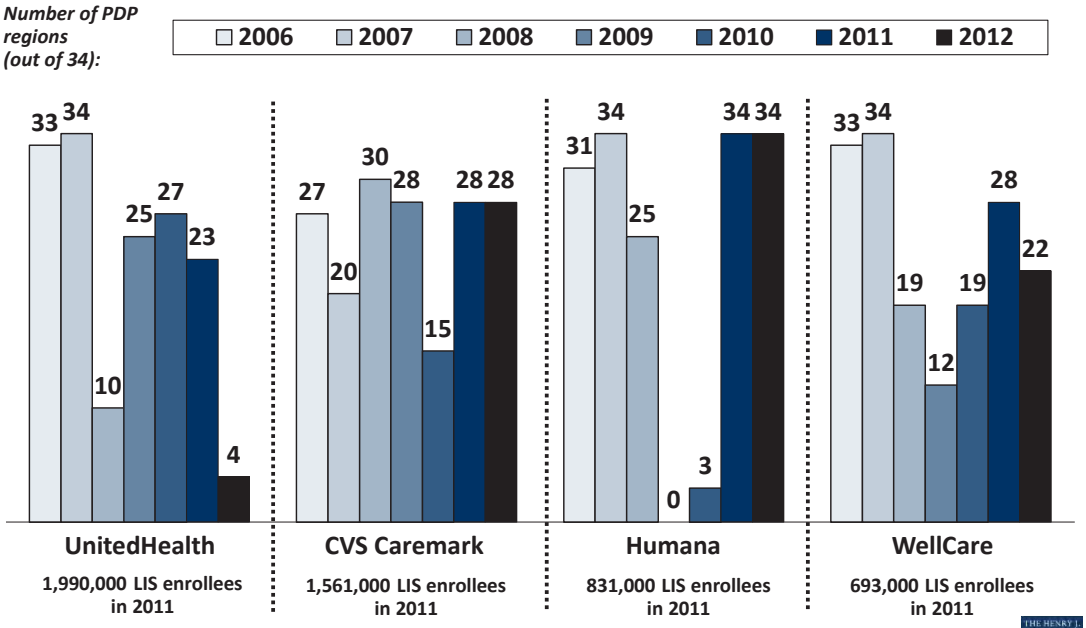


Total LIS Enrollment in PDPs in 2011 = 8.2 million

SOURCE: Georgetown/NORC analysis of CMS enrollment and crosswalk files for the Kaiser Family Foundation.
NOTE: Analysis includes enrollment in stand-alone prescription drug plans only. CMS is Centers for Medicare & Medicaid Services.

Exhibit 13

Number of Benchmark Plans Offered by Four Major Part D Organizations, 2006-2012



SOURCE: Georgetown/NORC analysis of CMS PDP landscape source files, 2006-2012, for the Kaiser Family Foundation.
NOTE: Counts include combined offerings of merged organizations.

