

Medicare Part D Data: Background and Introduction

*Academy Health National Health
Policy Conference*

February 4, 2009

Medicare_{Rx}
Prescription Drug Coverage _{Rx}

Medicare Prescription Drug Program—aka Part D

- Part D is a competitive model where beneficiaries can voluntarily purchase drug coverage through private plans.
- Part D plans have flexibility in design of plan: benefit package (e.g., deductibles/copays), formularies, prior authorization. Premiums vary by plan.
- Part D runs on a calendar year basis.
- Beneficiaries can choose from multiple plans during annual open enrollment Nov 15-Dec 31 of each year.
- Late enrollment penalty for those without creditable coverage.

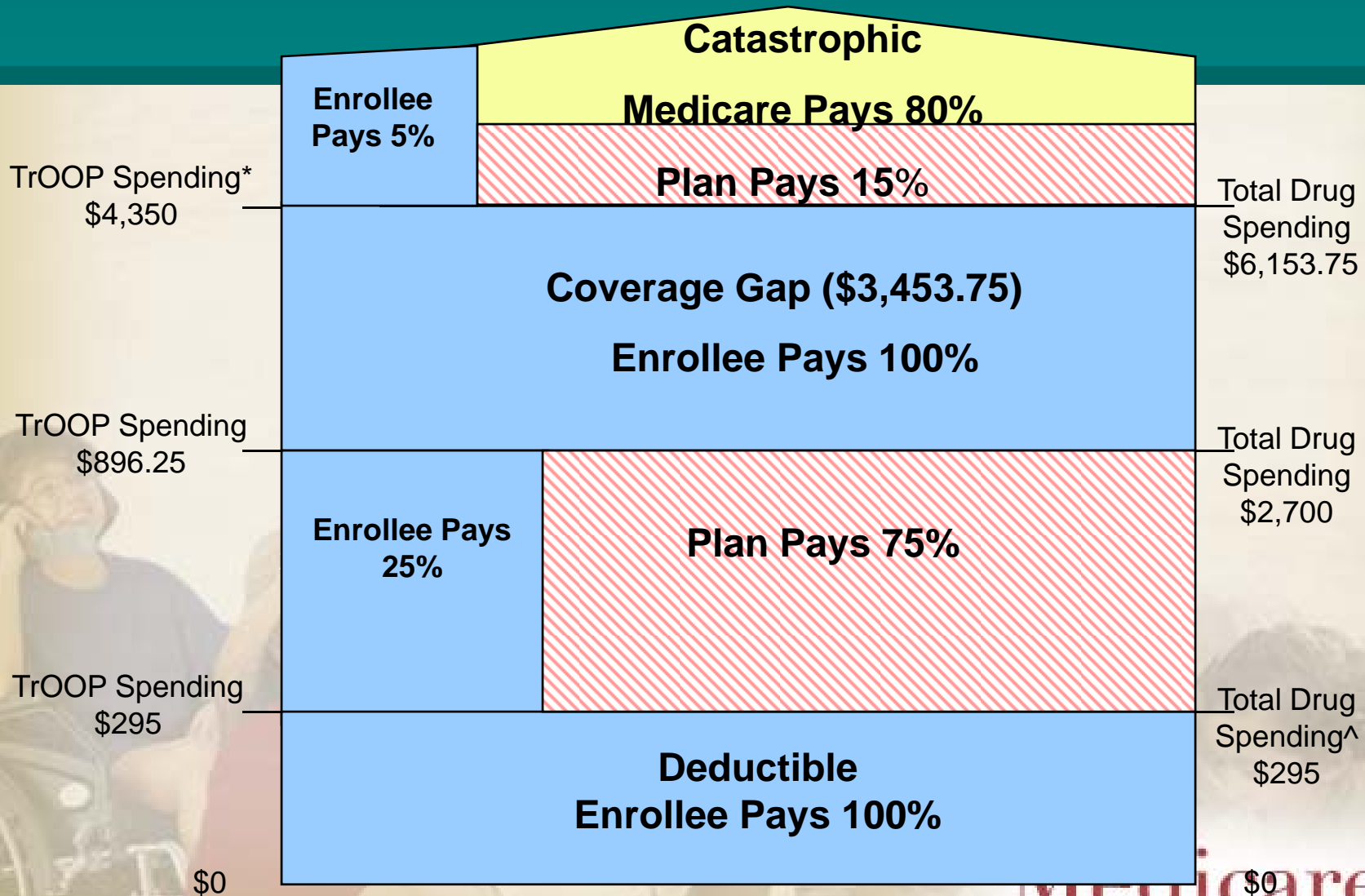
Medicare Part D Standard Benefit Design

Benefit Parameters	2006	2007	2008	2009
Deductible	\$250	\$265	\$275	\$295
