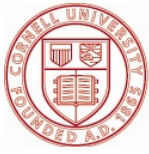


MEDICARE PART D RESEARCH FACTS

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Cornell University
College of Human Ecology

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Cornell University Resource Education
for Medicare Part D

PART D FACT

Best wishes to all for a safe and wonderful holiday season and a Happy New Year.

DID YOU KNOW?

A Special Two Page Edition

As another open enrollment period comes to a close, we use this opportunity of our last edition for the year to share with you some interesting little tidbits, facts, trivia and statistics about the Medicare Part D program. Information was culled from a variety of several resources, including CMS and the Kaiser Family Foundation.

There will be 1689 stand alone Medicare Part D prescription drug insurance plans offered nationally in 2009.

Premiums for national plans in 2009 will range from \$10.30 for First Health Part D in New Mexico to a high of \$136.80 for Aetna Medicare Rx Premier in New York.

The weighted national average monthly premium in 2008 was \$29.89 and in 2009 it will be \$37.29, an increase of 24.7%.

In Nevada, there will be only one plan available for low income beneficiaries to enroll in without paying a premium in 2009. Wisconsin will have the most plans for LIS eligibles to choose from, 16. Nationally, there are 308 plans and New York has nine.

About one in four plans, 416, will offer coverage of some medications in the coverage gap, or donut hole.

Of all of the plans offered nationally. Only one plan, Alliance Medicare Rx in Michigan, offers coverage all generics and a few brand name medications in the coverage gap. Two plans, Quality Rx Plus in Florida and DeanCare Rx Enhanced, offer coverage of many generics and a few brands.

Over half of the plans have no initial deductible in 2009. About one-third will have the standard deductible, \$295.

As of February, 2008, there were 45.5 million Part D eligible Medicare beneficiaries. Of these, 17.4 million were enrolled in a stand alone prescription drug plan, 8 million were enrolled in a Medicare Advantage plan, 6.9 million had a retiree plan receiving Part D subsidization, and about 8.6 million had some other prescription drug coverage. About 10% were lacking prescription insurance coverage.

In 2007, 20 states offered a State Pharmaceutical Assistance Program in addition to the Medicare Part D program.

In 2006 the 100 most popular medications account for about two thirds of the total number of prescriptions filled and total cost of drugs under Medicare Part D.

About two-thirds of all prescriptions are filled with generic medications. The generic dispensing rate is continuously increasing.

Utilization of the plan finder to predict future annual costs of medications may result in substantial inaccuracies for as many as 7 million beneficiaries.

Cardiovascular drugs accounted for the highest share of drug costs overall in 2006, at 22.7% of the total. Among the LIS population, psychotherapeutic drugs had the highest share of total drug cost.

In 2006, 10% of beneficiaries enrolled in a Part D plan did not make any prescription benefit claim.

Including both beneficiary and program costs, the average monthly cost per enrollee in 2006 was \$203. The average cost is higher for PDP (vs. MA-PD) enrollees, higher for females (vs. males), and higher among the LIS (vs. non-LIS) enrollees.

On average, there were 3.2 prescriptions filled per beneficiary each month in 2006.

Specialty tier medications represent a limited number of more expensive drugs. In 2007, specialty tier medications were used by 4.4% of enrollees, of which about two thirds were LIS beneficiaries.

Specialty tier drug expenditures in 2007 accounted for about 10% of the cost of all drugs under Part D.

The Medicare Part D program has shown a benefit to enrollees as evidenced by two measures: there has been an increase in the number of prescriptions filled, and the total out of pocket costs have decreased.

Beneficiaries with a coverage gap in their plan are more likely to adopt a cost lowering strategy. Depending on the strategy, it may or may not be considered a risk to personal welfare.

Beneficiaries who reach the coverage gap are more likely to be older, be female, have more illnesses, have more medical office visits, take more medications, and have at least one hospitalization and emergency department visit when compared to beneficiaries who do not reach the coverage gap.

In 2007, about 10.9% of all enrollees reached the coverage gap. The average time to reach the gap was about 6 months. Over one-half of those who reached the gap did so before the end of August.

Of those who used drugs in 2007 and were not eligible for LIS, about 26% reached the coverage gap and about 15% of those (4% of the total) subsequently received catastrophic coverage.

Of those who reached catastrophic coverage, the average time spent in the coverage gap was about 4 months.

Reaching the gap in July or later in the year, reduced the likelihood of attaining catastrophic coverage.

The most recent available listing of the Part D Formulary Reference Files shows 5239 different medication products.



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