

# TRACKING MEDICARE HEALTH AND PRESCRIPTION DRUG PLANS

## Monthly Report for October 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: October 2009	Change From Previous Month*	Same Month Last Year	
			October 2008	Change From October 2008- 2009
<b>Enrollment</b>				
<b>Total Stand-Alone Prescription Drug Plans (PDPs):</b>	17,559,018	+28,556	17,438,716	+120,302
Individual	16,604,210	+27,307	16,544,011	+60,199
Group**	954,808	+1,249	894,705	+60,103
<b>Total Medicare Advantage (MA)</b>	11,265,635	+47,139	10,224,066	+1,041,569
Individual	9,256,263	+26,055	8,437,700	+818,563
Group	2,009,373	+21,085	1,786,366	+223,007
Medicare Advantage-Prescription Drug (MA-PD)	9,625,497	+50,011	8,555,016	+1,070,481
Medicare Advantage (MA) only	1,640,139	-2,871	1,669,050	-28,911
<b>Medicare Advantage (MA) by Type</b>				
MA Local Coordinated Care Plans** *	7,971,653	+33,457	7,220,849	+750,804
Health Maintenance Organizations (HMOs)	6,976,110	+25,376	6,513,662	+462,448
Provider Sponsored Organizations (PSOs)	16,630	+245	18,963	-2,333
Preferred Provider Organizations (PPOs)	978,866	+7,832	688,180	+290,686
Regional Preferred Provider Organizations (PPO)	438,468	+3,437	303,064	+135,404
Medical Savings Account (MSA)	3,478	-8	3,610	-132
Private Fee For Service (PFFS)	2,463,423	+8,865	2,299,745	+163,678
Individual	1,706,528	+974	1,685,268	+21,260
Group and RFB****	757,049	+8,045	614,477	+142,572
Cost	292,398	+994	276,206	+16,192
Pilot*****	7,430	+49	28,096	-20,666
Other*****	88,632	+192	92,496	-3,864
<b>General vs Special Needs Plans*****</b>				
Special Needs Plan Enrollees	1,373,834	+13,175	1,295,463	+78,371
Dual-Eligibles	959,469	+7,879	901,887	+57,582
Institutional	114,977	-523	130,820	-15,843
Chronic or Disabling	299,388	+5,819	262,756	+36,632
Other Medicare Advantage Plan Enrollees	9,891,801	+33,964	8,928,603	+963,198
<b>Penetration (as percent beneficiaries)*****</b>				
Prescription Drug Plans (PDPs)	39.9%	No Change	39.9%	No Change
Medicare Advantage Plans (MA)	25.0%	+0.1% point	22.7%	+2.3% points
Medicare Advantage-Prescription Drug Plans (MA-PDs)	21.3%	+0.1% point	18.9%	+2.4% points
Local Health Maintenance Organizations (HMOs), Local Preferred Provider Organizations (PPOs)	15.4% 2.1%	No Change No Change	14.5% 1.5%	+0.9% points +0.6% points
Private Fee For Service (PFFS)	5.4%	No Change	5.1%	+0.3% points

October 2009 data is from the 10.15.09 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/MCRAAdvPartDenrolData/>)

\*The September 2009 data is from data released by CMS on 9.08.09 also on its website

\*\*The breakdown by Group includes Employer/Union Only Direct Contract PDP (123,589)

\*\*\*The data for the breakdown of MA Local Coordinated Care Plans is from the 10.15.09 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 (13,670) and RFB-PFFS (154)

\*\*\*\*\*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 October is from the SNP Enrollment Comprehensive Monthly Report released by CMS on 10.15.09 and includes counts of 10 or less. (See: (<http://www.cms.hhs.gov/MCRAAdvPartDenrolData/>).

