

## TRACKING MEDICARE HEALTH AND PRESCRIPTION DRUG PLANS Monthly Report for March 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:<br>March 2010 | Change From Previous Month* | Same Month Last Year |                              |
|---|------------------------------|-----------------------------|----------------------|------------------------------|
|   |                              |                             | March 2009           | Change From March 2009- 2010 |
| <b>Enrollment</b>   |                              |                             |                      |                              |
| <b>Total Stand-Alone Prescription Drug Plans (PDPs):</b>  | 17,734,678                   | +16,164                     | 17,486,846           | +247,832                     |
| Individual  | 16,694,847                   | +12,222                     | 16,583,903           | +110,944                     |
| Group**   | 1,039,831                    | +3,942                      | 902,943              | +136,888                     |
| <b>Total Medicare Advantage (MA)</b>  | 11,469,733                   | +85,849                     | 10,861,495           | +608,238                     |
| Individual  | 9,437,188                    | +73,649                     | 8,930,547            | +506,641                     |
| Group   | 2,032,545                    | +12,200                     | 1,930,948            | +101,597                     |
| Medicare Advantage-Prescription Drug (MA-PD)  | 9,934,626                    | +76,204                     | 9,215,211            | +719,415                     |
| Medicare Advantage (MA) only  | 1,535,107                    | +9,645                      | 1,646,284            | -111,177                     |
| <b>Medicare Advantage (MA) by Type</b>  |                              |                             |                      |                              |
| MA Local Coordinated Care Plans** *   | 8,596,183                    | +62,023                     | 7,683,781            | +912,402                     |
| Health Maintenance Organizations (HMOs)   | 7,268,462                    | +39,359                     | 6,786,652            | +481,810                     |
| Provider Sponsored Organizations (PSOs)   | 23,770                       | +966                        | 14,396               | +9,374                       |
| Preferred Provider Organizations (PPOs)   | 1,303,938                    | +21,696                     | 882,686              | +421,252                     |
| Regional Preferred Provider Organizations (PPO)   | 776,144                      | +15,858                     | 388,903              | +387,241                     |
| Medical Savings Account (MSA)   | 599                          | +7                          | 3,295                | -2,696                       |
| Private Fee For Service (PFFS)  | 1,675,407                    | +5,309                      | 2,385,902            | -710,495                     |
| Individual  | 1,264,452                    | +3,275                      | 1,657,075            | -392,623                     |
| Group and RFB****   | 410,221                      | +1,300                      | 728,827              | -318,606                     |
| Cost  | 322,651                      | +2,223                      | 285,957              | +36,694                      |
| Pilot*****  | 10,425                       | +661                        | 23,072               | -12,647                      |
| Other*****  | 88,324                       | -232                        | 90,585               | -2,261                       |
| <b>General vs Special Needs Plans*****</b>  |                              |                             |                      |                              |
| Special Needs Plan Enrollees  | 1,277,320                    | +4,540                      | 1,300,971            | -23,651                      |
| Dual-Eligibles  | NA                           | 947,004                     | 915,689              | NA                           |
| Institutional   | NA                           | 99,683                      | 120,947              | NA                           |
| Chronic or Disabling  | NA                           | 226,093                     | 264,335              | NA                           |
| Other Medicare Advantage Plan Enrollees   | 10,192,413                   | +81,309                     | 9,560,524            | +631,889                     |
| <b>Penetration (as percent beneficiaries)*****</b>  |                              |                             |                      |                              |
| Prescription Drug Plans (PDPs)  | 38.0%                        | No Change                   | 38.8%                | -0.8% points                 |
| Medicare Advantage Plans (MA)   | 24.6%                        | +0.2% points                | 24.1%                | +0.5% points                 |
| Medicare Advantage-Prescription Drug Plans (MA-PDs)   | 21.3%                        | +0.1% point                 | 20.3%                | +1.3% points                 |
| Local Health Maintenance Organizations (HMOs),<br>Local Preferred Provider Organizations (PPOs) | 15.6%                        | +0.1% point                 | 15.0%                | +0.6% points                 |
| Private Fee For Service (PFFS)  | 2.8%                         | No Change                   | 2.0%                 | +0.8% points                 |
| Private Fee For Service (PFFS)  | 3.6%                         | No Change                   | 5.3%                 | -1.7% points                 |

March 2010 data is from the 3.01.10 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 February 2010 data is from data released by CMS on 2.02.10 also on its website

\*\*The breakdown by Group includes Employer/Union Only Direct Contract PDP (153,319)

\*\*\*The data for the breakdown of MA Local Coordinated Care Plans is from the 3.01.10 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 (13,734)

\*\*\*\*\*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 usually available from the SNP Enrollment Comprehensive Monthly Report released by CMS each month was not available for March(<http://www.cms.hhs.gov/MCRAAdvPartDENrolData/>). The total comes from the Monthly Summary Report instead.

