

## TRACKING MEDICARE HEALTH AND PRESCRIPTION DRUG PLANS

### Monthly Report for September 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: September 2009	Change From Previous Month*	Same Month Last Year	
			September 2008	Change From September 2008- 2009
<b>Enrollment</b>				
<b>Total Stand-Alone Prescription Drug Plans (PDPs):</b>	17,530,462	+23,426	17,418,390	+112,072
Individual	16,576,903	+24,676	16,525,846	+51,057
Group**	953,559	-1,250	892,544	+61,015
<b>Total Medicare Advantage (MA)</b>	11,218,496	+27,259	10,173,305	+1,045,191
Individual	9,230,208	+18,974	8,396,696	+833,512
Group	1,988,288	+8,285	1,776,609	+211,679
Medicare Advantage-Prescription Drug (MA-PD)	9,575,486	+43,935	8,501,535	1,073,951
Medicare Advantage (MA) only	1,643,010	-16,676	1,671,770	-28,760
<b>Medicare Advantage (MA) by Type</b>				
MA Local Coordinated Care Plans** *	7,938,196	+30,184	7,184,148	+754,048
Health Maintenance Organizations (HMOs)	6,950,734	+19,385	6,486,483	+464,251
Provider Sponsored Organizations (PSOs)	16,385	+142	18,685	-2,300
Preferred Provider Organizations (PPOs)	971,034	+10,656	678,937	+292,097
Regional Preferred Provider Organizations (PPO)	435,031	+4,069	297,688	+137,343
Medical Savings Account (MSA)	3,486	+9	3,584	-98
Private Fee For Service (PFFS)	2,454,558	+3,124	2,290,955	+163,603
Individual	1,705,554	+319	1,680,494	+25,060
Group and RFB****	749,004	+2805	610,461	+138,543
Cost	291,404	+1,156	274,521	+16,883
Pilot*****	7,381	-11,269	29,892	-22,511
Other*****	88,440	-14	92,517	-4,077
<b>General vs Special Needs Plans*****</b>				
Special Needs Plan Enrollees	1,360,659	+13,782	1,267,025	+93,634
Dual-Eligibles	951,590	+7,003	889,809	+61,781
Institutional	115,500	-900	131,468	-15,968
Chronic or Disabling	293,569	+7,679	245,748	+47,821
Other Medicare Advantage Plan Enrollees	9,857,837	+13,477	8,906,280	+951,557
<b>Penetration (as percent beneficiaries)*****</b>				
Prescription Drug Plans (PDPs)	39.9%	+0.1% point	39.9%	No Change
Medicare Advantage Plans (MA)	24.9%	+0.1% point	22.6%	+2.3% points
Medicare Advantage-Prescription Drug Plans (MA-PDs)	21.2%	+0.1% point	18.8%	+2.4% points
Local Health Maintenance Organizations (HMOs), Local Preferred Provider Organizations (PPOs)	15.4%	No Change	14.4%	+1.0% points
Private Fee For Service (PFFS)	2.1%	No Change	1.5%	+0.6% points
Private Fee For Service (PFFS)	5.4%	No Change	5.1%	+0.3% points

September 2009 data is from the 9.08.09 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 August 2009 data is from data released by CMS on 8.21.09 also on its website

\*\*The breakdown by Group includes Employer/Union Only Direct Contract PDP (123,355)

\*\*\*The data for the breakdown of MA Local Coordinated Care Plans is from the 9.8.09 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 (13,667) 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 September is from the SNP Enrollment Comprehensive Monthly Report released by CMS on 9.08.09 and includes counts of 10 or less. (See: (<http://www.cms.hhs.gov/MCRAAdvPartDenrolData/>).

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

Plan Participation, by type	CURRENT MONTH: SEPTEMBER 2009*	SAME MONTH LAST YEAR	
		SEPTEMBER 2008	CHANGE FROM SEPTEMBER 2008– 2009
<b>MA Contracts</b>			
Total	753	735	+18
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**	98	87	+11

\*Contract counts for September 2009 are from the 9.08.09 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

