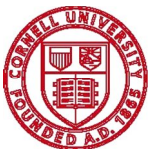


# MEDICARE PART D RESEARCH FACTS

Volume 1 Number 1



## CUR<sub>x</sub>ED

**Cornell University Resource Education  
for Medicare Part D  
COLLEGE OF HUMAN ECOLOGY**

### FACT OR FALLACY ?

Everyone who gets Medicare Part D receives the same plan from the federal government.

## THE PLAN FOR THE PLANS

Medicare Part D, signed into law as part of the Medicare Modernization Act of 2003 (MMA), went into effect in January 2006. Providing for Prescription Drug Insurance coverage for people over 65 years of age and some disabled people, the delivery of this new benefit has been entrusted to the private sector.

In its first year, there were a total of 1,429 different plans offered by approximately 70 different insurance companies nationally. The country has been divided into 34 Prescription Drug Plan (PDP) regions with as few as one and as many as four states in each region. One region is comprised of 7 different states. States cannot be divided into two different regions.

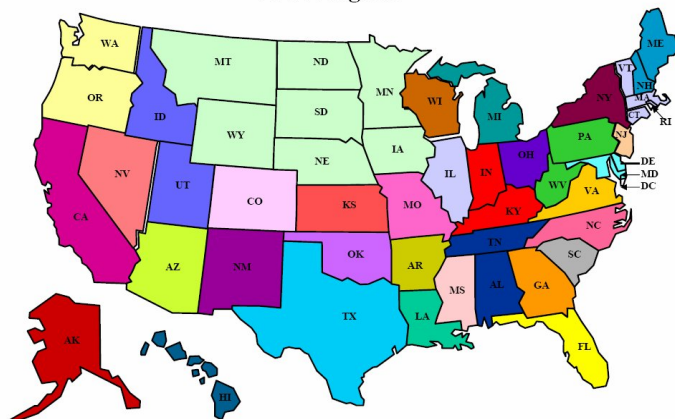
In 2007, there are 1875 plans being offered nationally. New York State comprises one of the PDP regions. In New York State, there were 46 plans in 2006 and there are 59 plans this year from 25 different insurers.

An insurance company may offer up to three unique plans in each region. MMA set standards for plan design and oversight, but insurers have considerable freedom in a

competitive bidding process to determine premiums.

There is substantial variation in the premiums charged and in the design of the benefits. While certain features of plan design such as the deductible are evident when plans are selected by consumers, plans can differ considerably in other aspects such as the prices negotiated by the plan for medications and the co-payments required of the beneficiary.

PDP Regions



CMS(<http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/downloads/PDPRegions.pdf>)

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