Appendix 1
Medicare Stand-Alone Prescription Drug Plans by State, 2006-2012

STATE	Number of PDPs							2012 Monthly PDP Premiums			
	2006	2007	2008	2009	2010	2011	2012	Low	High	Weighted Average	% Change 2011-2012
U.S. TOTAL	**1,429**	**1,875**	**1,824**	**1,689**	**1,576**	**1,109**	**1,041**	**$15.10**	**$131.80**	**$39.40**	**3.8%**
Alabama	41	56	53	49	46	34	32	$15.10	$110.10	$39.88	1.0%
Alaska	27	45	47	45	41	29	25	$15.10	$98.90	$39.46	8.9%
Arizona	43	53	51	49	46	30	30	$15.10	$96.70	$31.62	3.4%
Arkansas	40	58	55	52	49	34	30	$15.10	$110.20	$39.14	2.8%
California	47	55	56	51	47	33	33	$15.10	$114.90	$41.70	10.9%
Colorado	43	55	55	53	48	31	28	$15.10	$127.40	$41.43	8.9%
Connecticut	44	51	51	47	48	34	30	$15.10	$110.20	$37.74	-2.7%
Delaware	47	55	52	48	45	33	31	$15.10	$131.80	$41.93	4.8%
District of Columbia	47	55	52	48	45	33	31	$15.10	$131.80	$41.93	4.8%
Florida	43	57	58	54	49	32	33	$15.10	$125.00	$37.11	2.8%
Georgia	42	55	54	50	45	32	30	$15.10	$117.50	$38.43	1.6%
Hawaii	29	46	49	47	41	28	25	$15.10	$104.80	$32.08	9.9%
Idaho	44	56	54	51	48	35	33	$15.10	$112.50	$44.17	2.0%
Illinois	42	56	53	49	46	35	33	$15.10	$115.20	$36.76	4.1%
Indiana	42	53	52	48	44	32	31	$15.10	$117.10	$43.31	5.1%
Iowa	41	53	52	48	46	33	33	$15.10	$106.50	$39.01	0.8%
Kansas	40	53	52	48	46	33	31	$15.10	$117.80	$44.38	4.6%
Kentucky	42	53	52	48	44	32	31	$15.10	$117.10	$43.31	5.1%
Louisiana	39	52	50	47	45	32	30	$15.10	$107.70	$38.08	-1.3%
Maine	41	53	53	46	43	30	28	$15.10	$107.40	$35.92	11.2%
Maryland	47	55	52	48	45	33	31	$15.10	$131.80	$41.93	4.8%
Massachusetts	44	51	51	47	48	34	30	$15.10	$110.20	$37.74	-2.7%
Michigan	40	54	55	51	46	35	34	$15.10	$111.90	$41.50	1.0%
Minnesota	41	53	52	48	46	33	33	$15.10	$106.50	$39.01	0.8%
Mississippi	38	52	49	47	45	32	30	$15.10	$109.00	$39.80	6.3%
Missouri	41	53	52	48	45	32	30	$15.10	$114.20	$39.39	0.7%
Montana	41	53	52	48	46	33	33	$15.10	$106.50	$39.01	0.8%
Nebraska	41	53	52	48	46	33	33	$15.10	$106.50	$39.01	0.8%
Nevada	44	54	53	49	46	31	29	$15.10	$126.60	$36.68	1.7%
New Hampshire	41	53	53	46	43	30	28	$15.10	$107.40	$35.92	11.2%
New Jersey	44	57	57	52	47	33	30	$15.10	$112.90	$40.45	4.5%
New Mexico	43	57	55	50	47	32	30	$15.10	$95.60	$27.93	1.3%
New York	46	61	55	51	50	33	29	$15.10	$109.70	$39.55	7.0%
North Carolina	38	51	52	49	47	33	30	$15.10	$113.00	$41.77	-0.6%
North Dakota	41	53	52	48	46	33	33	$15.10	$106.50	$39.01	0.8%
Ohio	43	60	58	49	46	34	33	$15.10	$111.50	$37.00	6.5%
Oklahoma	42	56	52	49	46	33	30	$15.10	$114.90	$40.28	0.2%
Oregon	45	57	55	48	44	32	30	$15.10	$118.70	$38.99	5.2%
Pennsylvania	52	66	63	57	55	38	36	$15.10	$115.60	$38.62	5.1%
Rhode Island	44	51	51	47	48	34	30	$15.10	$110.20	$37.74	-2.7%
South Carolina	45	59	56	53	47	34	32	$15.10	$112.00	$40.89	1.6%
South Dakota	41	53	52	48	46	33	33	$15.10	$106.50	$39.01	0.8%
Tennessee	41	56	53	49	46	34	32	$15.10	$110.10	$39.88	1.0%
Texas	47	60	56	53	50	33	33	$15.10	$104.30	$38.16	4.0%
Utah	44	56	54	51	48	35	33	$15.10	$112.50	$44.17	2.0%
Vermont	44	51	51	47	48	34	30	$15.10	$110.20	$37.74	-2.7%
Virginia	41	53	52	48	44	32	30	$15.10	$118.70	$39.36	1.7%
Washington	45	57	55	48	44	32	30	$15.10	$118.70	$38.99	5.2%
West Virginia	52	66	63	57	55	38	36	$15.10	$115.60	$38.62	5.1%
Wisconsin	45	54	57	53	48	32	29	$15.10	$114.70	$42.25	3.7%
Wyoming	41	53	52	48	46	33	33	$15.10	$106.50	$39.01	0.8%
TERRITORY											
American Samoa	1	3	4	4	3	2	1	$16.70	$16.70	$16.70	-46.0%
Guam	1	3	4	4	3	2	1	$11.20	$11.20	$11.20	-34.5%
Northern Mariana Islands	1	3	4	4	3	2	1	$17.10	$17.10	$17.10	-37.3%
Puerto Rico	10	28	34	33	29	17	16	$0.00	$75.90	$49.91	-0.3%
Virgin Islands	4	6	7	7	6	4	3	$21.40	$76.70	$26.43	2.6%

