

TRACKING MEDICARE HEALTH AND PRESCRIPTION DRUG PLANS

Monthly Report for November 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: November 2009	Change From Previous Month*	Same Month Last Year	
			November 2008	Change From November 2008- 2009
Enrollment				
Total Stand-Alone Prescription Drug Plans (PDPs):	17,585,941	+26,923	17,469,663	+116,278
Individual	16,630,477	+26,267	16,573,552	+56,925
Group**	955,464	+656	896,111	+59,353
Total Medicare Advantage (MA)	11,288,486	+22,851	10,257,562	+1,030,924
Individual	9,274,176	+17,913	8,464,964	+809,212
Group	2,014,310	+4,937	1,792,598	+221,712
Medicare Advantage-Prescription Drug (MA-PD)	9,646,814	+21,551	8,590,631	+1,056,183
Medicare Advantage (MA) only	1,641,672	+1,533	1,666,931	-25,259
Medicare Advantage (MA) by Type				
MA Local Coordinated Care Plans** *	7,992,601	+20,948	7,240,594	+752,007
Health Maintenance Organizations (HMOs)	6,990,222	+14,112	6,525,669	+464,553
Provider Sponsored Organizations (PSOs)	16,951	+321	19,428	-2,477
Preferred Provider Organizations (PPOs)	985,381	+6,515	695,461	+289,920
Regional Preferred Provider Organizations (PPO)	441,731	+3,263	311,527	+130,204
Medical Savings Account (MSA)	3,461	-17	3,636	-175
Private Fee For Service (PFFS)	2,443,123	-20,300	2,305,344	+137,779
Individual	1,698,464	-8,064	1,688,543	+9,921
Group and RFB****	744,659	-12,390	616,801	+127,858
Cost	293,360	+962	276,825	+16,535
Pilot*****	11,858	+4,428	27,153	+15,295
Other*****	88,657	+25	92,483	-3,826
General vs Special Needs Plans*****				
Special Needs Plan Enrollees	1,386,021	+12,187	1,309,393	+76,628
Dual-Eligibles	966,782	+7,313	905,701	+61,081
Institutional	114,490	-487	128,531	-14,041
Chronic or Disabling	304,749	+5,361	275,161	+29,588
Other Medicare Advantage Plan Enrollees	9,902,465	+10,664	8,948,169	+954,296
Penetration (as percent beneficiaries)*****				
Prescription Drug Plans (PDPs)	39.9%	No Change	39.9%	No Change
Medicare Advantage Plans (MA)	25.0%	No Change	22.8%	+2.2% points
Medicare Advantage-Prescription Drug Plans (MA-PDs)	21.4%	+0.1% point	19.0%	+2.4% points
Local Health Maintenance Organizations (HMOs), Local Preferred Provider Organizations (PPOs)	15.5%	+0.1% point	14.5%	+1.0% points
Private Fee For Service (PFFS)	2.2%	+0.1% point	1.5%	+0.7% points
Private Fee For Service (PFFS)	5.4%	No Change	5.1%	+0.3% points

November 2009 data is from the 11.2.09 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 October 2009 data is from data released by CMS on 10.15.09 also on its website

**The breakdown by Group includes Employer/Union Only Direct Contract PDP (123,852)

***The data for the breakdown of MA Local Coordinated Care Plans is from the 11.2.09 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 (13,695) 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 November is from the SNP Enrollment Comprehensive Monthly Report released by CMS on 11.2.09 and includes counts of 10 or less. (See: (<http://www.cms.hhs.gov/MCRAAdvPartDenrolData/>).

*****Penetration for November and October 2009 as well as November 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 November:

Plan Participation, by type	CURRENT MONTH: NOVEMBER 2009*	SAME MONTH LAST YEAR	
		NOVEMBER 2008	CHANGE FROM NOVEMBER 2008– 2009
MA Contracts			
Total	757	735	+22
Local Coordinated Care Plan	545	509	+36
Health Maintenance Organizations (HMOs)	375	368	+7
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	441	-28
Dual-Eligible	252	269	-17
Institutional	63	65	-2
Chronic or Disabling Condition	100	107	-7
Other**	99	93	+6

*Contract counts for November 2009 are from the 11.2.09 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

- The open enrollment period for Medicare beneficiaries to make changes in their Medicare prescription drug and health coverage began this month (November 15) and runs through December 31, 2009. CMS released a press release to announce this and provide information on resources available for beneficiaries to use to help them identify their options (e.g. *Medicare and You* handbook; the 1-800 Medicare hotline etc). The press release is titled “2010 Open Enrollment for Medicare Prescription Drug and Health Plan Coverage Begins November 15th: CMS Encourages Beneficiaries to Review Coverage.” The press release is available at: <http://www.cms.hhs.gov/center/openenrollment.asp>

