



Advising the Congress on Medicare issues

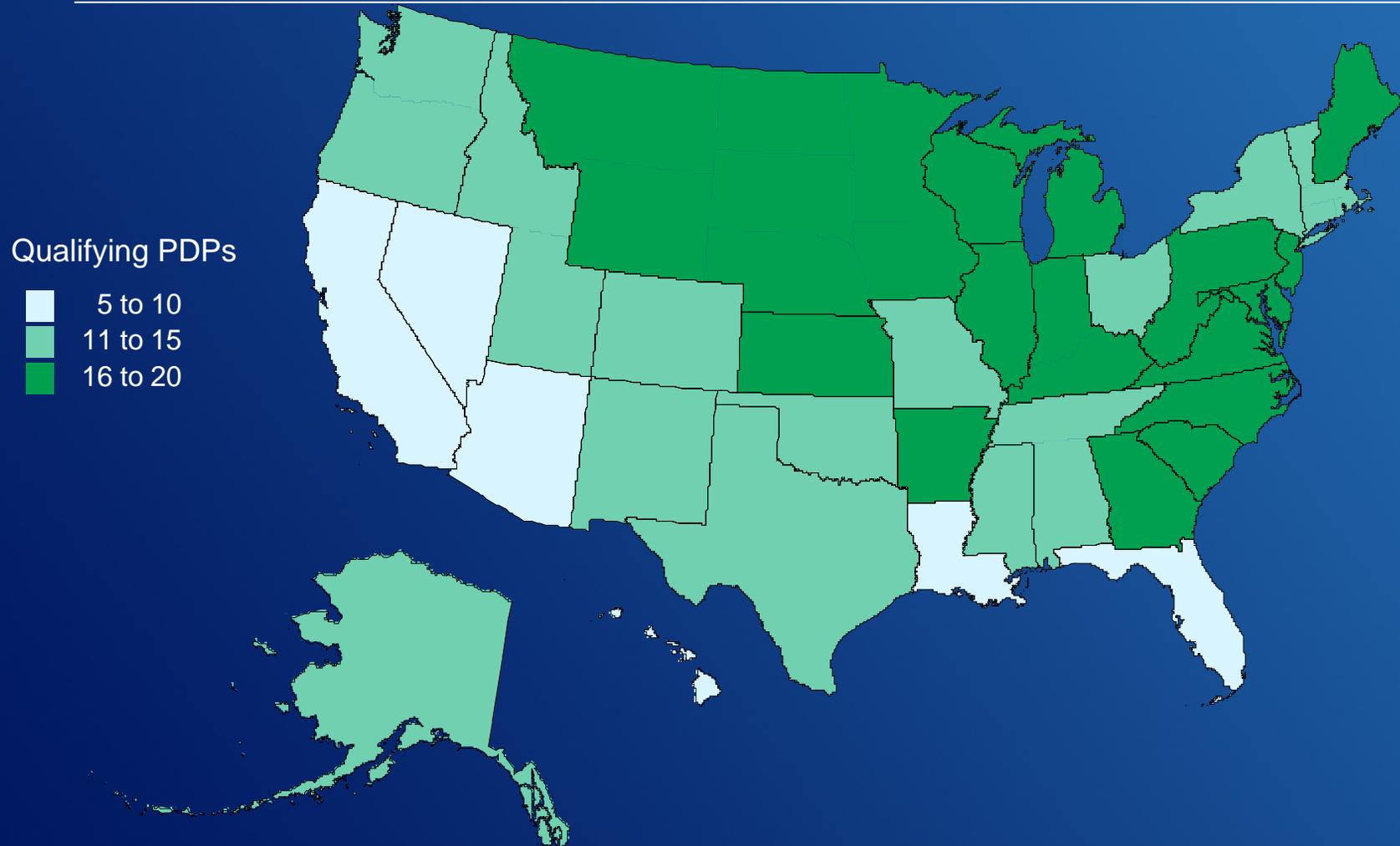
Part D enrollment, benefit offerings, and plan payments

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Summary from last month

- Part D benefit payments totaled \$47 billion in CY2006
- For 2007
 - 90% of beneficiaries have Part D or creditable coverage
 - Enrollees generally have choice of 50-60 PDPs, but enrollment is concentrated in plans offered by a few sponsors
 - Most plans use a 3-tier formulary plus a specialty tier, charge higher cost sharing for nonpreferred and higher-priced drugs
 - Significant differences between PDP and MA-PD enrollment patterns in 2007
- For 2008
 - The average PDP enrollee will pay \$32 per month (up more than \$4) if they stay in the same plan
 - Larger numbers who receive low-income subsidies reassigned
 - CMS expects to receive \$4 billion from plans for 2006 payments
 - Part D claims data unavailable for purposes other than payment

2008 PDPs qualifying as premium free to enrollees with low-income subsidies (LIS)



Current policies to reduce reassignments and transitional effects for LIS enrollees

- Phasing in enrollment-weighted thresholds
- If premium is within \$1 of threshold (de minimis), LIS enrollees can remain in plan and pay no premium
- Reassigned to qualifying plan offered by same sponsor if possible
- Plans required to have transition policy in place for all new enrollees

Ideas being discussed

- Enforce current transition policies
- Raise the de minimis amount
- Extend a longer transition period of temporary refills for new enrollees
- Beneficiary-centered assignment
- Take Medicare Advantage rebate dollars out when setting LIS premium thresholds

Part D claims data still unavailable for purposes other than payment

- Statutory ambiguity about release of data
- CMS proposed rule in 2006 to resolve ambiguity, but it has not moved forward
- Related legislative language introduced in 2006 and 2007