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MEDICARE PART D

A First Look at Part D Plan Offerings in 2013

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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 2013.¹ Of the 32 million beneficiaries enrolled in Part D plans, about 62 percent are in PDPs.² This Medicare Part D Spotlight provides an overview of the 2013 stand-alone PDP options and key changes from prior years.³

Summary of Key Findings

In 2013, Medicare beneficiaries will have a choice of 31 stand-alone PDPs, on average, the same as in 2012. Stability in the number of PDPs masks the appearance of several new plan sponsors and new PDPs offered by existing sponsors. The average weighted premium is expected to increase by 7 percent across all plans from 2012 to 2013—a larger increase than between 2011 and 2012 when the average premium actually decreased modestly—unless many current enrollees switch to and/or new enrollees sign up for lower-priced options. Premium changes will vary widely across plans. In 2013, beneficiaries receiving low-income subsidies (LIS) will have access to about the same number of plans for no monthly premium as in 2012, but some plans with large LIS enrollment have lost benchmark status for 2013. The majority of plans offered in 2013 will offer no gap coverage beyond that which is required by the Patient Protection and Affordable Care Act (ACA) of 2010, which phases out the coverage gap by 2020. For 2013, manufacturer prices for brand-name drugs purchased in the gap will be discounted by 50 percent (with plans paying 2.5 percent and enrollees paying the other 47.5 percent), and plans will pay 21 percent of the cost for generic drugs in the gap (with enrollees paying 79 percent).

Part D Plan Availability

In 2013, a total of 1,031 PDPs will be offered nationwide, nearly the same as in 2012, when there were 1,041 PDPs.

- This year's total represents 844 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 2013.

- The number of PDPs per region in 2013 will range from a low of 23 PDPs in the Alaska and Hawaii regions to a high of 38 PDPs in the Pennsylvania/West Virginia region (the same regions with the lowest and highest numbers of PDPs, respectively, in 2012). The number of choices, compared to 2012, is down by two in Alaska and Hawaii and up by two in Pennsylvania/West Virginia. Beneficiaries across the country continue to have a substantial number of Part D plan choices. **(Exhibit 2; Appendix 1)**

Although the number of PDP offerings between 2012 and 2013 is stable, 226 PDPs left the market and 216 new PDPs entered. Two-thirds of the exits are consolidations as a result of mergers, while most of the others result primarily from sponsors responding to CMS policies aimed to eliminate plans with low enrollment. About half of the new entrants are PDPs offered by plans sponsors new to the PDP market, and the others are new offerings by existing plan sponsors.

- Two new plan sponsors are entering the program with a broad set of 2013 plan offerings. Two new SmartD Rx PDPs will be offered nationally with backing of Smart Insurance Company and 20,000 RxAllly member pharmacies. The HealthMarkets Insurance Company, co-branded with Reader's Digest magazine, will offer a PDP in all regions except New York.

* The November 2012 update to this Data Spotlight (initially released in October 2012) reflects the fact that 14 new stand-alone PDPs listed in the CMS landscape files released in September 2012 are not entering the market in 2013. They have been excluded from plan counts where applicable, but their exclusion did not affect weighted premium estimates because these PDPs did not have any enrollees.

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- CVS Caremark, having acquired several other companies in recent years, has consolidated offerings previously marketed under the CCRx, Health Net, and CVS Caremark names. In 2013, it will offer three PDPs under the SilverScript name—one nationally and two others in all regions except Alaska.
- Two national sponsors—UnitedHealth and Wellcare—are reorganizing their PDP offerings. UnitedHealth, under its cobranding arrangement with AARP, is adding a new basic PDP (AARP MedicareRx Saver Plus) in 30 regions with a uniform premium of \$15 per month, making it the lowest-premium PDP in those regions. AARP MedicareRx Preferred, the PDP with the largest enrollment nationally, is re-designated as an enhanced PDP in those 30 regions. Wellcare has dropped its Signature PDP and introduced a new PDP (Wellcare Extra).

Monthly Premiums

The projected average monthly PDP premium will be \$40.18 in 2013 (weighted by 2012 enrollment, assuming beneficiaries remain in their current plan).⁴ This is a 7 percent increase (\$2.61) from the weighted average monthly premium of \$37.57 in 2012, and a 55 percent increase from \$25.93 in 2006, the first year of the Medicare Part D drug benefit. Average monthly premiums (weighted by enrollment) for PDPs have risen every year since 2006, except for a modest drop between 2011 and 2012.⁵ **(Exhibit 3)**

CMS reported that the average premium for standard Part D coverage offered by PDPs and Medicare Advantage drug plans between 2012 and 2013 was essentially flat; the increase reported here is based on all PDPs only, excluding Medicare Advantage drug plans. It also includes PDPs offering enhanced coverage, which typically have higher premiums. Limited to the PDPs offering only the basic benefit in both years, the premium increase is just 1.6 percent. Changes during the open enrollment period, especially switches to new lower-premium PDPs, may reduce the weighted average increase modestly.

Underneath these overall programs trends, there is wide variation across plans in year-to-year premium changes.

- Two-thirds of all PDP enrollees (67 percent) are projected to pay at least \$1 more per month if they stay in their current plans; this includes 4 percent (767,000 beneficiaries) who will experience an increase of more than \$10 in their monthly plan premium in 2013 unless they select a less expensive plan and another 63 percent who would pay from \$1 to \$10 more if they remain in their current plan in 2013.
- By contrast, 1 percent of PDP enrollees (approximately 255,000 beneficiaries) will see premium reductions of at least \$10 if they stay with their current PDPs in 2013, and another 9 percent will experience a premium decrease of between \$1 and \$10.
- The remaining 23 percent of PDP enrollees will face a nominal change in their monthly premium (no more or less than a \$1 increase or decrease) if they stay in their current plan in 2013. **(Exhibit 4)**

Since 2006, premium changes have varied across some of the most popular Part D plans. **(Exhibit 5)**

- The average premium for Humana PDP Enhanced will increase by 11 percent to \$43.77 in 2013 after a decrease last year; overall, this plan's premium is nearly triple its level in 2006.
- The premium for Humana's low-premium Walmart-Preferred Rx Plan will increase uniformly across all regions by 23 percent to \$18.50 in 2013. This PDP, which was the least expensive PDP in all regions in 2012, remains the lowest-premium plan in just four regions in 2013.
- Beneficiaries enrolled in UnitedHealth's AARP Preferred MedicareRx PDP—more than 4 million enrollees—will see a small increase (1 percent) in their premium in 2013, to \$40.42, if they remain in this plan. Some may consider switching to UnitedHealth's new AARP MedicareRx Saver Plus PDP, offered at a \$15 premium.

Average weighted PDP monthly premiums will vary widely in 2013 across regions, ranging from \$29.25 per month for PDPs in the New Mexico region (one of only two regions with an average under \$35) to \$45.90 per month for PDPs in the Idaho/Utah region. **(Appendix 1)**

- Premium changes from 2012 to 2013 vary considerably by region. For example, average premiums in 11 regions are projected to fall slightly or increase by less than 1 percent, whereas average premiums in New York and Hawaii are projected to rise by 10 percent and 12 percent, respectively. **(Exhibit 6)**

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 ACA, 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 2013, the monthly surcharge will range from \$11.60 to \$66.60, in addition to the monthly premium payment for the specific Part D plan.⁶ An estimated 5 percent of Part D enrollees will be required to make these additional payments in 2013.⁷ Under current law, the income thresholds are not indexed to increase annually until 2020, which will result in an increasing share of Part D enrollees paying the income-related premiums over the next several years.

Benefit Design: The Coverage Gap and Deductibles

All beneficiaries who reach the coverage gap, or “doughnut hole,” in 2013 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 2013, manufacturer prices for brand-name drugs purchased in the gap will be discounted by 50 percent, with plans paying an additional 2.5 percent and enrollees paying the remaining 47.5 percent. Plans will pay 21 percent of the cost for generic drugs in the gap, with enrollees paying 79 percent. In 2013, the coverage gap begins after an enrollee incurs \$2,970 in total drug spending and ends after an enrollee has spent a total of \$4,750 out of pocket (or \$6,955 in total drug costs under the standard benefit).⁸ 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 2013 beyond what is required under the standard benefit. With all Part D enrollees getting 21 percent generic coverage and 52.5 percent brand-name coverage in 2013 as a result of the ACA provision, the value of additional gap coverage offered by plans, beyond what the law requires, will become lower each year approaching 2020, when beneficiaries will only be responsible for 25 percent of their total drug costs in the gap.