Relevant to Medicare Advantage

- This month, CMS released information describing new quantitative criteria and an automated new review process it will use for 2011 to assess the adequacy of network providers required by all Medicare Advantage plans offering coordinated care plans (CCPs) and network PFFS. As part of the application process, CMS requires that plans demonstrate they have an adequate contracted provider network that is sufficient to provide access to covered services. In 2011, CMS will use an automated quantitative assessment which includes three main components: 1) minimum number of providers; 2) maximum travel distance to providers; and 3) maximum travel time to providers. Distinct criteria are set for four types of counties: large metro, metro, micro and rural. For each county, CMS will calculate the average enrollment in MA plans, which assumes that county has a penetration rate equal to the 95th percentile of counties of that type. These estimates drive minimum number of providers by type. Plans also must meet minimum travel time and distance requirements. CMS will give plans an opportunity to request county specific exceptions. CMS also will give plans an opportunity to do an early test of their networks to identify areas where networks fall short; additional information on this assessment tool will be provided in January 2010. The criteria are summarized in the CMS memorandum titled “Release of Health Services Delivery Network Criteria Reference Tables and Exception Guidance.” This information is available on CMS’s website. See http://www.cms.hhs.gov/MedicareAdvantageApps/Downloads/HSD_Rollout_Memo_11-20.pdf for the press release. The more detailed criteria is at: http://www.cms.hhs.gov/MedicareAdvantageApps/Downloads/2011_MA_Network_Adequacy_Criteria_Overview.pdf

Relevant to Prescription Drug Plans

- CMS has recently posted on its website information on a new demonstration called the “Limited Income Newly Eligible Transition (NET)” program, which will begin in January 2010. The goal of the demonstration is to have a single Prescription Drug Plan Sponsor (CMS chose Humana in a competitive procurement) handle all claims during retroactive auto-enrollment periods for full-benefit dual eligible (FBDE) beneficiaries and Supplemental Security Income (SSI)-only beneficiaries as well as immediate need

claims for all LIS beneficiaries. CMS stated that coverage will include approximately 450,000 LIS beneficiaries who otherwise would have been randomly enrolled into a LIS PDP with retroactive coverage. CMS also stated that this program is designed to improve retroactive coverage issues by providing retroactive coverage through a single PDP with an open formulary with no prior authorization, no network pharmacy restrictions and no timely filing deadlines. More information is available on CMS's website at: http://www.cms.hhs.gov/LowIncSubMedicarePresCov/03_MedicareLINET.asp#TopOfPage

Of General Interest

- None

Relevant to Special Needs Plans Specifically

- None

Other

- The Kaiser Family Foundation released a new spotlight this month on 2010 plan availability and premiums (Marsha Gold, Dawn Phelps, Tricia Neuman and Gretchen Jacobson). The spotlight provides a summary of the current Medicare Advantage marketplace and highlights key changes between 2009 and 2010. This spotlight is available at: <http://www.kff.org/medicare/upload/8007.pdf>.
- Two other spotlights on Medicare Part D were also released this month by the Kaiser Family Foundation :
 - “Part D Plan Availability in 2010 and Key Changes Since 2006.” (Jack Hoadley, Juliette Cubanski, Elizabeth Hargrave, Laura Summer and Tricia Neuman). This spotlight provides an overview of the 2010 stand-alone PDP options and key changes from prior years. www.kff.org/medicare/med110909pkg.cfm
 - “The Coverage Gap” (Jack Hoadley, Laura Summer, Elizabeth Hargrave, Juliette Cubanski and Tricia Neuman). This spotlight provides updated information on the coverage gap or “doughnut hole” in PDPs in 2010. (The article states that nearly all PDPs have some coverage gap in 2010 although a small share are providing some coverage in the gap usually for generics or a small number of brand-name drugs). www.kff.org/medicare/8008.cfm
- The Kaiser Family Foundation updated its Health Reform tool this month. This tool provides a side-by-side comparison of the reform proposals across a number of key characteristics and plan components (and includes a comparison of provisions in the House enacted bill with those of the Senate Leadership bill: The Patient Protection and Affordable Care Act (H.R. 3590) . The comparison tool is available on KFF's website at: <http://www.kff.org/healthreform/sidebyside.cfm>