

TRACKING MEDICARE HEALTH AND PRESCRIPTION DRUG PLANS

Monthly Report for December 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: December 2009	Change From Previous Month*	Same Month Last Year	
			December 2008	Change From December 2008- 2009
Enrollment				
Total Stand-Alone Prescription Drug Plans (PDPs):	17,594,061	+8,120	17,484,612	+109,449
Individual	16,639,150	+8,673	16,587,224	+51,926
Group**	954,911	-553	897,388	+57,523
Total Medicare Advantage (MA)	11,302,744	+14,258	10,283,076	+1,019,668
Individual	9,284,759	+10,583	8,484,926	+799,833
Group	2,017,985	+3,675	1,798,150	+219,835
Medicare Advantage-Prescription Drug (MA-PD)	9,671,787	+24,973	8,618,617	+1,053,170
Medicare Advantage (MA) only	1,630,957	-10,715	1,664,459	-33,502
Medicare Advantage (MA) by Type				
MA Local Coordinated Care Plans** *	8,010,837	+18,236	7,261,299	+749,538
Health Maintenance Organizations (HMOs)	7,003,418	+13,196	6,539,754	+463,664
Provider Sponsored Organizations (PSOs)	17,289	+338	19,860	-2,571
Preferred Provider Organizations (PPOs)	990,081	+4,700	701,653	+288,428
Regional Preferred Provider Organizations (PPO)	447,245	+5,514	313,755	+133,490
Medical Savings Account (MSA)	3,435	-26	3,613	-178
Private Fee For Service (PFFS)	2,448,452	+5,329	2,308,012	+140,440
Individual	1,689,516	-8,948	1,689,063	+453
Group and RFB****	758,936	+14,277	618,949	+139,987
Cost	294,279	+919	277,245	+17,034
Pilot*****	9,920	-1938	26,644	-16,724
Other*****	88,576	-81	92,508	-3,932
General vs Special Needs Plans*****				
Special Needs Plan Enrollees	1,395,188	+9,167	1,323,132	+72,056
Dual-Eligibles	972,547	+5,765	911,950	+60,597
Institutional	114,010	-3,480	127,776	-13,766
Chronic or Disabling	308,631	+3,882	283,406	+25,225
Other Medicare Advantage Plan Enrollees	9,907,556	+5,091	8,959,944	+947,612
Penetration (as percent beneficiaries)*****				
Prescription Drug Plans (PDPs)	39.9%	No Change	39.1%	+0.8% points
Medicare Advantage Plans (MA)	25.0%	No Change	22.8%	+2.2% points
Medicare Advantage-Prescription Drug Plans (MA-PDs)	21.5%	+0.1% point	19.1%	+2.4% points
Local Health Maintenance Organizations (HMOs), Local Preferred Provider Organizations (PPOs)	15.5%	No Change	14.5%	+1.0% points
Private Fee For Service (PFFS)	2.2%	No Change	1.6%	+0.6% points
Private Fee For Service (PFFS)	5.4%	No Change	5.1%	+0.3% points

December 2009 data is from the 12.28.09 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 November 2009 data is from data released by CMS on 11.2.09 also on its website

**The breakdown by Group includes Employer/Union Only Direct Contract PDP (123,890)

***The data for the breakdown of MA Local Coordinated Care Plans is from the 12.28.09 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 (13,693) and RFB-PFFS (155)

*****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 December is from the SNP Enrollment Comprehensive Monthly Report released by CMS on 12.28.09 and includes counts of 10 or less. (See: (<http://www.cms.hhs.gov/MCRAAdvPartDENrolData/>)).

*****Penetration for December and November 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 December:

Plan Participation, by type	CURRENT MONTH: DECEMBER 2009*	SAME MONTH LAST YEAR	
		DECEMBER 2008	CHANGE FROM DECEMBER 2008– 2009
MA Contracts			
Total	756	735	+21
Local Coordinated Care Plan	544	509	+35
Health Maintenance Organizations (HMOs)	374	368	+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	414	441	-27
Dual-Eligible	251	269	-18
Institutional	63	65	-2
Chronic or Disabling Condition	100	107	-7
Other**	99	93	+6

*Contract counts for December 2009 are from the 12.28.09 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

- None

Relevant to Medicare Advantage

- This month, CMS released Health Services Delivery (HSD) training slides for 2010 Medicare Advantage applications. The training slides provide detailed technical information on submitting HSD information including new required information (e.g. applicants must meet new network criteria-as discussed in last month's report. The network criteria includes two critical standards: 1) minimum providers/beds and 2)time/distance requirements). The training slides are available at:
http://www.cms.hhs.gov/MedicareAdvantageApps/Downloads/Technical_HSD_Training_Slides.pdf.

Relevant to Prescription Drug Plans

- CMS has posted additional information on its new demonstration called the "Limited Income Newly Eligible Transition (NET)." This demonstration program will begin in January 2010 with the goal of the demonstration to have a single PDP sponsor (Humana) handle all claims during retroactive auto-enrollment periods for full-benefit dual eligible beneficiaries and Supplemental Security Income (SSI)-only beneficiaries as well as immediate need claims for all LIS beneficiaries. This month, CMS posted a memorandum for all potential pharmacy providers describing the program and eligibility requirements in more detail as well as providing information on the billing procedures (see: <http://apps.humana.com/marketing/documents.asp?file=1285050>). CMS also provided the link to Humana's new website, which it has set up to administer this demonstration (see: http://www.humana.com/pharmacists/resources/li_net.asp).
- CMS released updated performance data relating to Part D plans for 2008-2010. This information includes the following measures: 1) drug plan customer service ratings (including time on hold and fairness of drug plan appeals etc); 2) drug plan member complaints; 3) member experiences with drug plan and 4) drug plan pricing and safety ratings. This performance data is available in excel files on CMS's website at:
http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/06_PerformanceData.asp#TopOfPage

Of General Interest

- The Senate approved its health reform legislation (HR 3590, the Patient Protection and Affordable Health Care Act) on December 24, 2009. Both that bill and the House bill approved previously (HR 3962) include a number of provisions relevant to Medicare Advantage, as well as the Medicare Program overall, with differences reconsolidated in early 2010. For additional detail see <http://www.kff.org/healthreform/sidebyside.cfm>

Relevant to Special Needs Plans Specifically

- None

Other

- None