

## **Characteristics of Enrollees and Enrollment in Medicare Part D Plans**

*Projects provide insights related to Part D and drugs including beneficiary enrollment, enhanced benefits offered among Part D plans, medication therapy management, and transitioning dual eligibles and other low-income subsidy beneficiaries into Part D.*

### **Lead Agency:**

Centers for Medicare & Medicaid Services (CMS)

### **Agency Mission:**

The mission of CMS is to administer Medicare, Medicaid, and the State Children's Health Insurance Program and to promote quality care for beneficiaries.

### **Principal Investigators:**

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**Partner Agencies:**

Research Triangle Institute, Mathematica Policy Research, and Abt Associates.

**General Description:**

The Medicare Part D benefit, established in the Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003 represents the largest expansion of Medicare benefits since the program's inception in 1965. CMS has undertaken several Part D and drug related research in the areas of enrollment, payment, and medication therapy management. All of these research projects together provide a picture of some aspects of the early implementation years of Part D that is valuable for any future decisions relating to the program.

CMS has several research projects relating to characteristics of enrollees and enrollment in Part D plans. One study provides information on characteristics of beneficiaries who obtained coverage in 2006 through Part D, the retiree drug subsidy, other creditable coverage arrangements, or who had no known source of coverage. Preliminary analyses suggest that Part D enrollees do not have unusually high prescription drug costs, but had high out-of-pocket drug costs prior to Part D enrollment. Prescription drug plans, especially those offering gap coverage appeared to have enrolled beneficiaries with higher baseline drug costs. Another study examined enrollment in plans with enhanced benefits. CMS launched the Part D payment demonstration allowing plans to choose alternative payment methods for re-insurance and to increase beneficiaries' choices of and access to supplemental drug coverage. CMS evaluated enrollment in the demonstration versus, selection bias for the demonstration plans, and impact of the demonstration on overall Part D enrollment. In general, the study found that the majority of enrollees in enhanced Part D plans were in non-demonstration plans and there was little evidence of selection bias among the plan types. Both of these studies have possible implication on the long-term financial impact of Part D on Medicare financing.

CMS also evaluated the demonstration to transition unassigned full dual eligibles and other low-income subsidy (LIS) beneficiaries to a Medicare Part D plan at the point-of-sale (POS). CMS put in place a contract with a prescription drug plan to provide temporary drug coverage at the pharmacy counter for beneficiaries who were eligible but who were not yet enrolled in a Part D plan. States also took temporary action to provide emergency coverage for dual eligibles and other low-income beneficiaries during the transition of having drug coverage from Medicaid to Medicare. This study documented gains in administrative efficiency within the point-of-sale facilitated enrollment process and highlighted pitfalls to avoid and options to pursue for future efforts that States and CMS may undertake to facilitate access to Part D benefits for dual eligibles.

The MMA also required prescription drug plans (PDPs) and Medicare Advantage plans that offer prescription drug coverage (MA-PDs) to have a Medication Therapy Management Program (MTMP), to improve medication use and reduce adverse events for high-risk beneficiaries. CMS conducted a study to explore the evolving field of MTM in order to identify and understand the attributes of MTM that may be most effective for the Medicare prescription drug program.

***Excellence:*** What makes this project exceptional?

The collection of research studies provides a wide range of topics related to Part D and drugs. The findings from these studies provide some of the earliest information about enrollment, benefits, payment and some aspects of service delivery relating to Part D.

***Significance:*** How is this research relevant to older persons, populations and/or an aging society?

As of January 2008, over 25.4 million Medicare beneficiaries are receiving drug coverage through private plans, either through stand-alone prescription drug plans or Medicare Advantage plans with prescription drug coverage. The research findings and possible implications from these findings affect these 25.4 million beneficiaries enrolled in Part D and millions more who may enroll in the program.

***Effectiveness:*** What is the impact and/or application of this research to older persons?

Since the Medicare program serves the population of those who are 65 and older, the research has implications for the enrollment and plan experience, and service delivery to older persons who are in the Medicare program.

***Innovativeness:*** Why is this research exciting or newsworthy?

These studies present the earliest findings and insights to several aspects of the Part D program. The studies relating to enrollment in Part D provide information on the plans and benefits offered and utilized by beneficiaries. Information about improving the transition of dual eligibles and other low-income beneficiaries to Part D is valuable for decision makers and for those serving this vulnerable segment of the population. Finally, while the information on medication therapy management still has many gaps, the CMS research on MTM provides the information for how it is being utilized for the Medicare population and provides some relevant information for future research.