SOURCE: Kaiser Family Foundation/Georgetown/NORC analysis of CMS PDP crosswalk and landscape source files, 2006-2012.
NOTE: Weighted average premiums are based on total enrollment for 2010 for the region in which a state is located.

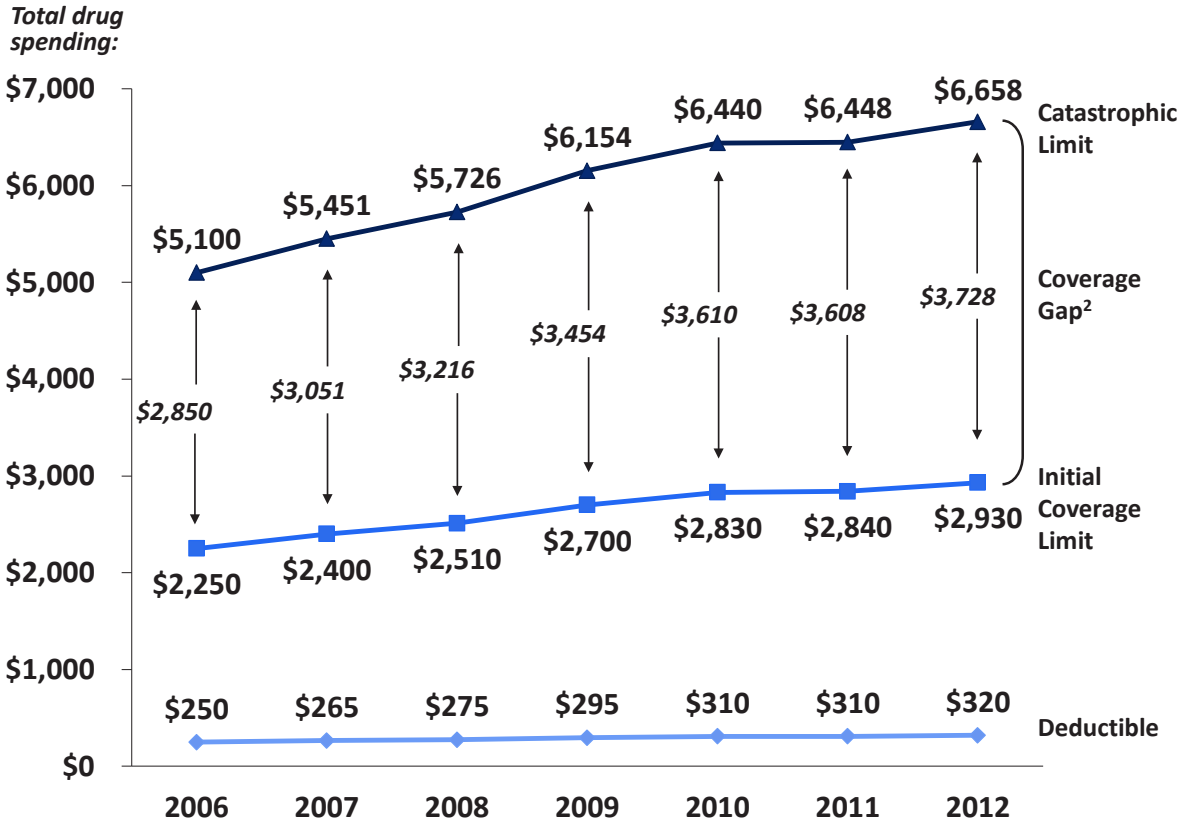
Appendix 1 *(continued)*
Medicare Stand-Alone Prescription Drug Plans by State, 2006-2012

