

## TRACKING MEDICARE HEALTH AND PRESCRIPTION DRUG PLANS

### Monthly Report for November 2007

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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: November 2007	Change From Previous Month*	Same Month Last Year	
			November 2006	Change From November 2006- 2007
<b>Enrollment</b>				
<b>Total Stand-Alone Prescription Drug Plans (PDPs):</b>				
General	17,212,953	+33,210	16,629,609	+583,344
Employer/Union Only Direct	17,087,935	+32,637	16,511,217	+576,718
	125,018	+573	118,392	+6,626
Duals Auto Enrolled in PDPs**	Not Available	(Total Enrollees)	Not Available	Not Available
All others Enrolled in PDP		6,270,154		
		10,360,026		
<b>Total Medicare Advantage (MA)</b>	8,982,041	+32,898	7,542,757	+1,439,284
Medicare Advantage-Prescription Drug (MA-PD)	7,495,364	+41,006	6,532,036	+963,328
Medicare Advantage (MA) only	1,486,269	-8,108	1,010,721	+475,548
<b>Medicare Advantage (MA) by Type</b>				
MA Local Coordinated Care Plans** *	6,321,499	+25,055	5,991,058	+330,441
Health Maintenance Organizations (HMOs)	5,807,188	+17,344	5,560,868	+246,320
Provider Sponsored Organizations (PSOs)	78,576	-181	92,237	-13,661
Preferred Provider Organizations (PPOs)	435,297	+15,345	337,944	+97,353
Regional Preferred Provider Organizations (PPO)	227,856	+11,196	96,251	
Medical Savings Account (MSA)	2,272	+12	Not Applicable	Not Applicable
Private Fee For Service (PFFS)	1,702,611	-1,369	835,074	+867,537
General	1,691,849	-1,393	Not Available	Not Available
Employer Direct PFFS	10,762	+24	Not Available	Not Available
Cost	309,778	-82	317,616	-7,838
Pilot****	111,446	-1,604	Not Applicable	Not Applicable
Other*****	306,579	-310	302,758	+3,821
<b>General vs Special Needs Plans*****</b>				
Special Needs Plan Enrollees	1,080,593	+29,958	Not Available	Not Available
Dual-Eligibles	751,784	+14,659	Not Available	Not Available
Institutional	144,928	+180	Not Available	Not Available
Chronic or Disabling	183,881	+15,119	Not Available	Not Available
Other Medicare Advantage Plan Enrollees	7,901,448	+2,940	Not Available	Not Available
<b>Penetration (as percent beneficiaries)*****</b>				
Prescription Drug Plans (PDPs)	39.0%	No Change	37.8%	+1.2%
Medicare Advantage Plans (MA)	20.3%	No Change	17.1%	+3.2%
Medicare Advantage-Prescription Drug Plans (MA-PDs)	17.0%	+0.1%	14.8%	+2.2%
Local Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs)	13.2%	+0.1%	12.6%	+0.6%
Provider Sponsored Organizations (PSO)	1.0%	No Change	0.8%	+0.2%
Private Fee For Service (PFFS)	0.2%	No Change	0.2%	No Change
Private Fee For Service (PFFS)	3.9%	No Change	1.9%	+2.0%

November 2007 data is from the 11.05.07 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 October 2007 data is from data released by CMS on 10.22.07 also on its website

\*\*The data for dual eligibles automatically enrolled in PDPs comes from CMS released data “State Enrollment in Prescription Drug Plans”-January 2007 also on its website.

\*\*\*The data for the breakdown of MA Local Coordinated Care Plans is from the 11.05.07 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. (<http://www.cms.hhs.gov/MCRAdvPartDEnrolData/>)

\*\*\*\*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 11.05.07 and includes counts of 10 or less. (See: (<http://www.cms.hhs.gov/MCRAdvPartDEnrolData/>))

\*\*\*\*\*Penetration 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 November:

Plan Participation, by type	CURRENT MONTH: NOVEMBER 2007*	SAME MONTH LAST YEAR	
		NOVEMBER 2006	CHANGE FROM NOVEMBER 2006– 2007
<b>MA Contracts (excluding SNP only contracts)</b>			
Total	605	513	+92
Local Coordinated Care Plan	408	367	+41
Health Maintenance Organizations (HMOs)	289	239	+50
Preferred Provider Organizations (PPOs) (Includes Physician Sponsored Organizations (PSOs))	119	128	-9
Regional Preferred Provider Organizations (rPPOs)	14	11	+3
Private Fee For Service (PFFS)	48	25	+23
General	47	Not Available	Not Available
Employee Direct	1	Not Available	Not Available
Cost	27	28	-1
Medicare Savings Account (MSA)	2	Not Available	Not Available
Special Needs Plans	312		
Dual-Eligible	204	Not Available	Not Available
Institutional	65		
Chronic or Disabling Condition	43		
Other**	93	82	+11

\*Contract counts for November 2007 are from the 11.05.07 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**

- CMS open enrollment for Medicare Part D prescription drug coverage and Medicare Advantage started this month. The annual enrollment period runs from November 15, 2007 through December 31, 2007. A press release highlighting this also details several updates CMS provided to its web based tools including adding a CMS ‘five-star’ rating on quality and performance of plans that offer Part D services. The quality and performance data comes from information on customer service and drug pricing. Also, CMS is providing a new tool that allows Medicare beneficiaries to enter the list of medications currently taking to determine the amount of drug plan charges (including premiums, copayments and deductibles-see [www.medicare.gov](http://www.medicare.gov)). The CMS press release is available on the Department of Health and Human Services website at: <http://www.hhs.gov/news/press/2007pres/11/pr20071115a.html>

### **Relevant to Medicare Advantage**

- None

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

- None

### **Of General Interest**

- CMS released updated data on 2006 Medicare eligibles. This data is available at: <http://www.cms.hhs.gov/MedicareAdvgtgSpecRateStats/>.

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

- This month, CMS released a 2008 SNP comprehensive report. The report provides both aggregated information on 2008 SNPs as well as a breakdown by contract number; plan name as well as SNP type and specialty disease. For 2008, as of November 2007, there are a total of 445 SNP contracts and 775 plans. The breakdown by SNP type includes the following: For 1) Chronic or Disabling Condition SNPs there are 108 contracts and 245 plans; 2) Dual Eligible SNPs there are 271 contracts and 441 plans; 3) institutional SNPs there are 66 contracts and 89 plans. This report is available under the November 2007 SNP data on CMS’s website at: <http://www.cms.hhs.gov/MCRAAdvPartDENrolData/SNP/list.asp#TopOfPage>

## OTHER ITEMS OF RELEVANCE

### Briefings and Hearings:

- None

### Other

- This month, the Kaiser Family Foundation released three new documents on Medicare Part D data (see <http://www.kff.org/medicare/med102507pkg.cfm> and <http://www.kff.org/medicare/7710.cfm>):
  - “Medicare Part D 2008 Data Spotlight: Premiums”: This spotlight describes 2008 PDP premiums and trends since the program began in 2006. KFF stated that, as in previous years, the PDP premiums vary widely, ranging from \$9.80 per month to \$107.50 per month, with higher-premium plans typically offering more generous benefits. The document also stated that between 2006 and 2007 more than 90 percent of PDP enrollees did not switch plans and that the average PDP premiums increased by \$1.46. KFF states that if PDP enrollees do not switch between 2007 and 2008, the average PDP premiums will increase by \$4.60 per month or 17 percent.
  - “Medicare Part D 2008 Data Spotlight: The Coverage Gap”: This spotlight describes trends in gap coverage from 2006-2008. The document states that about 1.5 million beneficiaries (6 percent of Part D enrollees, and 15 percent of those not eligible for the LIS) reached coverage gap in 2006 and it projected that over 3 million will reach the gap in 2007. The document also states that the share of PDPs offering gap coverage is the same in 2008 as it was in 2007--for 2008 about a quarter of stand-alone PDP plans and half of MA-PDPs will offer some type of gap coverage, mainly for generic drugs.
  - “A Medicare Chartpack: Overview of Medicare Part D organizations, plans and benefits by enrollment in 2006 and 2007”: The chartpack presents trends in Part D enrollment during the first two years of the program. Findings include among others: 1) Even though Part D enrollment increased between 2006 and 2007, the share of beneficiaries with no drug coverage remained the same (eleven percent lacked drug coverage in both 2006 and 2007; KFF states that the enrollment increase was from beneficiaries previously receiving coverage through an employer/union retiree health plan or another creditable source such as the VA) and 2) UHC-PacifiCare and Humana had the largest share of the Part D market in both 2006 and 2007 (together they captured more than 40 percent of all Part D enrollees).