- About 69 percent of all PDPs will not offer significant gap coverage in 2013—66 percent of plans will offer nothing beyond what the ACA requires and 3 percent will cover fewer than 10 percent of the generic drugs on their formulary. This is a moderate decrease from 2012—meaning a somewhat greater share of plans will offer some gap coverage beyond what the ACA requires in 2013 than in 2012. **(Exhibits 7 and 8)**
- Among the 30 percent of PDPs offering additional gap coverage in 2013 beyond what the law requires (defined as covering more than a “few” generics), about half limit gap coverage to generic drugs, with no additional gap coverage for brand-name drugs. **(Exhibit 8)**
- In 2013, 16 percent of PDPs (170 PDPs, including those offered by Aetna, CVS Caremark, Coventry/First Health, Humana, UnitedHealth, 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, more than double the level in 2012. No PDP will offer full gap coverage for all drugs on their formulary in 2013.

A majority of PDPs (55 percent) will charge a deductible in 2013, up modestly from 2012. Most PDPs with a deductible will charge the standard \$325 amount. Among PDPs that charge a deductible, the share with a deductible below the standard amount has declined from 2010 to 2013. **(Exhibit 9)**

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 2013.

- In 2013, 331 plans will be available for enrollment of LIS recipients for \$0 premium. This represents a 1 percent increase in plans for LIS recipients, or 4 more plans. **(Exhibit 10)**

- 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.⁹ Of the 331 benchmark plans in 2013, about one in three (113 plans) qualify through the “de minimis” policy—more than in past years.

The number of benchmark plans available in 2013 will vary by region, from 2 benchmark PDPs in the Florida and Nevada regions (out of 35 and 29 PDPs, respectively) to 15 benchmark PDPs in the Arkansas region (out of 31 PDPs). **(Exhibit 11)**

- Benchmark plan availability will decline in 9 of 34 regions between 2012 and 2013, while more LIS plans will be available in 12 regions. Year-to-year changes in most regions are relatively modest—just a few plans more or less in 2013 than in 2012. **(Exhibit 12)**

About 2.7 million people – about 1 in 3 LIS beneficiaries – are enrolled in PDPs in 2012 that will not qualify as benchmark plans in 2013. About half (51 percent) of these beneficiaries are currently enrolled in non-benchmark plans and thus paid a premium in 2012; the rest are in PDPs that will lose their benchmark plan status in 2013.

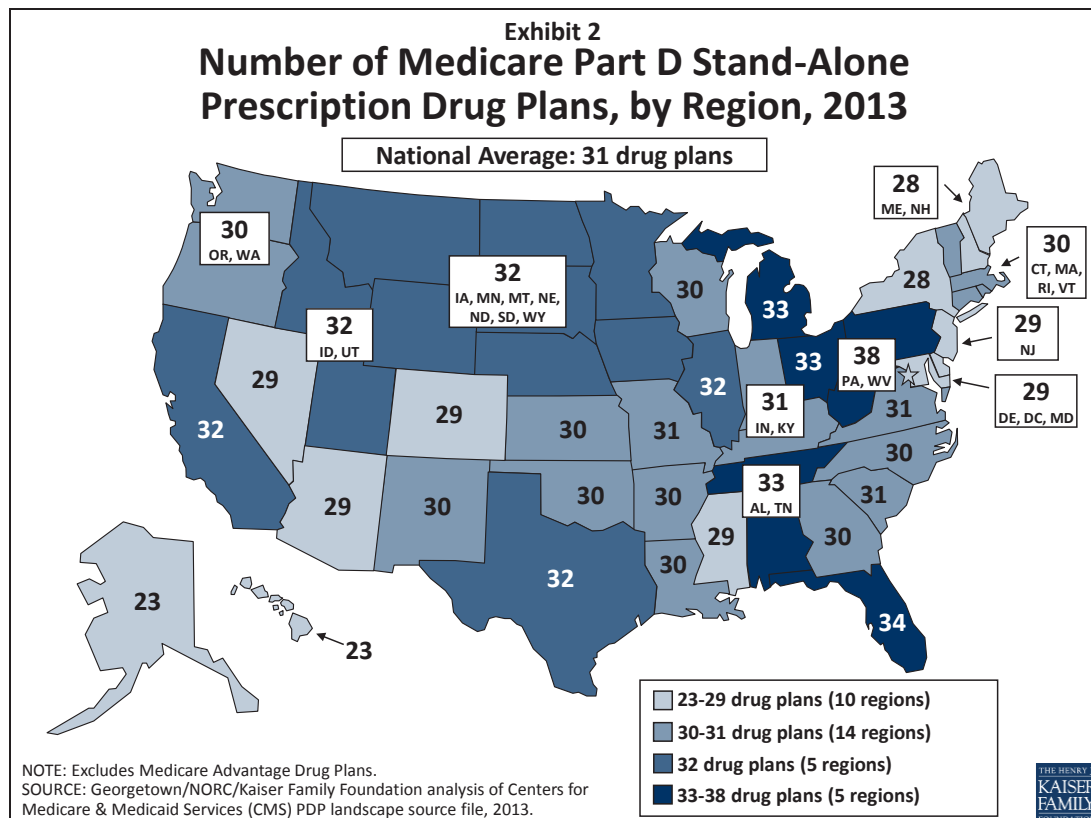
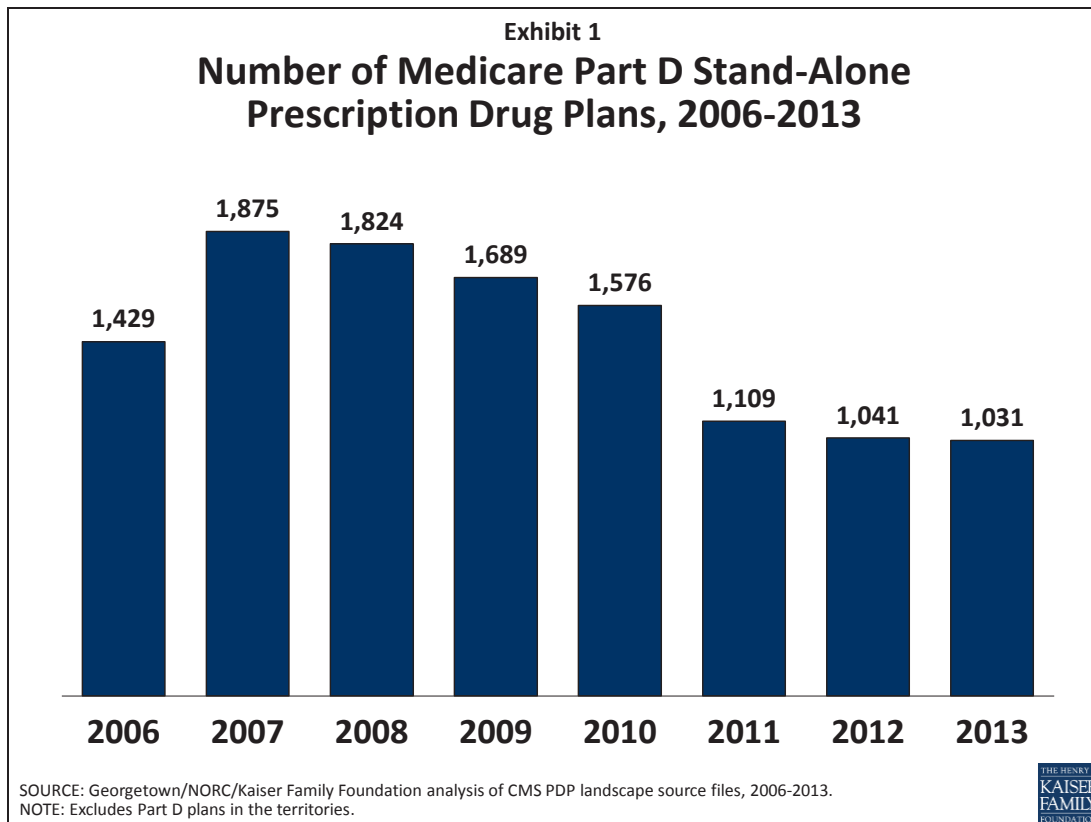
- The 2.7 million LIS beneficiaries who will potentially pay a premium in 2013 unless they enroll in (or are switched to) benchmark plans represent a small increase from the 2.5 million LIS beneficiaries who were in a similar situation at the time of last year’s open enrollment period. **(Exhibit 13)**
- CMS will reassign an estimated 930,000 of these LIS enrollees (considerably above the 500,000 last year), and several states will help reassign those enrolled in their state pharmacy assistance programs (SPAPs).¹⁰ But as many as two-thirds of the LIS beneficiaries not scheduled to be in benchmark plans in 2013 must switch plans on their own or pay a premium if they remain in their 2012 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. This year, nine PDP sponsors will have benchmark plans in at least half of the 34 regions, including two of the companies new to the program.