Initial Coverage Limit	\$2250	\$2400	\$2510	\$2,700
Out-of-Pocket Threshold (TrOOP)	\$3600	\$3850	\$4050	\$4,350
Total Covered Drug Spend at OOP Threshold	\$5100	\$5451.25	\$5726.25	\$6,153.75
LIS Cost Sharing				
Up to or at 100% Federal Poverty Level	\$1/\$3	\$1/\$3.10	\$1.05/\$3.10	\$1.10/\$3.20
Other LIS	\$2/\$5	\$2.15/\$5.35	\$2.25/\$5.60	\$2.40/\$6.00

*
Source: CMS, Medicare Part D Benefit Parameters.

Medicare_{Rx}
Prescription Drug Coverage _{Rx}

Medicare Part D Standard Benefit, 2009



*True out-of-pocket spending (TrOOP) means beneficiary spending on Part D drugs, not including payments by any other third party.

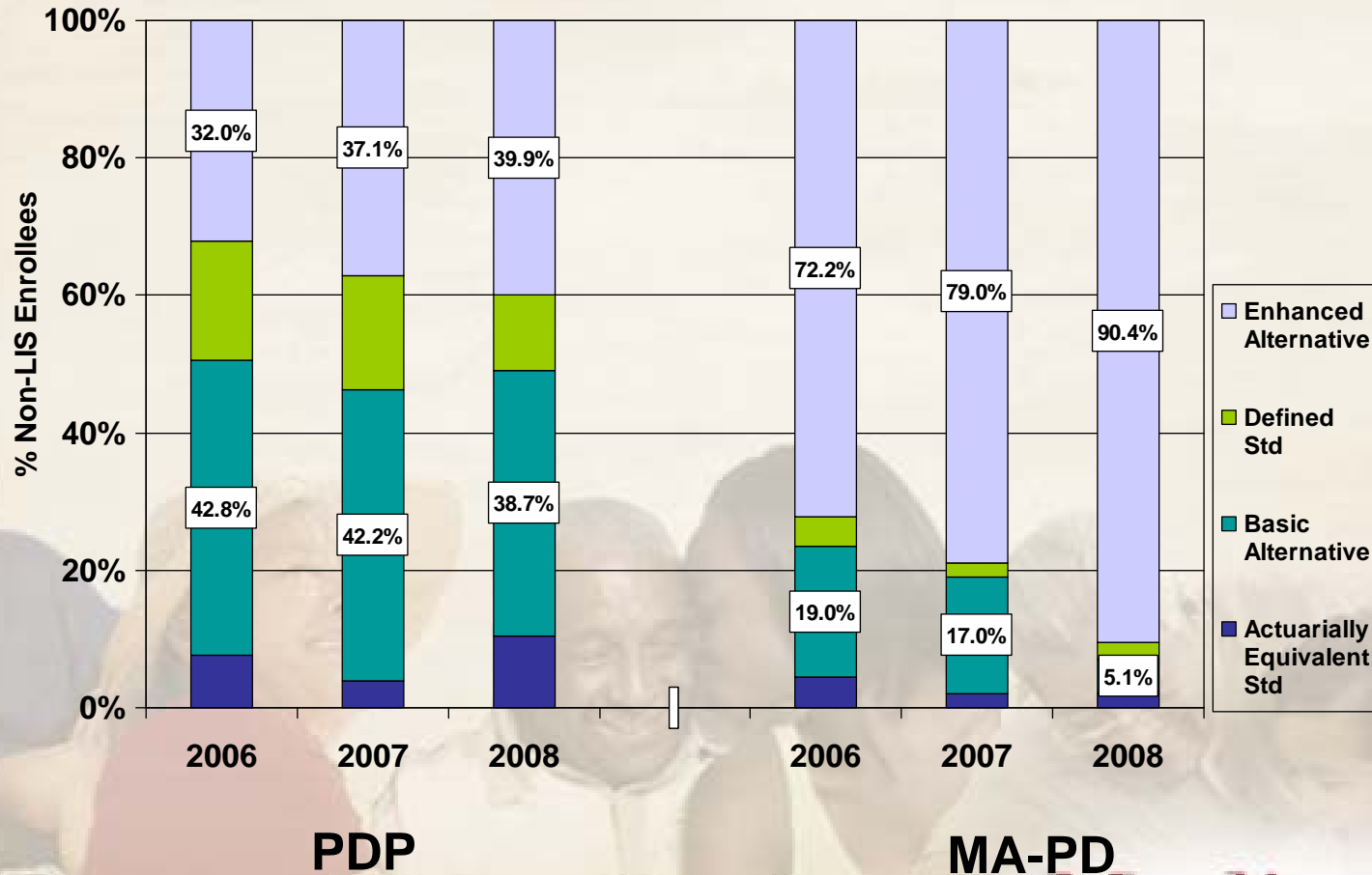
^Total drug spending is the amount that both beneficiary and the Part D plan spend on prescription drugs. Catastrophic coverage is triggered when TrOOP reaches \$4355.