- On November 8-9, 2007 MedPAC held a public meeting with several relevant MA and PDP sessions:
  - “Medicare Advantage quality findings.” Staff presentation by Carlos Zarabozo. In his presentation, Zarabozo discussed data analysis on quality in MA plans (based on CAHPs data, Health Outcomes Survey, HOS and HEDIS data). Findings from the analysis include that there is substantial variability in MA plan performance with newer plans showing generally poorer performance than older plans.
  - “Special Needs Plans.” Staff presentation by Jennifer Podulka. In this session, Podulka discussed a set of eight draft recommendations to improve and evaluate SNP performance within the next three years. These recommendations include that the Congress should 1) extend the SNP authority for three more years given recommendations 2-8 are also followed; 2) require the Secretary to require SNPs to report additional, tailored performance measures and evaluate their performance within three years. 3) That the Secretary should provide specific information to beneficiaries that compare SNPs to other MA plans. 4) That all SNPs link enrollees to a care coordinator and evaluate enrollees awareness and satisfaction with this service; 5) that the Secretary report annually on the number and circumstances of SNPs that are granted a waiver to enroll a disproportionate share of their target population and to require them to report at least 95 percent of their members from their target population; 6) Chronic condition SNP designations should be determined by expert panels including clinician input; 7) Require dual eligible SNPs to contract with states in their service area to coordinate Medicaid benefits; and 8) eliminate dual eligible beneficiaries ability to enroll in MA plans outside of open enrollment with exception of allowing them to disenroll and return to Medicare fee-for-service at anytime.
  - “Increasing Participation in the Medicare Savings Programs and low-income drug subsidy.” Staff presentation by Joan Sokolovsky and Hannah Neprash. Key points included recommendations for reducing barriers to care for low-income beneficiaries such as simplifying the MSP application process and having the Social Security Administration screen applicants to the LIS to determine if they are eligible for MSPs.
  - “Part D benefit design: formulary analysis.” Presentation by Jack Hoadley of Georgetown University. Key points discussed in his presentation include preliminary findings from a Georgetown University study on formularies for stand-alone and MA PDP drug plans (including tier structures, cost-sharing levels, drugs included and use of specialty tiers for higher priced drugs). Key findings included that both the percentage of stand-alone and MA PDP plans using a three-tier system has increased from 2006 to 2007. For PDPs it increased from 61 percent to 69 percent and for MA-PDPs from 67 percent to 80 percent.
  - “Part D benefit design: plan analysis” Staff presentation by Rachel Schmidt. This presentation reviewed 2008 PDP and MA-PD offerings as well as CMS’s

recent projections on the reconciliation amounts associated with plan payments in 2006.

- More information on this meeting as well as the meeting transcript and presentation material is available on MedPAC's website at: [http://www.medpac.gov/meeting\\_search.cfm?SelectedDate=2007-11-08%2000:00:00.0](http://www.medpac.gov/meeting_search.cfm?SelectedDate=2007-11-08%2000:00:00.0). The next MedPAC public meeting is scheduled for December 6-7, 2007 at the Ronald Reagan in Washington DC. An agenda is available on MedPAC's website. (see: [www.medpac.gov](http://www.medpac.gov))
- On November 30, 2007 the National Health Policy Forum held a session titled "Medicare Advantage Special Needs Plans Reauthorization: What Should Congress Consider?" The discussion centered on the growth of the SNP market, its effect on Medicare and beneficiaries, and the plan interactions with states. The presenters discussed concerns that many SNPs are not meaningfully different from standard MA plans and possible changes for Congress as it considers extending the SNP authority. Presenters included 1) Jim Verdier, Senior Fellow, Mathematica Policy Research; 2) Abby Block, Director, Center for Beneficiary Choices at CMS; 3) Pamela J. Parker, Manager of Special Needs Purchasing, Purchasing and Service Delivery Division, Minnesota Department of Human Services; 4) Robb Cohen, Chief Government Affairs Officer, XLHealth; and 5) Alissa Halperin, Managing Attorney, Pennsylvania Health Law Project. More information on this session is available at: [www.nhpf.org](http://www.nhpf.org).