- Between 2012 and 2013, the most significant change is the return of benchmark status for plans offered by UnitedHealth in 30 regions. Although the company’s returning offering (AARP Preferred MedicareRx PDP), with about 900,000 LIS enrollees in 2012, does not have benchmark status in 2013, enrollees will have the opportunity to switch to the new low-premium AARP MedicareRx Saver Plus PDP. **(Exhibit 14)**
- 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 2013.

Discussion

In 2013, the number of Medicare Part D stand-alone prescription drug plans offered nationwide will hold steady as consolidations resulting from mergers are offset by the entry of several new plan sponsors. The average Medicare beneficiary will have a choice of 31 PDPs in 2013 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 \$2.61 per month, but the amount and rate of increase will vary considerably across plans, and about one in six PDP enrollees will experience a premium reduction for 2013. With the availability of new low-premium PDPs in 2013, it is especially important for enrollees to consider the value for them of switching plans. Historically, however, enrollees have been reluctant to research their options and to make switches. Beneficiaries receiving Low-Income Subsidies will have a similar number of plans available to them for no monthly premium in 2013 as in 2012, although one in three LIS beneficiaries will need to shift plans between 2012 and 2013 to avoid paying a premium. The majority of plans offered in 2013 will offer no gap coverage beyond that which is required by the Affordable Care Act, and the amount of gap coverage available to all plan enrollees will become increasingly more generous as the Medicare Part D “doughnut hole” gradually closes by 2020.



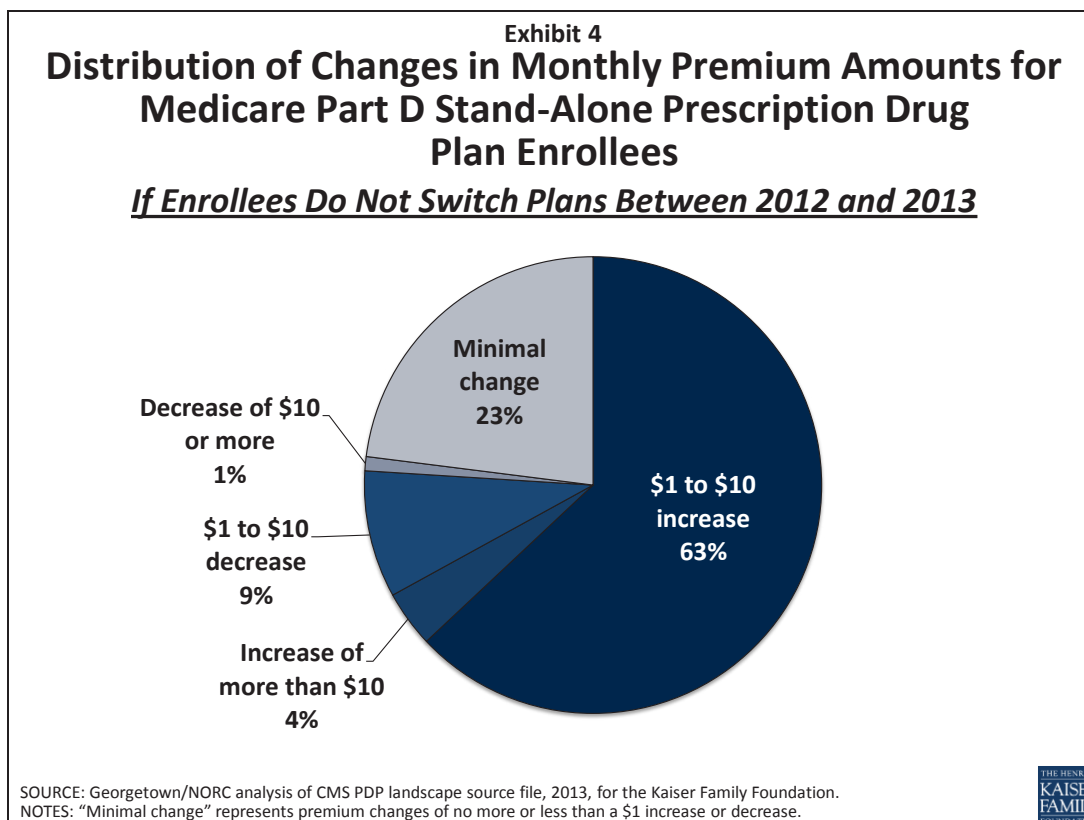
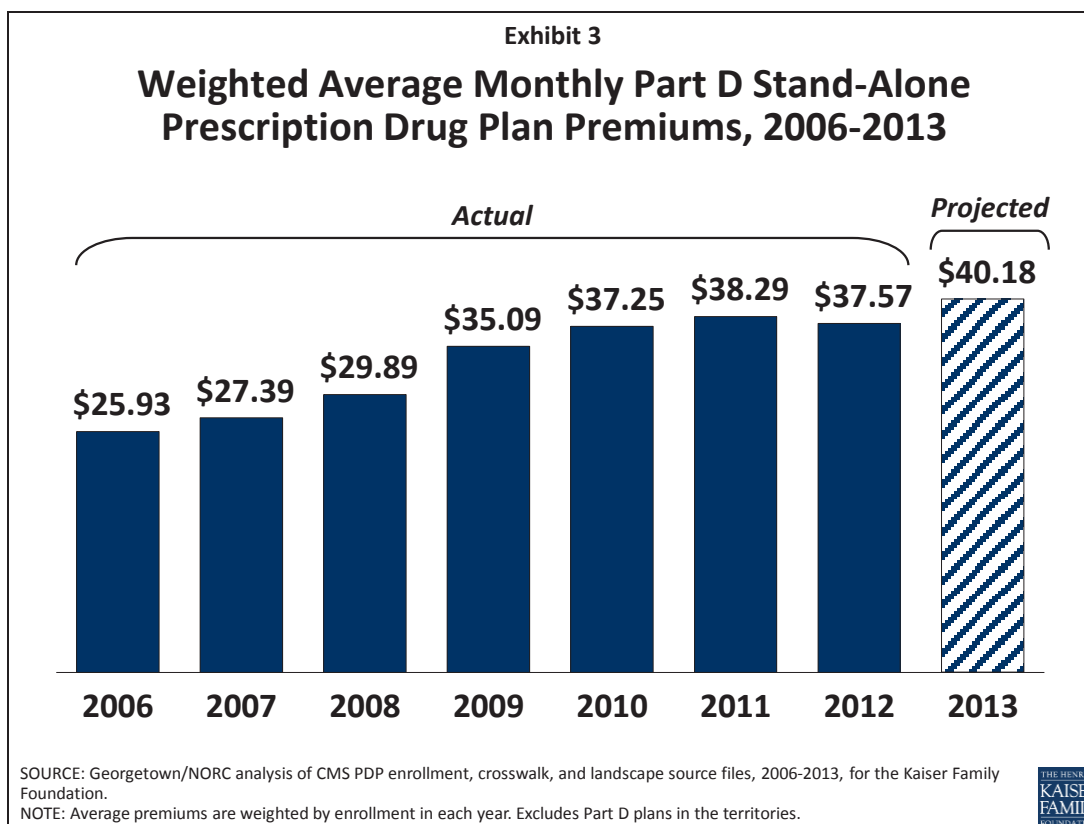


Exhibit 5

Premiums in Medicare Part D Stand-Alone Prescription Drug Plans with Highest 2012 Enrollment, 2006-2013

Name of PDP in 2013	2012 Enrollment (of 17.7 million)		Weighted Average Monthly Premium ¹			% Change	
	Number	% of Total	2006	2012	2013	2012-2013	2006-2013
AARP MedicareRx Preferred	4,011,357	22.6%	\$26.31	\$39.85	\$40.42	+1%	+54%
CCRx Basic ²	1,768,148	10.0%	\$30.94	\$30.75	\$33.33	+8%	+8%
Humana Walmart-Preferred ³	1,511,850	8.5%	--	\$15.10	\$18.50	+23%	--
Humana PDP Enhanced	1,374,479	7.8%	\$14.73	\$39.58	\$43.77	+11%	+197%
Silverscript Basic ⁴	1,322,856	7.5%	\$28.32	\$30.24	\$32.55	+8%	+15%
First Health Premier ⁵	948,649	5.7%	\$24.98	\$32.56	\$38.47	+18%	+54%
WellCare Classic ⁶	672,796	3.8%	\$15.80	\$32.87	\$33.76	+3%	+114%

