

## TRACKING MEDICARE HEALTH AND PRESCRIPTION DRUG PLANS

### Monthly Report for January 2010

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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: January 2010	Change From Previous Month*	Same Month Last Year	
			January 2009	Change From January 2009- 2010
<b>Enrollment</b>				
<b>Total Stand-Alone Prescription Drug Plans (PDPs):</b>	17,664,256	+70,195	17,447,201	+217,055
Individual	16,651,163	+12,013	16,561,280	+89,883
Group**	1,013,093	+58,182	885,921	+127,172
<b>Total Medicare Advantage (MA)</b>	10,981,480	-321,264	10,446,965	+534,515
Individual	8,983,349	-301,410	8,568,608	+414,741
Group	1,998,131	-19,854	1,878,357	+119,774
Medicare Advantage-Prescription Drug (MA-PD)	9,482,898	-188,889	8,803,518	+679,380
Medicare Advantage (MA) only	1,498,582	-132,375	1,643,447	-144,865
<b>Medicare Advantage (MA) by Type</b>				
MA Local Coordinated Care Plans** *	8,236,434	+225,597	7,395,579	+840,855
Health Maintenance Organizations (HMOs)	7,058,180	+54,762	6,606,247	+451,933
Provider Sponsored Organizations (PSOs)	18,826	+1,537	13,013	+5,813
Preferred Provider Organizations (PPOs)	1,159,413	+169,332	776,277	+383,136
Regional Preferred Provider Organizations (PPO)	689,432	+242,187	338,529	+350,903
Medical Savings Account (MSA)	509	-2,926	1,357	-848
Private Fee For Service (PFFS)	1,640,823	-807,629	2,320,381	-679,558
Individual	1,236,310	-453,206	1,621,437	-385,127
Group and RFB****	404,513	-354,423	698,944	-294,431
Cost	302,369	+8,090	273,880	+28,489
Pilot*****	9,852	-68	25,560	-15,708
Other*****	88,494	-82	91,679	-3,185
<b>General vs Special Needs Plans*****</b>				
Special Needs Plan Enrollees	1,267,419	-127,769	1,300,923	-33,504
Dual-Eligibles	930,871	-41,676	907,493	+23,378
Institutional	101,368	-12,642	125,549	-24,181
Chronic or Disabling	235,180	-73,451	267,881	-32,701
Other Medicare Advantage Plan Enrollees	9,714,061	-193,495	9,146,042	+568,019
<b>Penetration (as percent beneficiaries)*****</b>				
Prescription Drug Plans (PDPs)	39.9%	No Change	39.1%	+0.8% points
Medicare Advantage Plans (MA)	24.3%	-0.7% points	23.1%	+1.2% points
Medicare Advantage-Prescription Drug Plans (MA-PDs)	21.5%	No Change	19.5%	+2.0% points
Local Health Maintenance Organizations (HMOs),	15.7%	+0.2% points	14.6%	+1.1% points
Local Preferred Provider Organizations (PPOs)	2.6%	+0.4% points	1.7%	+0.9% points
Private Fee For Service (PFFS)	3.6%	-1.8% points	5.1%	-1.5% points

January 2010 data is from the 1.7.10 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 December 2009 data is from data released by CMS on 12.28.09 also on its website

\*\*The breakdown by Group includes Employer/Union Only Direct Contract PDP (151,077)

\*\*\*The data for the breakdown of MA Local Coordinated Care Plans is from the 1.7.10 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 (13,567)

\*\*\*\*\*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 January is from the SNP Enrollment Comprehensive Monthly Report released by CMS on 1.7.10 and includes counts of 10 or less. (See: (<http://www.cms.hhs.gov/MCRAAdvPartDenrolData/>).

\*\*\*\*\*Penetration for January and December 2009 as well as December 2008 is calculated using the number of eligible beneficiaries reported in the August 2008 MA State/County Penetration 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 January:

Plan Participation, by type	CURRENT MONTH: JANUARY 2010*	SAME MONTH LAST YEAR	
		JANUARY 2009	CHANGE FROM JANUARY 2009– 2010
<b>MA Contracts</b>			
Total	698	745	-47
Local Coordinated Care Plan	511	545	-34
Health Maintenance Organizations (HMOs)	368	375	-7
Preferred Provider Organizations (PPOs) (Includes Physician Sponsored Organizations (PSOs))	141	170	-29
Regional Preferred Provider Organizations (rPPOs)	13	14	-1
Private Fee For Service (PFFS)	49	71	-22
General	47	69	-22
Employee Direct	2	2	0
Cost	22	22	0
Medicare Savings Account (MSA)	1	2	-1
Special Needs Plans	360	415	-55
Dual-Eligible	223	252	-29
Institutional	50	63	-13
Chronic or Disabling Condition	87	100	-13
Other**	99	91	+8

\*Contract counts for January 2010 are from the 1.7.10 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**

- CMS's most recent enrollment report (used for the summary table) provides initial information on January 2010 MA and MA-PD enrollment. Though these data show a decline in some forms of MA enrollment, readers should be cautious in drawing conclusions from these early reports. The data do not include enrollments after December 11, 2009. Also, historically it takes several months into a new year before stable enrollment information is available to gauge changes in enrollment resulting from the transition in available plans and benefit packages from one year to the next. (<http://www.cms.hhs.gov/MCRAAdvPartDENrolData/>)

### **Relevant to Medicare Advantage**

- CMS has released the final 2011 Medicare Advantage application for all new applicants and existing MA contractors seeking to expand a service area in 2011. The due date for MA application is February 25, 2010. All bids are due to CMS on June 7, 2010. A more detailed timeline as well as other information on the process (including: 1: technical support information, 2: detailed information on the Health Plan Management System (HPMS)-the primary information collection vehicle that applicants must use for the application process and bid submission and 3: bid submission and training information among other items). This information is available on CMS's website at: <http://www.cms.gov/MedicareAdvantageApps/>
  - CMS also released final instructions for completing the CMS Health Service Delivery (HSD) tables. All applicants offering MA product-types that rely on contracted-networks (with the exception of 2011 SNP applications which CMS will continue to be handled manually) must demonstrate network adequacy through submission of network information captured on HSD tables. The instructions include information on specialty codes for providers and MA facilities among other specific column requirements for the tables. This information is available at the above website as well (<http://www.cms.gov/MedicareAdvantageApps/>).

### **Relevant to Prescription Drug Plans**

- CMS recently released an updated report on Medicare Part D reporting requirements effective January 1, 2010. As part of the Medicare Prescription Drug Benefit, Improvement and Modernization Act (MMA) of 2003, Part D sponsors have to have effective procedures to provide data on various items including: 1) its cost of operations; 2) patterns of utilization of its services and 3) the availability, accessibility, and acceptability of its services among other requirements. The report provides detail on these various requirements including the reporting periods/timelines, due dates and guidance for each of the data elements required. This information is available at: [http://www.cms.hhs.gov/PrescriptionDrugCovContra/08\\_RxContracting\\_ReportingOversight.asp#TopOfPage](http://www.cms.hhs.gov/PrescriptionDrugCovContra/08_RxContracting_ReportingOversight.asp#TopOfPage)

**Of General Interest**

- None

**Relevant to Special Needs Plans Specifically**

- None

**Other**

- None