

TRACKING MEDICARE HEALTH AND PRESCRIPTION DRUG PLANS Monthly Report for May 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: May 2010	Change From Previous Month*	Same Month Last Year	
			May 2009	Change From May 2009- 2010
Enrollment				
Total Stand-Alone Prescription Drug Plans (PDPs):	17,592,875	+8,789	17,377,637	+215,238
Individual	16,511,784	-16,009	16,470,108	+41,676
Group**	1,081,091	+24,798	907,529	+172,562
Total Medicare Advantage (MA)	11,659,877	+1,647,913	11,057,370	+602,507
Individual	9,613,076	+90,705	9,111,896	+501,180
Group	2,046,801	+6,113	1,945,474	+101,327
Medicare Advantage-Prescription Drug (MA-PD)	10,089,658	+77,694	9,381,819	+707,839
Medicare Advantage (MA) only	1,570,219	+19,124	1,675,551	-105,332
Medicare Advantage (MA) by Type				
MA Local Coordinated Care Plans** *	8,729,820	+69,779	7,812,031	+917,789
Health Maintenance Organizations (HMOs)	7,352,666	+44,863	6,868,760	+483,906
Provider Sponsored Organizations (PSOs)	26,117	+1,549	15,739	+10,378
Preferred Provider Organizations (PPOs)	1,351,022	+23,336	927,475	+423,547
Regional Preferred Provider Organizations (rPPO)	812,757	+18,085	419,413	+393,344
Medical Savings Account (MSA)	597	No Change	3,364	-2,767
Private Fee For Service (PFFS)	1,690,536	+7,291	2,425,676	-735,140
Individual	1,278,304	+7,400	1,695,002	-416,698
Group and RFB****	412,232	-109	730,674	-318,442
Cost	326,808	+1,883	287,274	+39,534
Pilot*****	11,307	-178	21,233	-9,926
Other*****	88,052	-42	88,379	-327
General vs Special Needs Plans*****				
Special Needs Plan Enrollees	1,286,320	+5,747	1,307,580	-21,260
Dual-Eligibles	979,236	+10,684	923,732	+55,504
Institutional	97,006	-866	118,282	-21,276
Chronic or Disabling	210,078	-4,071	265,566	-55,488
Other Medicare Advantage Plan Enrollees	10,373,557	+91,071	9,749,790	+623,767
Penetration (as percent beneficiaries)*****				
Prescription Drug Plans (PDPs)	37.8%	No Change	39.5%	-1.7% points
Medicare Advantage Plans (MA)	25.0%	+0.2% points	24.5%	+0.5% points
Medicare Advantage-Prescription Drug Plans (MA-PDs)	21.6%	+0.1% point	20.8%	+0.8% points
Local Health Maintenance Organizations (HMOs), Local Preferred Provider Organizations (PPOs)	15.7%	No Change	15.2%	+0.5% points
Private Fee For Service (PFFS)	2.9%	+0.1% point	2.1%	+0.8% points
Private Fee For Service (PFFS)	3.6%	No Change	5.4%	-1.8% points

May 2010 data is from the 5.03.10 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 April 2010 data is from data released by CMS on 4.05.10 also on its website

**The breakdown by Group includes Employer/Union Only Direct Contract PDP (153,650)

***The data for the breakdown of MA Local Coordinated Care Plans is from the 5.03.10 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 (13,834)

*****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 May and April 2010 is from the March 2010 State/County Penetration file. April 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 May:

Plan Participation, by type	CURRENT MONTH: MAY 2010*	SAME MONTH LAST YEAR	
		MAY 2009	CHANGE FROM MAY 2009– 2010
MA Contracts			
Total	699	749	-50
Local Coordinated Care Plan	511	545	-34
Health Maintenance Organizations (HMOs)	368	375	-7
Preferred Provider Organizations (PPOs) (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	94	+6

*Contract counts for May 2010 are from the 5.03.10 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 April 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

- This month, CMS released draft 2011 Medicare Advantage plan enrollment guidance. Comments on the draft revisions must be received by CMS by June 18, 2010. Once the updated guidance is finalized it will be effective for contract year 2011. CMS has posted the draft guidance update as well as a summary of changes and a 2011 comment chart on its website. However, as of the time this went to press, none of the links worked correctly to download the documents. <http://www.cms.gov/MedicarePresDrugEligEnrol/>.

Relevant to Medicare Advantage

- None

Relevant to Prescription Drug Plans

- This month, CMS also released its draft 2011 PDP enrollment guidance. Comments on the draft revisions must be received by CMS by June 18, 2010. Once the updated guidance is finalized it will be effective for contract year 2011. As with the draft MA guidance update, the draft 2011 PDP enrollment guidance was posted on CMS's website at: <http://www.cms.gov/MedicareMangCareEligEnrol/> but none of the links seem to be working correctly to download the draft guidance and summary document.
- On May 21, 2010, CMS released a press release titled "Medicare Part D Beneficiaries will see 50 percent savings on applicable drugs in the coverage gap in 2011." The press release states how guidance has been finalized for Part D that guarantees that Medicare beneficiaries enrolled in Part D prescription drug plans will see 50 percent savings on their brand name and some authorized generic drugs when they enter the coverage gap during 2011. This guidance was finalized after receiving comments on the draft guidance that was issued in April. The press release is available at: http://www.cms.gov/apps/media/press_releases.asp
- On May 17, 2010, CMS released a press release titled "Medicare Fines and Suspends Enrollment and Marketing for Quality Health Insurance Plan." The press release describes that two health plans in Florida will have their enrollment and marketing suspended because the insurer has failed to comply with a number of administrative and contract management requirements. Some of the compliance issues include deficiencies in billing; denying and/or delaying Part D medications to beneficiaries and non-compliance in beneficiary appeals and grievance procedures. This press release is available at: http://www.cms.gov/apps/media/press_releases.asp

Of General Interest

- CMS released a press release this month titled “CMS Sends Medicare Mailing to Beneficiaries to Educate Them on The New Affordable Care Act: And What It Means For Medicare.” The mailing will be in both Spanish and English and its goal is to educate beneficiaries on changes that the new law will bring to coverage. It states that one of the first benefits that several million beneficiaries will receive as a result of the new law is a check for \$250 if they entered the Part D donut hole and are not eligible for Medicare Extra Help. It also provides information on preventive coverage changes such as no cost-sharing for mammograms and colorectal screening. This press release is available at: http://www.cms.gov/apps/media/press_releases.asp

Relevant to Special Needs Plans Specifically

- None

Other

- None