- 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”). The release indicates that 1.5 percent of all Medicare beneficiaries (and 7 percent of MA enrollees) will need to choose a new plan in 2010. Most of these are in PFFS plans in companies that exited the program, they said though some were in plans eliminated through consolidation of plans with fewer than 100 enrollees or other characteristics. CMS indicates that current MA premiums will rise to \$39 per month, with 87 percent of beneficiaries having access to a zero premium plan. Free-standing PDP plans, they said, will average \$30, which is a \$2 different from 2009. This press release is available at: [http://www.cms.hhs.gov/apps/media/press\\_releases.asp](http://www.cms.hhs.gov/apps/media/press_releases.asp)
- On October 1, 2009, CMS also posted the 2010 Landscape Source files. This includes three files containing state/county level information by company and plan name for:
  - 1) 2010 Medicare Advantage Plans (including information on type of plan for MA plans (e.g. HMO, PPO, etc), monthly consolidated premiums, as well as annual drug deductible, drug benefit type, type of extra coverage offered in the gap (for MA plans offering drug coverage), and contract, plan and segment IDs;
  - 2) 2010 MA SNP plans (see below for more detail) and
  - 3) 2010 Medicare Part D Stand-Alone Prescription Drug Plans (including benefit type, whether there is \$0 premium with full LIS, monthly drug premium, annual drug deduction, type of extra coverage offered in the gap and contract and plan ID). These files are available on CMS’s website at: <http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/>
- On September 21, 2009, CMS released a press release titled “Medicare Issues New Guidance to Insurance Companies on Medicare Mailings: Guidance Comes After Humana Distributed Potentially Misleading Materials.” The press release stated that Humana may have distributed items that are in violation of the Medicare rules when it sent a letter to beneficiaries urging enrollees to contact their congressional representatives to protest certain actions related to the current health care reform legislation. CMS stated it has asked Humana as well as other MA and PDP plans to end similar mailings until CMS can determine if Humana inappropriately used the lists of Medicare enrollees for unauthorized purposes. This press release is available on CMS’s website at: [http://www.cms.hhs.gov/apps/media/press\\_releases.asp](http://www.cms.hhs.gov/apps/media/press_releases.asp)
- CMS released a memorandum this month for all Medicare Advantage and Prescription Drug Plans titled: “CY 2010 Medicare Advantage and Prescription Drug Readiness Checklist.” The checklist summarizes the key operational requirements of all organizations for the CY 2010 open enrollment (including systems and data requirements as well as for Prescription Drug Event data reporting). CMS requires organizations to

perform their own audit of the requirements. However, CMS also provides a timeline to all organizations for reporting back to CMS that they have meet the requirements. The checklist is available on CMS's website at: [http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/MemoCY2010ReadinessChecklist\\_09.15.09.pdf](http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/MemoCY2010ReadinessChecklist_09.15.09.pdf)

### **Relevant to Medicare Advantage**

- None

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

- With the release of the landscape files, CMS released information on the 2010 Medicare Part D National stand-alone prescription drug plans. There are 12 companies offering stand-alone plans as of September 3,2009 including 1) Aetna, 2) Cigna, 3) Coventry, 4) CVS Caremark Corporation, 5) Health Net, Inc; 6) HealthSpring; 7) Humana; 8) Medco Health Solutions; 9) Torchmark Corporation; 10) UnitedHealth Group; 11) Universal American Corporation; and 12) Wellpoint, Inc. There are no organizations offering LIS plans nationally and there are no new national plan sponsors for 2010. Three organizations that were national in 2009 are no longer offered nationally in 2010: 1) Envision Insurance Company; 2) Munich American Holding Corporation (Sterling Life Insurance Company) and 3) Wellcare. In addition, CMS states in its fact sheet that Longs Drug Stores Corporation is no longer listed separately because its PDP line of business was purchased by CVS Caremark. This information is available at: <http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/>
- This month, CMS released a corrected final 2010 model transition letter. The changes are minor and involve clarifying language regarding long term care policy and emergency prescription drug refills. The letter is available on CMS's website at: <http://www.cms.hhs.gov/PrescriptionDrugCovContra/PartDMMM/list.asp#TopOfPage>

### **Of General Interest**

- None

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

- With the release of the 2010 CMS Landscape files, CMS included a file for 2010 MA SNP plans at the state/county level. This includes organization name, plan name, type of Medicare Health Plan (e.g. HMO, PPO etc), type of SNP (e.g. dual-eligible, chronic or disabling condition or institutional), monthly consolidated premium (includes Part C and D), annual drug deductible, drug benefit type, whether there is extra coverage offered in the gap (and what type), drug benefit type, demo information, and contract and plan ID. This data file is at: <http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/>