STATE	Number of PDPs With No Coverage in the Gap							Number of PDPs Below Low-Income Subsidy Benchmark						
	2006	2007	2008	2009	2010	2011	2012	2006	2007	2008	2009	2010	2011	2012
U.S. TOTAL	**1,208**	**1,328**	**1,295**	**1,273**	**1,268**	**744**	**771**	**409**	**640**	**495**	**308**	**307**	**332**	**327**
Alabama	35	39	38	38	37	24	24	9	17	15	12	9	11	12
Alaska	22	33	33	34	34	20	19	8	17	15	7	6	5	4
Arizona	37	38	36	37	38	21	23	6	10	7	2	8	9	10
Arkansas	34	40	39	39	39	23	22	13	23	18	12	15	17	15
California	40	41	41	39	38	22	23	10	14	9	6	7	5	6
Colorado	36	40	39	40	39	21	21	10	19	12	8	6	7	5
Connecticut	37	36	36	35	38	23	23	11	20	14	12	13	12	10
Delaware	41	39	37	36	36	22	23	15	21	18	11	11	12	13
District of Columbia	41	39	37	36	36	22	23	15	21	18	11	11	12	13
Florida	35	41	40	39	39	21	23	6	10	8	5	5	4	3
Georgia	35	39	39	38	36	21	22	14	21	18	11	8	14	12
Hawaii	24	34	34	35	32	19	19	8	18	10	5	7	6	10
Idaho	38	40	39	39	39	24	26	14	20	14	9	9	11	12
Illinois	36	40	38	37	37	23	24	15	23	19	12	10	10	10
Indiana	35	37	37	36	35	21	22	13	19	17	12	9	14	13
Iowa	34	38	36	36	37	22	24	14	20	16	9	8	10	9
Kansas	33	37	37	36	37	22	23	11	20	17	10	9	12	10
Kentucky	35	37	37	36	35	21	22	13	19	17	12	9	14	13
Louisiana	33	37	36	36	37	22	23	11	12	10	7	13	10	12
Maine	35	37	37	34	35	20	21	14	21	18	5	4	7	8
Maryland	41	39	37	36	36	22	23	15	21	18	11	11	12	13
Massachusetts	37	36	36	35	38	23	23	11	20	14	12	13	12	10
Michigan	34	39	39	38	37	24	25	14	26	17	11	9	12	12
Minnesota	34	38	36	36	37	22	24	14	20	16	9	8	10	9
Mississippi	32	37	35	36	37	22	23	12	21	15	13	10	14	12
Missouri	34	37	37	36	36	21	22	10	15	13	6	13	5	8
Montana	34	38	36	36	37	22	24	14	20	16	9	8	10	9
Nebraska	34	38	36	36	37	22	24	14	20	16	9	8	10	9
Nevada	37	38	38	37	38	21	22	7	9	5	1	5	4	2
New Hampshire	35	37	37	34	35	20	21	14	21	18	5	4	7	8
New Jersey	38	40	39	39	37	22	23	14	20	18	7	6	6	9
New Mexico	37	40	39	38	39	22	23	8	14	11	7	8	8	6
New York	40	44	40	39	41	23	22	15	16	15	9	11	11	12
North Carolina	31	36	36	36	37	22	22	13	21	17	11	8	11	9
North Dakota	34	38	36	36	37	22	24	14	20	16	9	8	10	9
Ohio	36	43	41	37	37	22	23	10	22	15	6	5	8	8
Oklahoma	35	40	37	37	37	22	23	12	20	13	8	10	10	9
Oregon	39	40	38	36	35	21	23	15	20	15	7	9	8	9
Pennsylvania	44	47	46	44	44	25	25	15	26	18	9	11	12	12
Rhode Island	37	36	36	35	38	23	23	11	20	14	12	13	12	10
South Carolina	39	43	41	41	38	23	24	16	26	20	15	13	15	12
South Dakota	34	38	36	36	37	22	24	14	20	16	9	8	10	9
Tennessee	35	39	38	38	37	24	24	9	17	15	12	9	11	12
Texas	41	43	40	40	40	22	24	16	19	15	14	11	12	13
Utah	38	40	39	39	39	24	26	14	20	14	9	9	11	12
Vermont	37	36	36	35	38	23	23	11	20	14	12	13	12	10
Virginia	35	37	37	36	35	21	22	16	21	17	13	11	10	10
Washington	39	40	38	36	35	21	23	15	20	15	7	9	8	9
West Virginia	44	47	46	44	44	25	25	15	26	18	9	11	12	12
Wisconsin	36	38	40	39	37	20	20	14	21	16	16	10	10	10
Wyoming	34	38	36	36	37	22	24	14	20	16	9	8	10	9
TERRITORY														
American Samoa	1	2	3	3	2	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Guam	1	2	3	3	2	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Northern Mariana Islands	1	2	3	3	2	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Puerto Rico	9	21	22	22	21	11	13	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Virgin Islands	4	4	5	5	4	3	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A