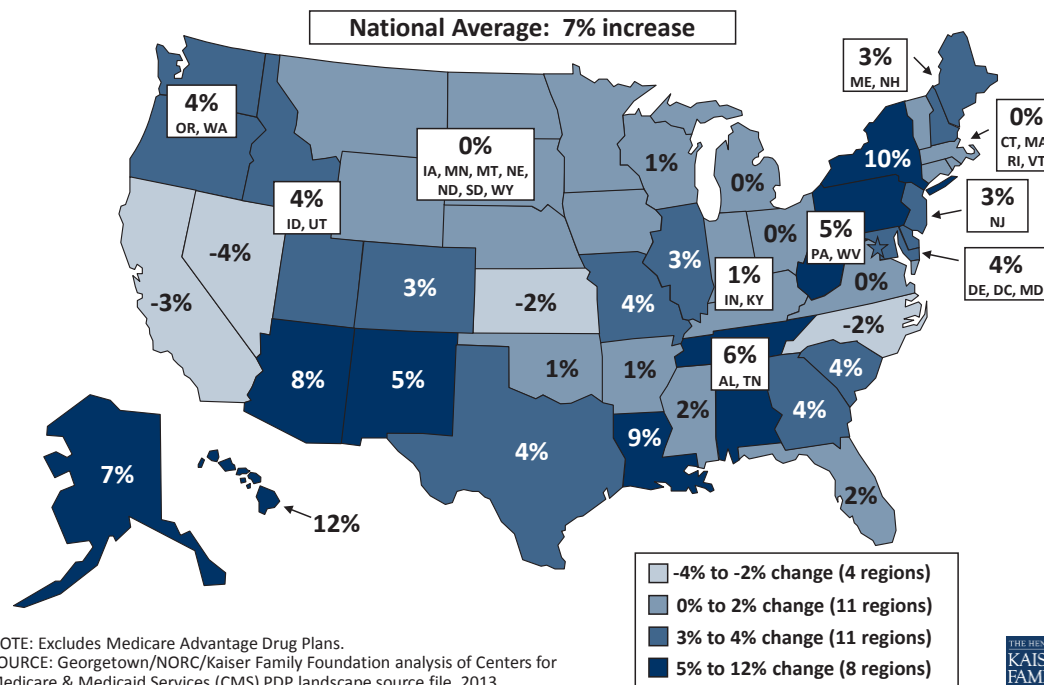
SOURCE: Georgetown/NORC analysis of CMS 2006-2013 PDP Landscape Source Files for the Kaiser Family Foundation.

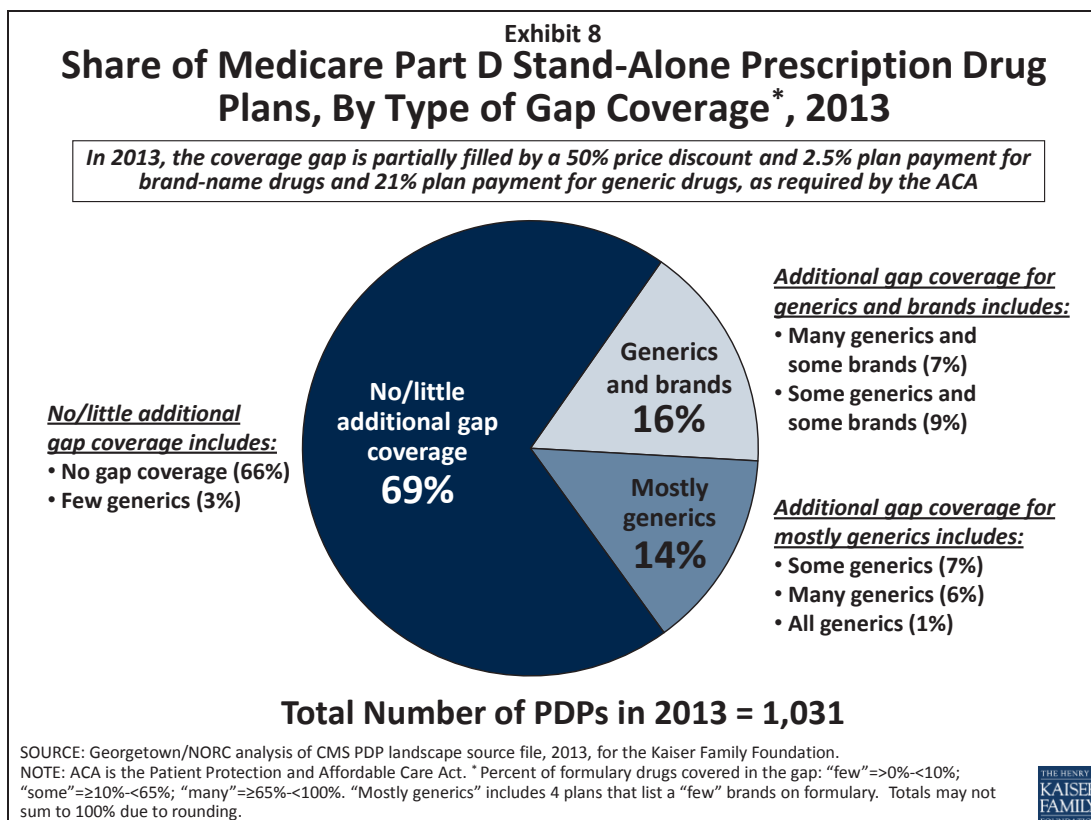
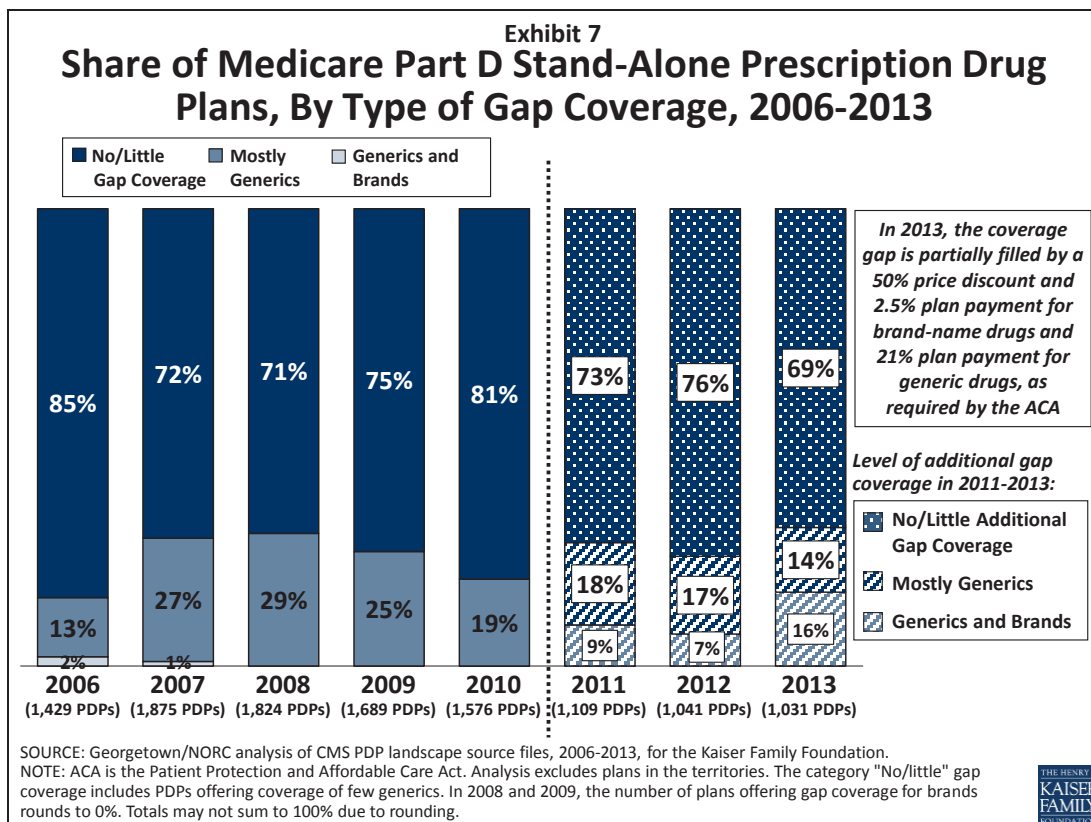
NOTES: ¹Average premiums are weighted by enrollment in each region for each year. ²Plan was not offered in 2013; 2013 values assume enrollees are transferred to Silverscript Basic. ³Plan was not offered before 2011. ⁴Plan operated as CVS Caremark Value in 2012. ⁵Plan operates under as First Health Essentials in 7 regions. ⁶Plan was first offered in 2007; average 2006 premium and percent change from 2006-2013 are based on 2007 data.