\*\*\*\*\*Penetration for October and September 2009 as well as October 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 October:**

Plan Participation, by type	CURRENT MONTH: OCTOBER 2009*	SAME MONTH LAST YEAR	
		OCTOBER 2008	CHANGE FROM OCTOBER 2008– 2009
<b>MA Contracts</b>			
Total	754	735	+19
Local Coordinated Care Plan	545	510	+35
Health Maintenance Organizations (HMOs)	375	369	+6
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**	99	87	+12

\*Contract counts for October 2009 are from the 10.15.09 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/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 issued a proposed new rule for Medicare Advantage and Prescription Drug plans this month. The rule is entitled “Policy and Technical Changes to the Medicare Advantage and the Medicare Prescription Drug Benefit Programs for Contract Year 2011 and Subsequent Contract Years.” It is available for comment through December 8, 2009 at: <http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/CMS4085P.pdf>.
  - Specifically, CMS states that the proposed revisions are to: 1) clarify various program participation requirements (i.e. including that both Medicare Advantage plans and PDPs will be required to pay for data collection by an independent contractor to conduct the Consumer Assessment of Health Plans (CAHPS) satisfaction survey); 2) strengthen beneficiary protections (for example, by designing cost-sharing provisions in a way that is intended to keep plans from discriminating against sicker beneficiaries); 3) ensure that plan offerings to beneficiaries include “meaningful differences” (i.e. plans will be required to eliminate offerings of multiple plans that lack “meaningful differences” in terms of premiums, out-of-pocket costs etc in order to reduce beneficiary confusion over plan choice); 4) improve plan payment rules and processes; and 5) implement new policy such as a Part D formulary policy. (This requires Part D plans to now collect other information on prescription drugs in addition to payment related data already collected).
- CMS released the 2010 Medicare Plan Finder on October 22, 2009. The plan finder allows beneficiaries to search personalized information about drug plans and health plans (with and without drug coverage) as well as original Medicare and Medigap policies by zip codes. The plan finder is available on CMS’s website at: [http://www.cms.hhs.gov/Partnerships/22\\_MY.asp](http://www.cms.hhs.gov/Partnerships/22_MY.asp). As with previous years, researchers can download the file as a Microsoft Access database or as a .CSV file. These files are available at: <http://www.medicare.gov/Download/DownloadDB.asp> (to get the plan finder, select “MOC 2010 Medicare Advantage Data.”)
- As reported last month, on October 1, 2009, CMS released information on available free-standing prescription drug plans and Medicare Advantage plans in 2010 (“Robust Medicare Health and Drug Plan Coverage Continues in 2010; Beneficiary Protections Strengthened” [http://www.cms.hhs.gov/apps/media/press\\_releases.asp](http://www.cms.hhs.gov/apps/media/press_releases.asp)) and also the 2010 Landscape Source files. This includes three files containing state/county level information. Please see last month’s report for more detailed information. This information is also available on CMS’s website as well at: <http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/>

### Relevant to Medicare Advantage

- None

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

- None

### **Of General Interest**

- CMS released the 2010 *Medicare and You* handbook this month. It is available on CMS's website at: <http://www.medicare.gov/Publications/Pubs/pdf/10050.pdf>. This handbook (also available in Spanish) includes basic information on what is covered under Medicare including Medicare Advantage and prescription drug plan information as well as information on the limited income subsidy. It is mailed out to all beneficiaries each year in mid-October (there are 61 geographic specific versions with drug and health plan comparison charts for particular states or regions).
- CMS released a press release on October 16, 2009 announcing the Part A and B Medicare premiums and deductibles for 2010. The Part B monthly premiums for 2010 is increasing from \$96.40 to \$110.50, however, the Part B premiums for the majority of beneficiaries (73 percent) will not increase due to the "hold harmless" provision in the current law. Beneficiaries that will be affected by the increase include new enrollees and those subject to the income-related additional premium amount among others. In addition, the Part B deductible was increased from \$110 to \$155. The Part A deductible increased by \$32 from \$1,068 to \$1,100 for 2010. While the majority (approximately 99 percent) of Medicare beneficiaries do not pay a premium for Part A (because at least 40 percent is covered by their employment), the premium increased by \$18 to \$461. See [http://www.cms.hhs.gov/apps/media/fact\\_sheets.asp](http://www.cms.hhs.gov/apps/media/fact_sheets.asp)

### **Relevant to Special Needs Plans Specifically**

- None