Part D Contract Summary

Contract Type	2008		2007		2006	
	Contract s	Plans	Contracts	Plans	Contract s	Plans
PDP	87	1,877	90	1,909	91	1,446
MA-PD	493	2,041	398	1,639	469	1,491
Totals	580	2,918	488	3,548	560	2,937

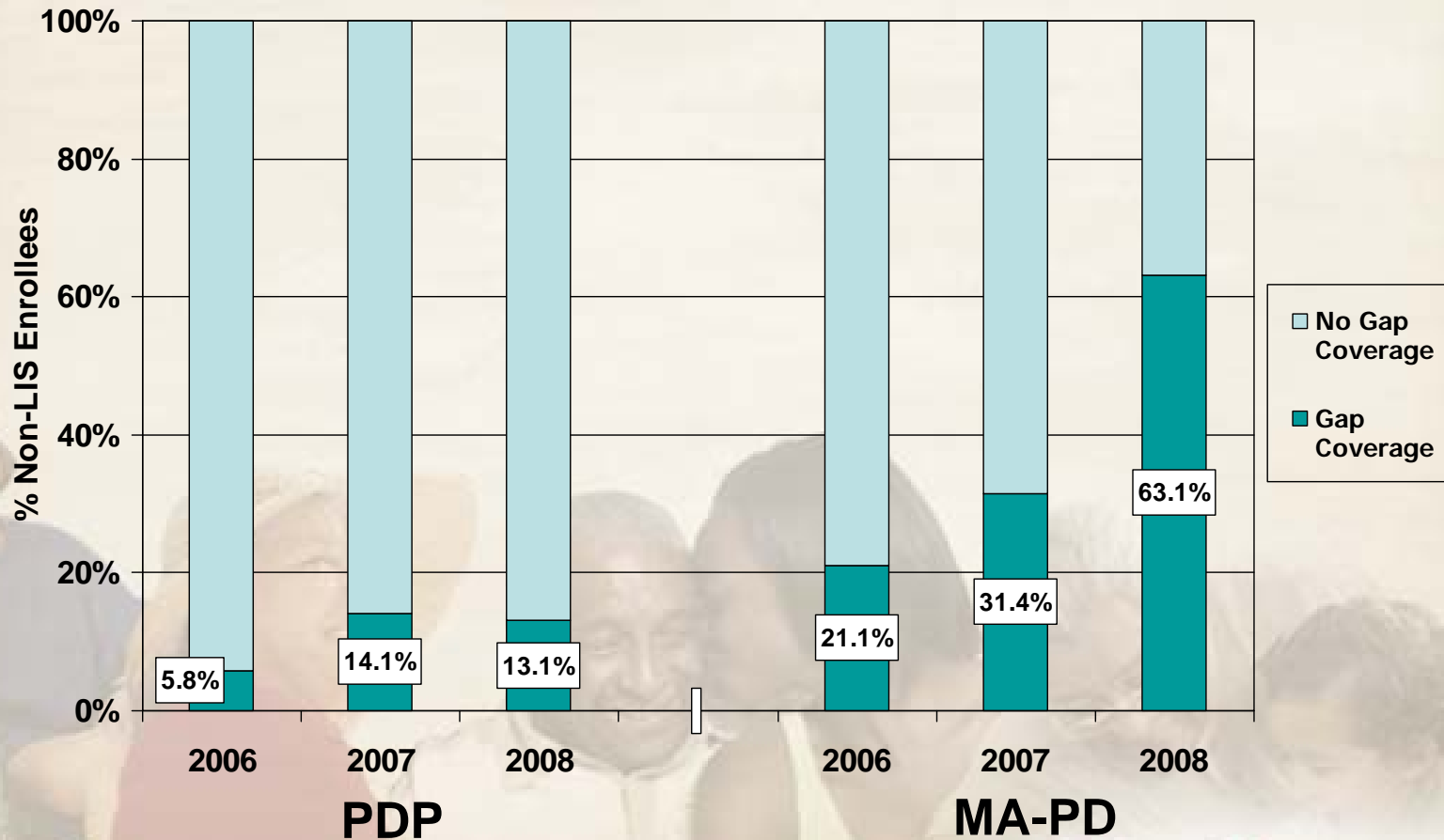
Excludes Employer, PACE, SNP, and Part B only plans.