SOURCE: Kaiser Family Foundation/Georgetown/NORC analysis of CMS PDP landscape source files, 2006-2012.

NOTES: Benchmark plans are not designated in the territories because low-income beneficiaries residing in the territories are not eligible for the LIS. Instead, the territories receive federal Medicaid funds to provide "wrap-around" Medicare drug coverage for beneficiaries who are dually eligible for Medicare and Medicaid benefits. Other low-income Medicare beneficiaries who have incomes below 150% of the federal poverty level, even those who receive partial Medicaid benefits, are not eligible for financial assistance to help with Part D premiums and cost sharing, though they would be eligible if they resided in the 50 states or the District of Columbia. (Mary Ellen Stahlman, "The Medicare Drug Benefit: Update on the Low-Income Subsidy," Issue Brief No. 833, National Health Policy Forum, July 2009.)

Appendix 2
Medicare Part D Standard Benefit Parameters, 2006-2012



SOURCE: Centers for Medicare & Medicaid Services.
NOTES: Estimates are rounded to nearest whole dollar. [2]In 2012, the coverage gap is partially filled by a 50% price discount for brand-name drugs and 14% coverage of generic drug costs, as required by the ACA.

ENDNOTES

[1] Centers for Medicare and Medicaid Services, "2012 Medicare Advantage premiums fall and projected enrollment rises," September 15, 2011; 2012 PDP, MA, and SNP Landscape Source Files and related files are available at http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/.
[2] Other Medicare Part D Data Spotlights from 2008 to 2011, based on the authors' analysis of CMS data, are available at http://www.kff.org/medicare/rxdrugbenefits/partddataspotlights.cfm .
[3] CVS Caremark dropped one PDP as it completed the process of consolidating PDPs acquired through its 2008 acquisition of RxAmerica into its CVS Caremark plans. Aetna eliminated one of its three PDP offerings – one with low enrollment in most regions.
[4] First Health Part D Value Plus is an enhanced PDP priced below its basic PDP with monthly premiums generally between $22 and $29.
[5] Based on analysis using the CMS 2012 Part D Crosswalk file.
[6] Centers for Medicare & Medicaid Services Office of the Actuary, "Part D Income-Related Premium, PB2012," December 22, 2010.
[7] Plans qualifying through the de minimis policy are eligible for new enrollees, but will not receive auto-assigned enrollees.
[8] Estimates for the total number of beneficiaries subject to paying a premium are based on plan data from the landscape and crosswalk files, together with CMS enrollment reports.

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