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Medicare Part D Plan Optimization: The Need for an Annual Check-Up

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Medicare Part D Plan Optimization: The Need for an Annual Check-up

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Presenter Disclosures

The following personal financial relationships with commercial interests relevant to this presentation existed during the past 12 months:

No Relationships to disclose

Medicare Part D: The Intent

- Plans offered through private insurance companies
 - Competition would decrease drug prices
- Each company can:
 - Offer up to three plans per region
 - Determine formulary and restrictions*
 - Decide on cost-sharing structure*
- All beneficiaries can enroll in a different plan during the annual open enrollment period
 - 2006-2010: November 15th December 31st
 - 2011- Currently: October 15th December 7th

Medicare Part D: The Challenge

- Too much choice?
 - Beneficiaries must choose from a myriad of insurance plans in order to receive prescription drug coverage.
- Confusion?
 - Each year beneficiaries are confronted with:
 - Plan cancellations
 - New plan offerings
 - Benchmark plan changes
 - Changes in existing plan formularies
 - Changes in cost-sharing structure
- Opportunity Cost (OC)?
 - Consequence of failing to reevaluate plan on an annual basis



Objective

 To longitudinally examine the relationship between stand-alone prescription drug plan (PDP) costs, subsidy status, and the number of PDPs and benchmark plans offered in <u>California</u> from 2008-2012.

Methods



Recorded from Medicare website:

- Subsidy status
- Cost data for the beneficiary's current plan
- Lowest cost plan for the upcoming year

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47 community outreach events were held throughout Central and Northern California cities during
2008-2012 Medicare Part D annual election periods



1,578 beneficiaries were assisted, 983 (62.2%) of whom had a PDP



Intervention

- Trained pharmacy students provided interventional assistance to each beneficiary:
 - Medicare Part D Plan Assistance
 - Low-Income Subsidy screening
 - Comprehensive Medication Therapy Management
 - Prescriber/Pharmacy follow-up





Data Collection and Analysis

- Standardized data collection tool was used to collect the following:
 - Demographic Information
 - Subsidy status, benchmark plan offerings and plan cost data (<u>www.medicare.gov</u>)
- The potential opportunity cost (OC) of a beneficiary remaining in their current PDP as opposed to the lowest cost PDP was calculated:
 - OC = [EAC (\$) of Current Plan in the upcoming year EAC (\$) of Least Expensive PDP in the upcoming year]

Demographic Characteristics of Beneficiary Attendees with a PDP: 2007-2011

Year Demographic Characteristics	2007	2008	2009	2010	2011	Aggregate Total (%) or Weighted Mean <u>+</u> SD
Female, No . (%)	32 (70)	131 (58)	84 (48)	148 (56)	209 (64)	604 (58)
Age, Mean <u>+</u> SD	76.1 <u>+</u> 9.6	75.5 <u>+</u> 8.4	75.5 <u>+</u> 10.0	74.6 <u>+</u> 9.7	75.9 <u>+</u> 9.0	75.4 <u>+</u> 9.9
White <i>,</i> No. (%)	29 (63)	95 (42)	84 (48)	159 (61)	191 (58)	553 (54.0)
Preferred Language = English, No. (%)	39 (88)	111 (49)	106 (61)	195 (74)	241 (72)	692 (66)
Married, No. (%)	25 (56)	146 (65)	97 (56)	160 (61)	188 (58)	616 (60)
Education > High School, No. (%)	26 (58)	89 (41)	85 (49)	154 (60)	209 (66)	563 (56)
No Subsidy, No. (%)	39 (85)	101 (45)	83 (48)	174 (65)	189 (57)	586 (56)
Prescriptions, Mean <u>+</u> SD	5.0 <u>+</u> 3.4	5.4 <u>+</u> 3.3	5.2 <u>+</u> 3.4	5.2 <u>+</u> 3.4	5.3 <u>+</u> 3.8	5.3 <u>+</u> 3.9

Potential OC of Remaining in the Same PDP in the Upcoming Year

Potential Opportunity Cost (\$)	2007 (n= 41)	2008 (n=224)	2009 (n=173)	2010 (n=268)	2011 (n=317)	Aggregate Total (%) or Weighted Mean <u>+</u> SD
\$0 <i>,</i> No. (%)	1 (2)	32 (14)	41 (23)	62 (23)	67 (21)	203 (20)
25 th percentile	\$148	\$75	\$3	\$7	\$11	-
50 th percentile	\$329	\$327	\$151	\$186.50	\$226	-
MEAN <u>+</u> SD	\$464 <u>+</u> \$443	\$623 <u>+</u> \$842	\$476 <u>+</u> \$1650	\$452 <u>+</u> \$740	\$813 <u>+</u> \$1935	\$606 <u>+</u> \$2180
75 th percentile	\$623	\$891	\$467	\$489	\$733	-
Maximum	\$2,175	\$4,512	\$20,824	\$4,804	\$18,709	-

Annual Mean Potential OC as a Function of PDP Offerings for *Non-Subsidy* Recipients



Annual Mean Potential OC as a Function of PDP Offerings for *Non-Subsidy* Recipients

Potential Opportunity Cost (\$)	2007 (n=36)	2008 (n=101)	2009 (n=83)	2010 (n=174)	2011 (n=184)	Aggregate Total (%) or Weighted Mean <u>+</u> SD
\$0, No. (%)	1 (3)	6 (6)	6 (7)	24 (14)	28 (15)	65 (11)
25 th percentile	\$156	\$197	\$171	\$75.25	\$138	-
50 th percentile	\$328	\$488	\$322	\$268.50	\$341	-
MEAN <u>+</u> SD	\$389 <u>+</u> \$287	\$634 <u>+</u> \$673	\$692 <u>+</u> \$2281	\$431 <u>+</u> \$622	\$855 <u>+</u> \$1681	\$640 <u>+</u> \$1929
75 th percentile	\$598	\$878	\$603	\$474	\$783	-
Maximum	\$1,167	\$4,512	\$20,824	\$4,697	\$14,174	-

Annual Mean Potential OC as a Function of PDP Offerings for **<u>Subsidy</u>** Recipients



Annual Mean Potential OC as a Function of PDP Offerings for **<u>Subsidy</u>** Recipients

Potential Opportunity Cost (\$)	2007 (n=5)	2008 (n=123)	2009 (n=90)	2010 (n=94)	2011 (n=133)	Aggregate Total (%) or Weighted Mean <u>+</u> SD
\$0 <i>,</i> No. (%)	0 (0)	26 (21)	35 (39)	38 (40)	39 (29)	138 (31)
25 th percentile	\$81	\$26	\$0	\$0	\$0	-
50 th percentile	\$1,229	\$169	\$8	\$42.50	\$74	-
MEAN <u>+</u> SD	\$1000 <u>+</u> \$910	\$614 <u>+</u> \$962	\$278 <u>+</u> \$623	\$492 <u>+</u> \$921	\$775 <u>+</u> \$2274	\$573 <u>+</u> \$1732
75 th percentile	\$1,806	\$936	\$160	\$883	\$317	-
Maximum	\$2,175	\$4,182	\$3,185	\$4,804	\$18,709	-

Conclusion

- Despite a reduction in plan (PDP and benchmark) offerings between 2007 and 2011, most beneficiaries were still faced with significant avoidable out-of-pocket costs by remaining in the same plan.
- Annual Part D plan reexamination is essential to ensure that ALL beneficiaries optimize their prescription medication insurance coverage and minimize their out-of-pocket costs.