

TRACKING MEDICARE HEALTH AND PRESCRIPTION DRUG PLANS Monthly Report for June 2009

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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: June 2009	Change From Previous Month*	Same Month Last Year	
			June 2008	Change From June 2008- 2009
Enrollment				
Total Stand-Alone Prescription Drug Plans (PDPs):	17,391,819	+14,182	17,335,048	+56,771
Individual	16,483,545	+13,437	16,457,218	+26,327
Group**	908,274	+745	877,830	+30,444
Total Medicare Advantage (MA)	11,085,491	+28,121	10,063,841	+1,021,650
Individual	9,133,722	+21,826	8,323,761	+809,961
Group	1,951,769	+6,295	1,740,080	+233,099
Medicare Advantage-Prescription Drug (MA-PD)	9,414,315	+32,496	8,345,171	+1,069,144
Medicare Advantage (MA) only	1,671,176	-4,375	1,718,670	-47,494
Medicare Advantage (MA) by Type				
MA Local Coordinated Care Plans** *	7,832,735	+20,704	7,068,824	+763,911
Health Maintenance Organizations (HMOs)	6,880,564	+11,804	6,402,842	+477,722
Provider Sponsored Organizations (PSOs)	15,850	+111	18,068	-2,218
Preferred Provider Organizations (PPOs)	936,283	+8,808	647,865	+288,418
Regional Preferred Provider Organizations (PPO)	422,930	+3,517	282,821	+140,109
Medical Savings Account (MSA)	3,393	+29	3,529	-136
Private Fee For Service (PFFS)	2,429,764	+4,088	2,263,271	+166,493
Individual	1,696,184	+1,182	1,662,728	+33,456
Group and RFB****	733,580	+2,906	600,543	+133,037
Cost	287,796	+522	271,788	+16,008
Pilot*****	20,522	-711	80,934	-60,412
Other*****	88,351	-28	92,674	-4,323
General vs Special Needs Plans*****				
Special Needs Plan Enrollees	1,318,676	+11,096	1,188,676	+130,000
Dual-Eligibles	929,304	+5,572	854,877	+74,427
Institutional	117,579	-703	133,581	-16,002
Chronic or Disabling	271,793	+6,227	200,218	+71,575
Other Medicare Advantage Plan Enrollees	9,766,815	+17,025	8,875,165	+891,650
Penetration (as percent beneficiaries)*****				
Prescription Drug Plans (PDPs)	39.6%	+0.1% point	39.5%	+0.1% point
Medicare Advantage Plans (MA)	24.6%	+0.1% point	22.7%	+1.9% points
Medicare Advantage-Prescription Drug Plans (MA-PDs)	20.9%	+0.1% point	18.8%	+2.1% points
Local Health Maintenance Organizations (HMOs), Local Preferred Provider Organizations (PPOs)	15.2%	No Change	14.4%	+0.8% points
Private Fee For Service (PFFS)	2.1%	No Change	1.4%	+0.7% points
Private Fee For Service (PFFS)	5.4%	No Change	5.1%	+0.3% points

June 2009 data is from the 6.15.09 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/MCRAdvPartDENrolData/>)

*The May 2009 data is from data released by CMS on 5.04.09 also on its website

**The breakdown by Group includes Employer/Union Only Direct Contract PDP (122,294)

***The data for the breakdown of MA Local Coordinated Care Plans is from the 6.15.09 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 (13,538) and one additional contract for RFB (152)

*****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 June is from the SNP Enrollment Comprehensive Monthly Report released by CMS on 6.15.09 and includes counts of 10 or less. (See: (<http://www.cms.hhs.gov/MCRAdvPartDENrolData/>).

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

Plan Participation, by type	CURRENT MONTH: JUNE 2009*	SAME MONTH LAST YEAR	
		JUNE 2008	CHANGE FROM JUNE 2008– 2009
MA Contracts			
Total	749	728	+21
Local Coordinated Care Plan	545	509	+36
Health Maintenance Organizations (HMOs)	375	368	+7
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**	94	81	+13

*Contract counts for June 2009 are from the 6.15.09 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/MCRAdvPartDENrolData/>)) and the SNP Comprehensive Monthly Report also released on its website at: ((<http://www.cms.hhs.gov/MCRAdvPartDENrolData/>))

**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 a draft Annual Notice of Change/Evidence of Coverage (ANOC/EOC) template for public comment. The draft template is for the CY 2010 and combines the notice of change/evidence of coverage models. CMS stated that it has made changes to this year's materials to make the materials more sensitive to beneficiary needs (by making clearer introductions and user-friendly content). CMS has also separated the document into separate sections for the various plan types (e.g. MA-only model; MA-PD model etc). These materials are relevant to current and applicant MA organizations; cost plans; prescription drug plans as well as health plan demonstrations. The draft ANOC/EOC template as well as an overview memo and the form/instructions for submitting comments are available at: http://www.cms.hhs.gov/ManagedCareMarketing/01_Overview.asp#TopOfPage

Relevant to Medicare Advantage

- None

Relevant to Prescription Drug Plans

- On June 9, 2009, CMS released a draft Model Part D Transition Letter for CY 2010 for comments through June 23, 2009. CMS stated in a memorandum that the changes to the transition letter for CY 2010 are nominal (and includes language regarding policy changes specifically for long-term care (LTC) facilities as well as optional notification language for emergency fills and level of care change-related fills). This information is available on CMS's website at: <https://www.cms.hhs.gov/PrescriptionDrugCovContra/HPMSGH/list.asp#TopOfPage>
- CMS also released the final 2010 Model Explanation of Benefits (EOB). The changes include a revised definition of the *Initial Coverage Period*, which CMS stated it has made clearer. CMS also updated a Drug List chart to allow plans to include alternative drugs in the chart. This information is available at: https://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/MemoEOBGuidanceModel_06.05.09.pdf
- New information on the Part D Prescription Drug Elements (PDE) data is available on ResDAC's website. CMS has scheduled the release of this data into three phases: Phase I includes a limited number of the data elements available for researchers through the data request process; Phase II includes availability of all 37 PDE data elements (see ResDAC's website below for a full list of these data elements). Phase III will include additional information such as plan, pharmacy and prescription characteristic files. ResDAC stated that CMS has set prices for the PDE available for the first two phases and interested researchers should contact ResDAC for more information: http://www.resdac.umn.edu/whats_new.asp#Partdrollout

Of General Interest

- None

Relevant to Special Needs Plans Specifically

- None