Exhibit 6

Change in Weighted Average Premiums for Medicare Part D Stand-Alone Prescription Drug Plans, by Region, 2013





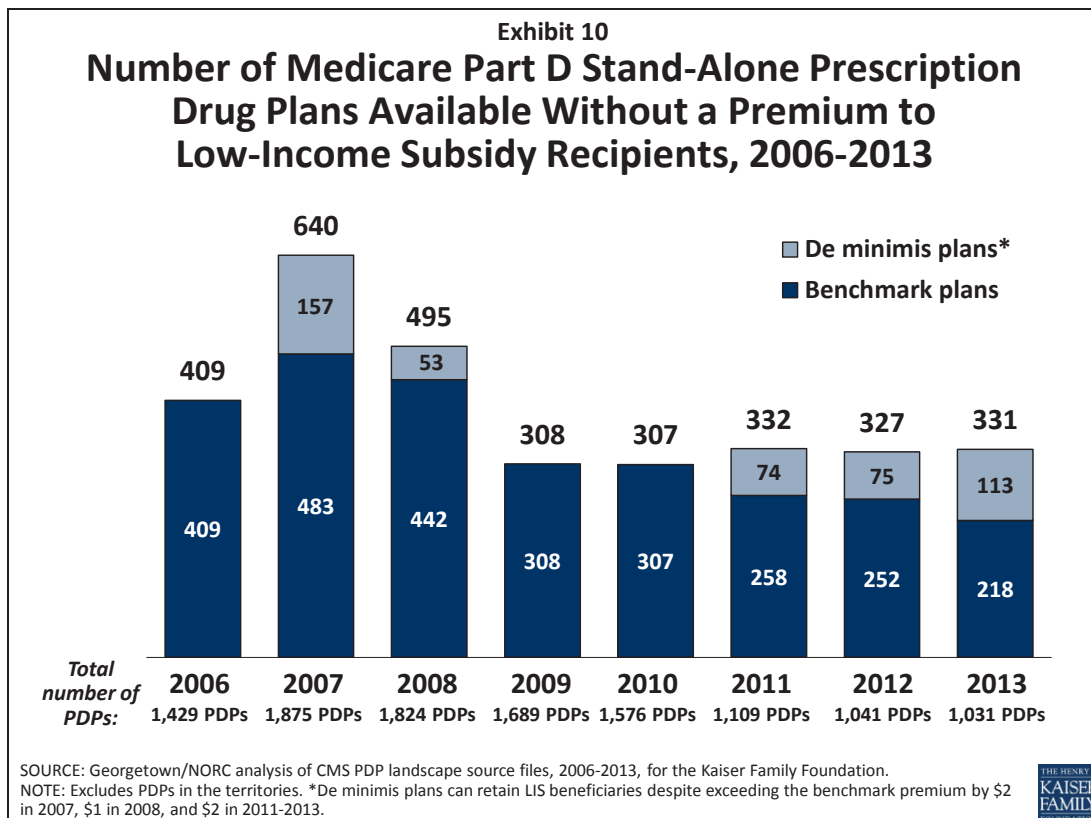
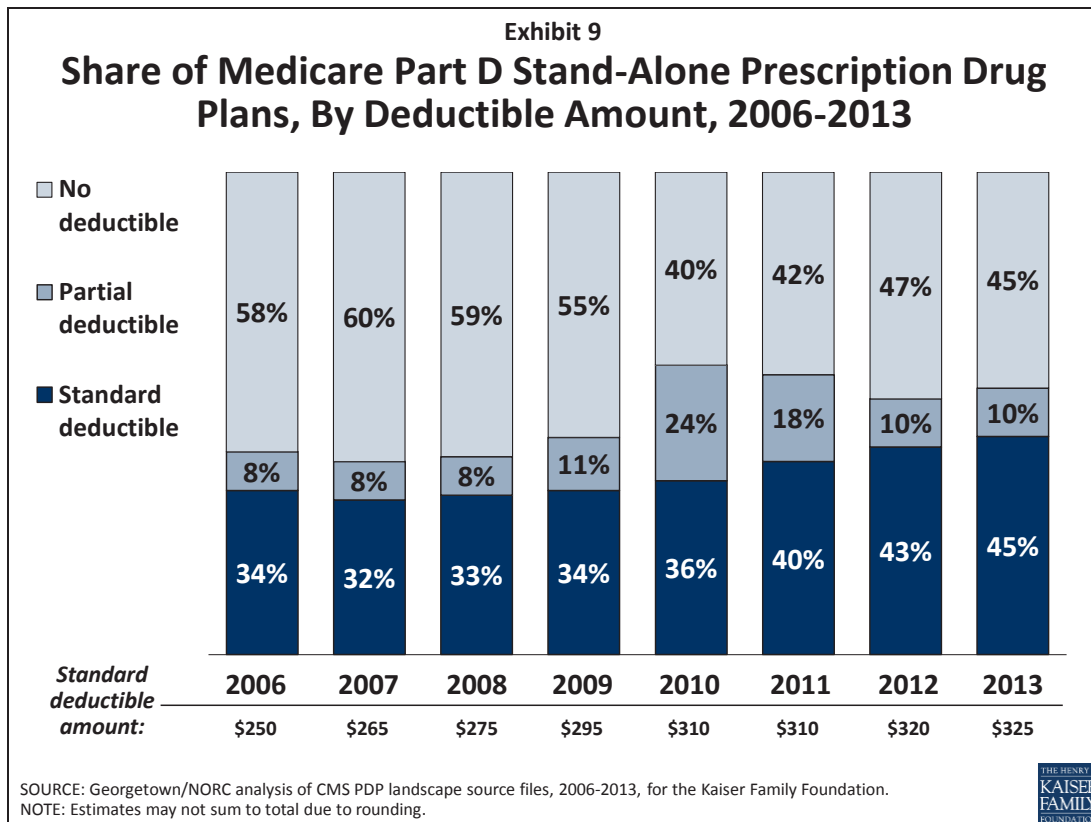
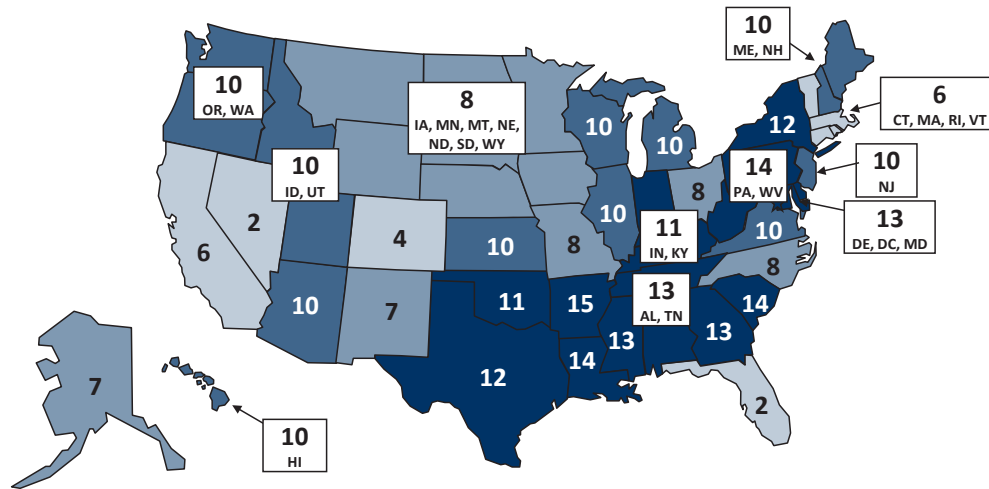


Exhibit 11

Number of Benchmark Plans, by Region, 2013

Total Number of Benchmark Plans Across All Regions = 331

2 to 6 (5 regions) 7 to 8 (6 regions) 10 (11 regions) 11 to 15 (12 regions)



SOURCE: Kaiser Family Foundation analysis of CMS PDP landscape source file, 2013.