Beneficiary Enrollment by Plan Type



Note: Defined Standard -- The statutorily defined standard package. Actuarially Equivalent -- The same as standard coverage, except the plans can offer tiered copays instead of coinsurance. Basic Alternative -- Same as actuarially equivalent, except the plans can also lower the deductible and change the \$2,250 standard initial coverage limit. Enhanced Alternative -- Same as basic alternative, except plans can also cover some excluded drugs, and can offer some coverage through the coverage gap.

Beneficiary Enrollment by Coverage in the Gap



Part D Data Rulemaking History

- Final Part D rule published May 28, 2008;
Effective June 27, 2008
 - Adds protections for beneficiary privacy and commercially sensitive plan data: generally, identifiers (beneficiary, prescriber, pharmacy, plan) encrypted and cost data aggregated
 - Minimum data necessary

Part D Data: What is it?

- CMS has prescription drug event (PDEs) records for Medicare beneficiaries in Part D
There are about 1 billion drug claims annually
- Part D PDE data include 37 elements:
 - Beneficiary, Prescriber, Plan, Pharmacy identifiers (will be encrypted)
 - Drug utilization, cost, and coverage information
- Part D bids, rebates, risk-sharing, reinsurance data are NOT part of this rule and are NOT available.

Limitations of PDE data

- Universe of people: Not all Medicare beneficiaries have Part D
 - Data exclude Retiree Drug Subsidy people
 - Data exclude people with creditable coverage (e.g., VA, Tricare, FEHBP)
 - Data excludes people with no drug coverage

Limitations of PDE data (continued)

- Universe of drug use: not all drug events for Part D enrollees are covered by Part D
 - Data exclude most noncovered drugs
 - Data exclude most OTCs
 - Data exclude prescriptions obtained through another 3rd party (e.g., VA)

Limitations of PDE data (continued)

- Linkages to other data: we do not have Part A or Part B for MA-PD enrollees
- Event detail: PDE record is not the same as the pharmacy claim and so differs from point-of-service
 - Post-transaction adjustments between plan and pharmacy
 - Plan-to-plan adjustments for misenrollees
 - Plan-to-CMS adjustments for some demos

Part D data: How do I request it?

- Research Data Assistance Center (ResDAC)
 - CMS contractor that assists researchers with Medicare and Medicaid data requests
 - E-Mail: resdac@umn.edu
Phone: 1-888-9-ResDAC or (1-888-973-7322)
Website: www.resdac.umn.edu
- External Requestors
 - Need to be qualified researcher at reputable institution with sound research methodology
 - Provide justification for data elements requested
 - Follow CMS data privacy and security protocols
 - CMS will provide minimum data necessary for study