\*\*\*\*\*Penetration for March and February 2010 is from the March 2010 State/County Penetration file. February 2009 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 March:**

| Plan Participation, by type  | CURRENT MONTH: MARCH 2010* | SAME MONTH LAST YEAR |                              |
|--|----------------------------|----------------------|------------------------------|
|  |                            | MARCH 2009           | CHANGE FROM MARCH 2009– 2010 |
| <b>MA Contracts</b>  |                            |                      |                              |
| Total  | 699                        | 747                  | -48                          |
| Local Coordinated Care Plan  | 511                        | 545                  | -34                          |
| Health Maintenance Organizations (HMOs)  | 368                        | 375                  | -7                           |
| Preferred Provider Organizations (PPOs)<br>(Includes Physician Sponsored Organizations (PSOs)) | 143                        | 170                  | -27                          |
| 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**  | 361                        | 415                  | -54                          |
| Dual-Eligible  | 224                        | 252                  | -28                          |
| Institutional  | 50                         | 63                   | -13                          |
| Chronic or Disabling Condition   | 87                         | 100                  | -13                          |
| Other***   | 100                        | 93                   | +7                           |

\*Contract counts for March 2010 are from the 3.01.10 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 is usually released on its website at: (<http://www.cms.hhs.gov/MCRAAdvPartDENrolData/>). SNP contract numbers were not available for March 2010 however. February 2010 numbers were used instead.

\*\*\*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 released a memorandum this month containing draft guidance on allowable usage of social networking sites by MA organizations, PDPs and cost contractors. CMS stated the purpose of putting forth such guidance is to level the playing field among plan sponsors as well as ensure the Medicare marketing guidelines are not violated and to ensure that beneficiary information is not at risk. Comments on the draft policy guidance could be submitted through March 12, 2010 and will be finalized into the 2011 Medicare Marketing Guidelines. This memorandum is at: <http://www.cms.hhs.gov/ManagedCareMarketing/Downloads/Socialnetworkmemo030410.pdf>
- CMS also released this month a memorandum summarizing the results of the online agent and broker training and testing pilot for 2010 and guidance for 2011. CMS stated that based on its review of the pilot which it deemed as a success, CMS is planning to move toward greater standardization of the annual required training for future years. More information is available in the memorandum which is available at: <http://www.cms.hhs.gov/ManagedCareMarketing/Downloads/2011AgentBrokerGuidance031210.pdf>

### **Relevant to Medicare Advantage**

- None

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

- CMS released a press release on March 9, 2010 stating it has ended its contract with Fox Insurance Company Drug Plan. Last month, CMS suspended all of its marketing and enrollment of new members but after an onsite review of the plan and its services, CMS stated it determined that the plan's failure to meet Medicare's requirements jeopardized the health and safety of its enrollees. Specifically, CMS found the plan improperly denied its enrollees drug coverage for HIV, cancer and seizure medications among other violations. This termination affects over 120,000 beneficiaries enrolled in 21 states including Pennsylvania and Texas. Until enrollees are able to choose a new plan, their drug coverage will be provided through the Medicare run program, LI-Net, which Humana administers. The press release is titled "Medicare Ends Contract with Fox Insurance Company Drug Plan: Members will be Provided Access to Drugs While Transitioning to New Plans." and is available at: [http://www.cms.hhs.gov/apps/media/press\\_releases.asp](http://www.cms.hhs.gov/apps/media/press_releases.asp)

**Of General Interest**

- Congress enacted the Patient Protection and Affordable Care Act of 2010 (PL 111-148), subsequently amended through the reconciliation process. While Medicare is not the main focus of the health reform legislation, the legislation contains provisions that modify Medicare (e.g. better coverage for preventive services, provider payment changes and review, incentives for care innovations), Part D (e.g. a phased effort to eliminate the “donut hole”) and Medicare Advantage (e.g. phased payment reductions and restructured rates, required medical loss ratio). Additional details are available at [www.kff.org](http://www.kff.org) in the Summary of the New Health Reform Law, March 26, 2010.

**Relevant to Special Needs Plans Specifically**

- None

**Other**

- None