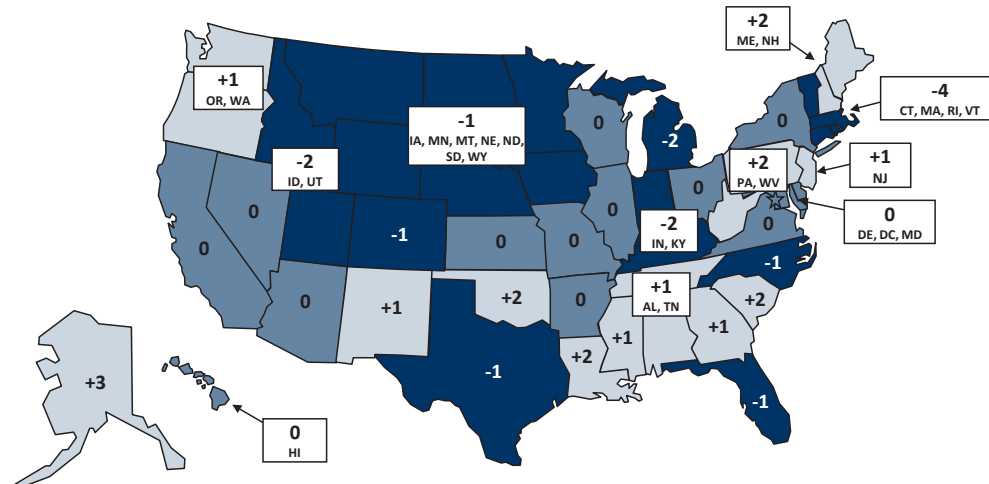
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Exhibit 12

Change in Number of Benchmark Plans, By Region, 2012-2013

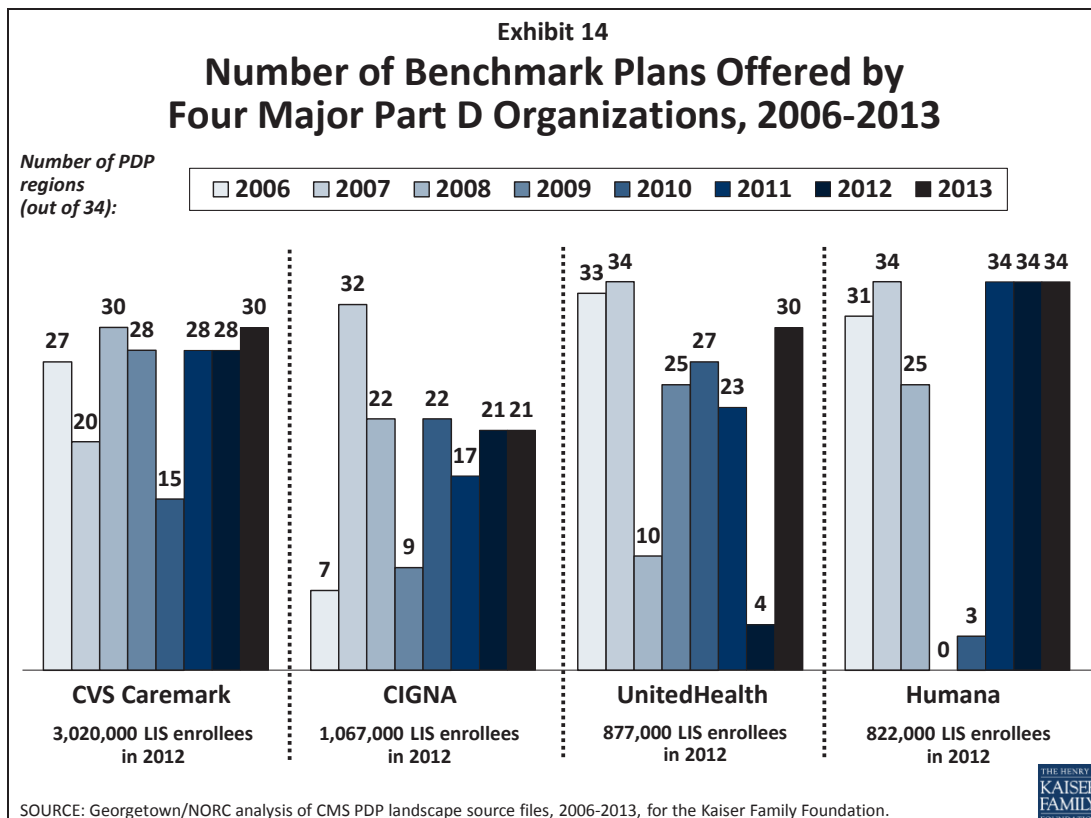
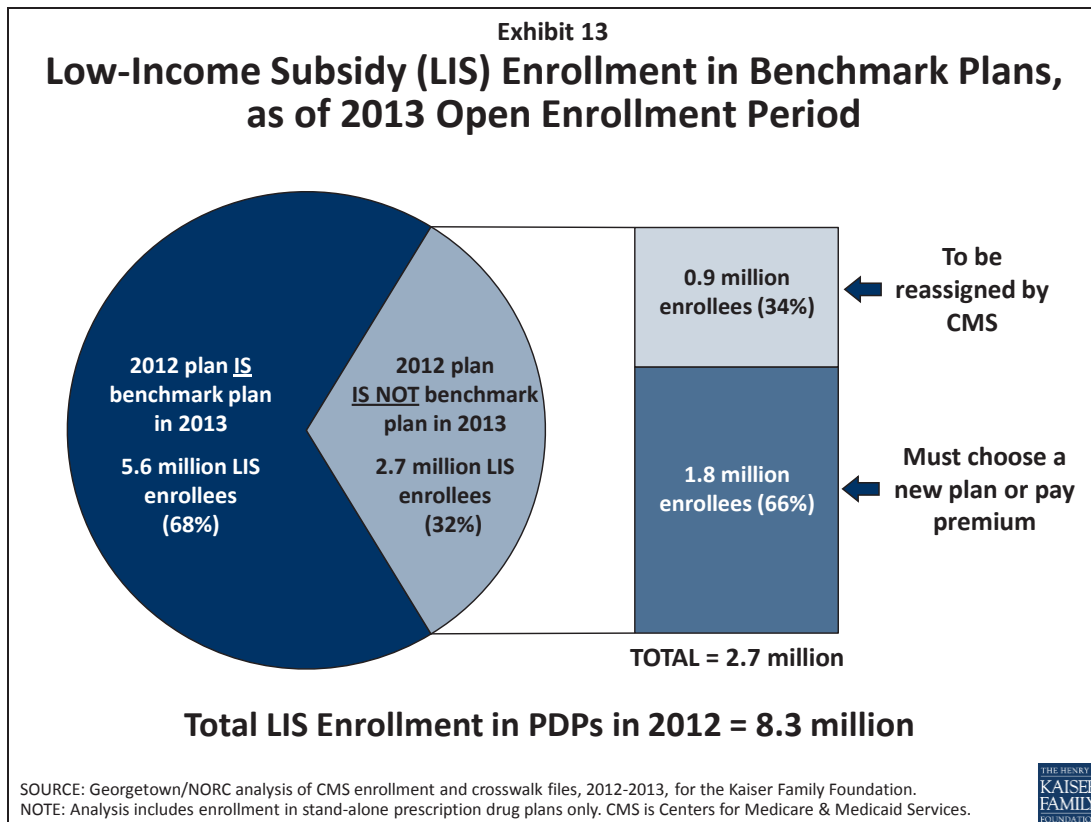
Net Change in Benchmark Plans Across All Regions = +4

Increase +1 to +3 (12 regions) No change (13 regions) Decrease -1 to -4 (9 regions)



SOURCE: Georgetown/NORC analysis of CMS PDP landscape source files, 2012-2013, for the Kaiser Family Foundation.

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Appendix 1

Medicare Stand-Alone Prescription Drug Plans by State, 2006-2013

STATE	Number of PDPs								2013 Monthly PDP Premiums			
	2006	2007	2008	2009	2010	2011	2012	2013	Low	High	Weighted Average	% Change 2012-2013
U.S. TOTAL	1,429	1,875	1,824	1,689	1,576	1,109	1,041	1,031	\$15.00	\$165.40	\$40.18	6.9%
Alabama	41	56	53	49	46	34	32	33	\$15.00	\$113.80	\$41.08	6.3%
Alaska	27	45	47	45	41	29	25	23	\$15.00	\$108.50	\$38.07	7.0%
Arizona	43	53	51	49	46	30	30	29	\$15.00	\$99.70	\$32.71	7.7%
Arkansas	40	58	55	52	49	34	30	30	\$15.00	\$113.90	\$39.40	0.6%
California	47	55	56	51	47	33	33	32	\$15.00	\$118.60	\$40.25	-3.5%
Colorado	43	55	55	53	48	31	28	29	\$15.00	\$125.90	\$42.46	2.5%
Connecticut	44	51	51	47	48	34	30	30	\$15.00	\$114.00	\$37.63	-0.3%
Delaware	47	55	52	48	45	33	31	29	\$15.00	\$165.40	\$43.54	3.8%
District of Columbia	47	55	52	48	45	33	31	29	\$15.00	\$165.40	\$43.54	3.8%
Florida	43	57	58	54	49	32	33	34	\$15.00	\$127.60	\$38.01	2.4%
Georgia	42	55	54	50	45	32	30	30	\$15.00	\$121.20	\$39.90	3.8%
Hawaii	29	46	49	47	41	28	25	23	\$15.00	\$100.70	\$35.99	12.2%
Idaho	44	56	54	51	48	35	33	32	\$15.00	\$116.30	\$45.90	3.9%
Illinois	42	56	53	49	46	35	33	32	\$15.00	\$118.90	\$37.98	3.3%
Indiana	42	53	52	48	44	32	31	31	\$15.00	\$113.80	\$43.68	0.9%
Iowa	41	53	52	48	46	33	33	32	\$15.00	\$110.20	\$39.00	0.0%
Kansas	40	53	52	48	46	33	31	30	\$15.00	\$116.40	\$43.39	-2.2%
Kentucky	42	53	52	48	44	32	31	31	\$15.00	\$113.80	\$43.68	0.9%
Louisiana	39	52	50	47	45	32	30	30	\$15.00	\$118.80	\$41.43	8.8%
Maine	41	53	53	46	43	30	28	28	\$15.00	\$103.70	\$37.14	3.4%
Maryland	47	55	52	48	45	33	31	29	\$15.00	\$165.40	\$43.54	3.8%
Massachusetts	44	51	51	47	48	34	30	30	\$15.00	\$114.00	\$37.63	-0.3%
Michigan	40	54	55	51	46	35	34	33	\$15.00	\$115.70	\$41.44	-0.2%
Minnesota	41	53	52	48	46	33	33	32	\$15.00	\$110.20	\$39.00	0.0%
Mississippi	38	52	49	47	45	32	30	29	\$15.00	\$112.80	\$40.71	2.3%
Missouri	41	53	52	48	45	32	30	31	\$15.00	\$117.00	\$41.01	4.1%
Montana	41	53	52	48	46	33	33	32	\$15.00	\$110.20	\$39.00	0.0%
Nebraska	41	53	52	48	46	33	33	32	\$15.00	\$110.20	\$39.00	0.0%
Nevada	44	54	53	49	46	31	29	29	\$15.00	\$129.80	\$35.22	-4.0%
New Hampshire	41	53	53	46	43	30	28	28	\$15.00	\$103.70	\$37.14	3.4%
New Jersey	44	57	57	52	47	33	30	29	\$15.00	\$116.70	\$41.49	2.6%
New Mexico	43	57	55	50	47	32	30	30	\$15.00	\$98.60	\$29.25	4.7%
New York	46	61	55	51	50	33	29	28	\$15.00	\$122.40	\$43.47	9.9%
North Carolina	38	51	52	49	47	33	30	30	\$15.00	\$116.80	\$41.01	-1.8%
North Dakota	41	53	52	48	46	33	33	32	\$15.00	\$110.20	\$39.00	0.0%
Ohio	43	60	58	49	46	34	33	33	\$15.00	\$115.20	\$37.13	0.4%
Oklahoma	42	56	52	49	46	33	30	30	\$15.00	\$118.60	\$40.72	1.1%
Oregon	45	57	55	48	44	32	30	30	\$15.00	\$122.40	\$40.53	4.0%
Pennsylvania	52	66	63	57	55	38	36	38	\$15.00	\$121.80	\$40.59	5.1%
Rhode Island	44	51	51	47	48	34	30	30	\$15.00	\$114.00	\$37.63	-0.3%
South Carolina	45	59	56	53	47	34	32	31	\$15.00	\$115.80	\$42.71	4.5%
South Dakota	41	53	52	48	46	33	33	32	\$15.00	\$110.20	\$39.00	0.0%
Tennessee	41	56	53	49	46	34	32	33	\$15.00	\$113.80	\$41.08	3.0%
Texas	47	60	56	53	50	33	33	32	\$15.00	\$108.00	\$39.73	4.1%
Utah	44	56	54	51	48	35	33	32	\$15.00	\$116.80	\$45.90	3.9%
Vermont	44	51	51	47	48	34	30	30	\$15.00	\$114.00	\$37.63	-0.3%
Virginia	41	53	52	48	44	32	30	31	\$15.00	\$113.10	\$39.40	0.1%
Washington	45	57	55	48	44	32	30	30	\$15.00	\$122.40	\$40.53	4.0%
West Virginia	52	66	63	57	55	38	36	38	\$15.00	\$121.80	\$40.59	5.1%
Wisconsin	45	54	57	53	48	32	29	30	\$15.00	\$119.70	\$42.52	0.7%
Wyoming	41	53	52	48	46	33	33	32	\$15.00	\$110.20	\$39.00	0.0%
TERRITORY												
American Samoa	1	3	4	4	3	2	1	1	\$8.00	\$8.00	\$8.00	-52.1%
Guam	1	3	4	4	3	2	1	1	\$9.90	\$9.90	\$9.90	-11.6%
Northern Mariana Islands	1	3	4	4	3	2	1	1	\$9.60	\$9.60	\$9.60	-43.9%
Puerto Rico	10	28	34	33	29	17	16	16	\$3.50	\$79.60	\$54.47	11.4%
Virgin Islands	4	6	7	7	6	4	3	1	\$17.50	\$17.50	\$17.50	-33.7%

SOURCE: Kaiser Family Foundation/Georgetown/NORC analysis of CMS PDP crosswalk and landscape source files, 2006-2013.

NOTE: Weighted average premiums are based on total enrollment for 2012 for the region in which a state is located.

Appendix 1 (continued)

Medicare Stand-Alone Prescription Drug Plans by State, 2006-2013

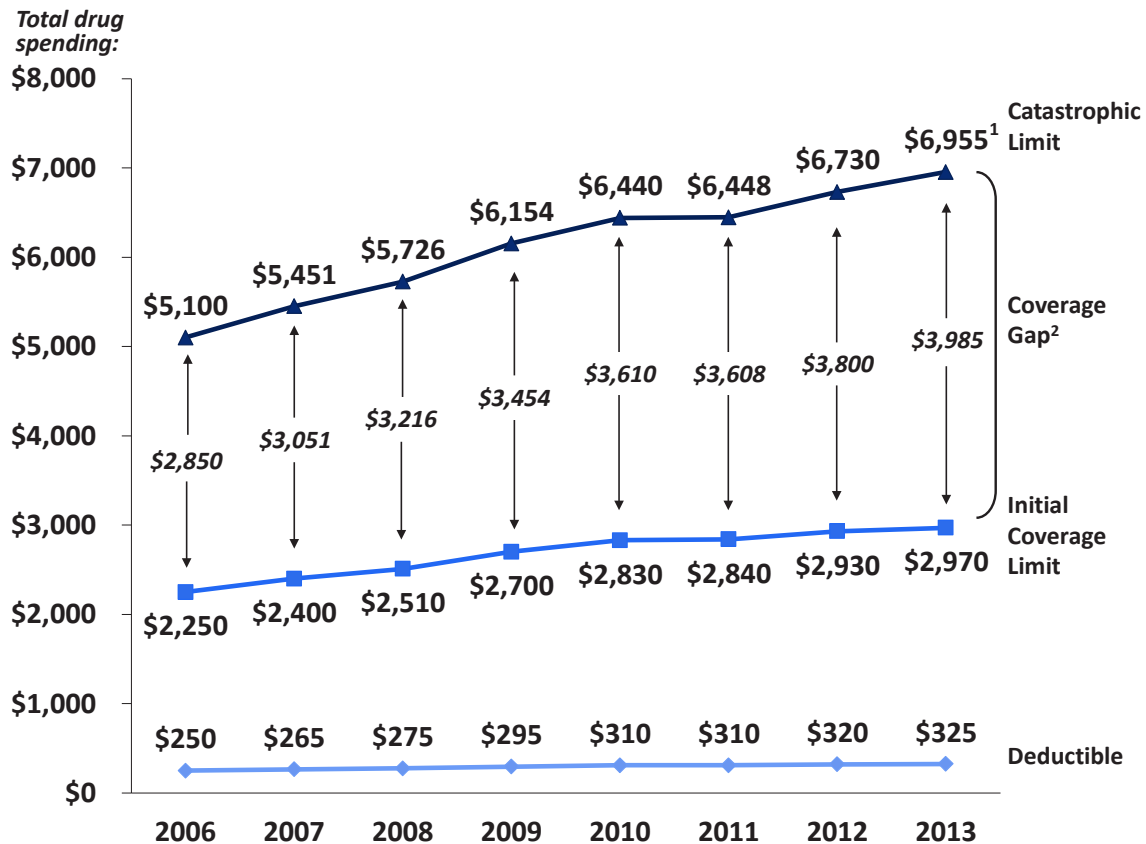
STATE	Number of PDPs With No Coverage in the Gap*								Number of PDPs Below Low-Income Subsidy Benchmark							
	2006	2007	2008	2009	2010	2011	2012	2013	2006	2007	2008	2009	2010	2011	2012	2013
U.S. TOTAL	1,208	1,328	1,295	1,273	1,268	744	771	684	409	640	495	308	307	332	327	331
Alabama	35	39	38	38	37	24	24	22	9	17	15	12	9	11	12	13
Alaska	22	33	33	34	34	20	19	16	8	17	15	7	6	5	4	7
Arizona	37	38	36	37	38	21	23	19	6	10	7	2	8	9	10	10
Arkansas	34	40	39	39	39	23	22	21	13	23	18	12	15	17	15	15
California	40	41	41	39	38	22	23	21	10	14	9	6	7	5	6	6
Colorado	36	40	39	40	39	21	21	19	10	19	12	8	6	7	5	4
Connecticut	37	36	36	35	38	23	23	20	11	20	14	12	13	12	10	6
Delaware	41	39	37	36	36	22	23	20	15	21	18	11	11	12	13	13
District of Columbia	41	39	37	36	36	22	23	20	15	21	18	11	11	12	13	13
Florida	35	41	40	39	39	21	23	21	6	10	8	5	5	4	3	2
Georgia	35	39	39	38	36	21	22	19	14	21	18	11	8	14	12	13
Hawaii	24	34	34	35	32	19	19	16	8	18	10	5	7	6	10	10
Idaho	38	40	39	39	39	24	26	23	14	20	14	9	9	11	12	10
Illinois	36	40	38	37	37	23	24	21	15	23	19	12	10	10	10	10
Indiana	35	37	37	36	35	21	22	19	13	19	17	12	9	14	13	11
Iowa	34	38	36	36	37	22	24	21	14	20	16	9	8	10	9	8
Kansas	33	37	37	36	37	22	23	20	11	20	17	10	9	12	10	10
Kentucky	35	37	37	36	35	21	22	19	13	19	17	12	9	14	13	11
Louisiana	33	37	36	36	37	22	23	21	11	12	10	7	13	10	12	14
Maine	35	37	37	34	35	20	21	18	14	21	18	5	4	7	8	10
Maryland	41	39	37	36	36	22	23	20	15	21	18	11	11	12	13	13
Massachusetts	37	36	36	35	38	23	23	20	11	20	14	12	13	12	10	6
Michigan	34	39	39	38	37	24	25	22	14	26	17	11	9	12	12	10
Minnesota	34	38	36	36	37	22	24	21	14	20	16	9	8	10	9	8
Mississippi	32	37	35	36	37	22	23	20	12	21	15	13	10	14	12	13
Missouri	34	37	37	36	36	21	22	20	10	15	13	6	13	5	8	8
Montana	34	38	36	36	37	22	24	21	14	20	16	9	8	10	9	8
Nebraska	34	38	36	36	37	22	24	21	14	20	16	9	8	10	9	8
Nevada	37	38	38	37	38	21	22	19	7	9	5	1	5	4	2	2
New Hampshire	35	37	37	34	35	20	21	18	14	21	18	5	4	7	8	10
New Jersey	38	40	39	39	37	22	23	20	14	20	18	7	6	6	9	10
New Mexico	37	40	39	38	39	22	23	20	8	14	11	7	8	8	6	7
New York	40	44	40	39	41	23	22	20	15	16	15	9	11	11	12	12
North Carolina	31	36	36	36	37	22	22	20	13	21	17	11	8	11	9	8
North Dakota	34	38	36	36	37	22	24	21	14	20	16	9	8	10	9	8
Ohio	36	43	41	37	37	22	23	20	10	22	15	6	5	8	8	8
Oklahoma	35	40	37	37	37	22	23	21	12	20	13	8	10	10	9	11
Oregon	39	40	38	36	35	21	23	21	15	20	15	7	9	8	9	10
Pennsylvania	44	47	46	44	44	25	25	23	15	26	18	9	11	12	12	14
Rhode Island	37	36	36	35	38	23	23	20	11	20	14	12	13	12	10	6
South Carolina	39	43	41	41	38	23	24	21	16	26	20	15	13	15	12	14
South Dakota	34	38	36	36	37	22	24	21	14	20	16	9	8	10	9	8
Tennessee	35	39	38	38	37	24	24	22	9	17	15	12	9	11	12	13
Texas	41	43	40	40	40	22	24	21	16	19	15	14	11	12	13	12
Utah	38	40	39	39	39	24	26	23	14	20	14	9	9	11	12	10
Vermont	37	36	36	35	38	23	23	20	11	20	14	12	13	12	10	6
Virginia	35	37	37	36	35	21	22	20	16	21	17	13	11	10	10	10
Washington	39	40	38	36	35	21	23	21	15	20	15	7	9	8	9	10
West Virginia	44	47	46	44	44	25	25	23	15	26	18	9	11	12	12	14
Wisconsin	36	38	40	39	37	20	20	19	14	21	16	16	10	10	10	10
Wyoming	34	38	36	36	37	22	24	21	14	20	16	9	8	10	9	8
TERRITORY																
American Samoa	1	2	3	3	2	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Guam	1	2	3	3	2	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Northern Mariana Islands	1	2	3	3	2	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Puerto Rico	9	21	22	22	21	11	13	11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Virgin Islands	4	4	5	5	4	3	3	1	N/A	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, 2006-2013.

NOTES: *Beginning in 2011, Part D plans are required to offer additional coverage of drug costs in the coverage gap (a provision in the Patient Protection and Affordable Care Act of 2010). In 2013, beneficiaries will receive a 50% price discount and a 2.5% payment by plans toward the cost of brand-name drugs and 21% plan payment toward the cost of generic drugs. By 2020, the coverage gap will be phased out and beneficiaries will be responsible for 25% of their total drug costs prior to qualifying for catastrophic coverage.

N/A: Benchmark plans are not designated in the territories because low-income beneficiaries residing in the territories are not eligible for the LIS.

Appendix 2
Medicare Part D Standard Benefit Parameters, 2006-2013



NOTES: Estimates are rounded to nearest whole dollar. ¹Amount corresponds to the estimated catastrophic coverage limit for non-low-income subsidy enrollees (\$6,734 for LIS enrollees), which corresponds to True Out-of-Pocket (TrOOP) spending of \$4,750 (the amount used to determine when an enrollee reaches the catastrophic coverage threshold). ²In 2013, the coverage gap is partially filled by a 50% price discount and 2.5% plan payment for brand-name drugs and 21% plan payment for generic drugs, as required by the ACA.
 SOURCE: Kaiser Family Foundation analysis of data from the Centers for Medicare & Medicaid Services.

ENDNOTES

¹ Centers for Medicare and Medicaid Services, “Medicare Advantage remains strong,” September 19, 2012; 2013 PDP, MA, and SNP Landscape Source Files and related files are available at <http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/>.

² This count includes employer-only plans, as well as plans offered in the territories. The analysis reported in the remainder of the spotlight excludes employer-only plans and plans in the territories.

³ Other Medicare Part D Data Spotlights from 2008 to 2012, based on the authors’ analysis of CMS data, are available at <http://www.kff.org/medicare/rxdrugbenefits/partddataspotlights.cfm>.

⁴ Based on analysis using the CMS 2013 Part D Crosswalk file.

⁵ See Jack Hoadley et al, “Analysis of Medicare Prescription Drug Plans in 2012 and Key Trends Since 2006,” Kaiser Family Foundation (September 2012), available at <http://www.kff.org/medicare/8357.cfm>.

⁶ Centers for Medicare & Medicaid Services, “Annual Release of Part D National Average Bid Amount and other Part C & D Bid Related Information,” August 6, 2012.

⁷ Kaiser Family Foundation, “Income-Relating Medicare Part B and Part D Premiums Under Current Law and Recent Proposals: What are the Implications for Beneficiaries?” February 2012, available at <http://www.kff.org/medicare/8276.cfm>.

⁸ This amount corresponds to the estimated catastrophic coverage limit for non-low-income subsidy enrollees (\$6,734 for LIS enrollees), which corresponds to True Out-of-Pocket (TrOOP) spending of \$4,750 (the amount used to determine when an enrollee reaches the catastrophic coverage threshold).

⁹ Plans qualifying through the de minimis policy are eligible for new enrollees, but will not receive auto-assigned enrollees.

¹⁰ 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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