

Medicare Part D: First Look at 2016 Plan Offerings

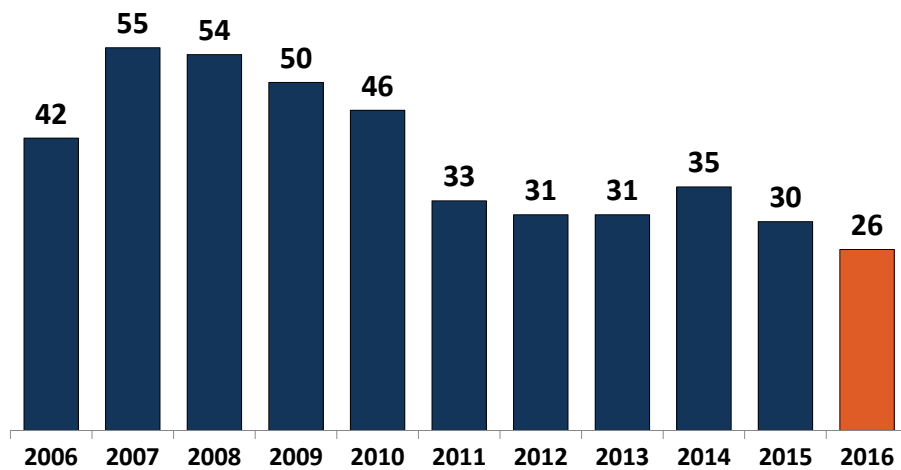
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Alliance for Health Reform

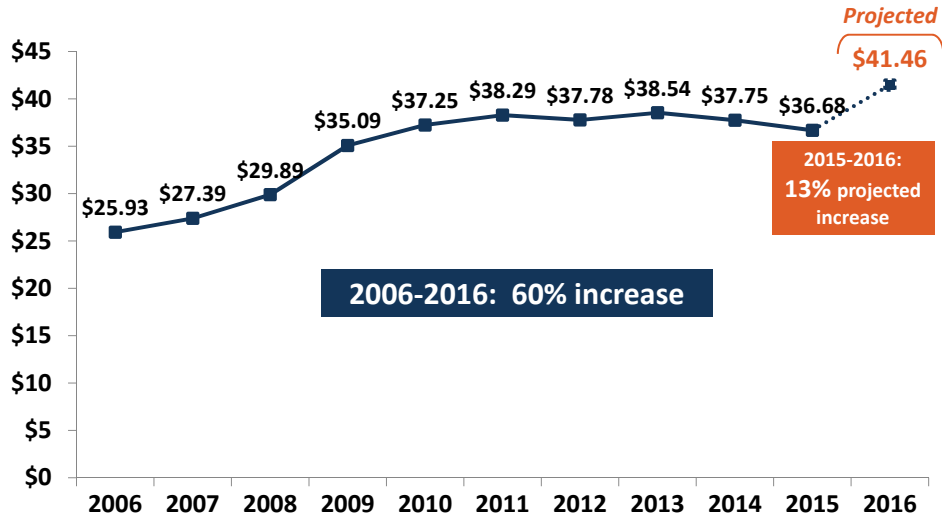
October 14, 2015

Beneficiaries Have Fewer Drug Plan Choices in 2016, But Still Many to Choose From



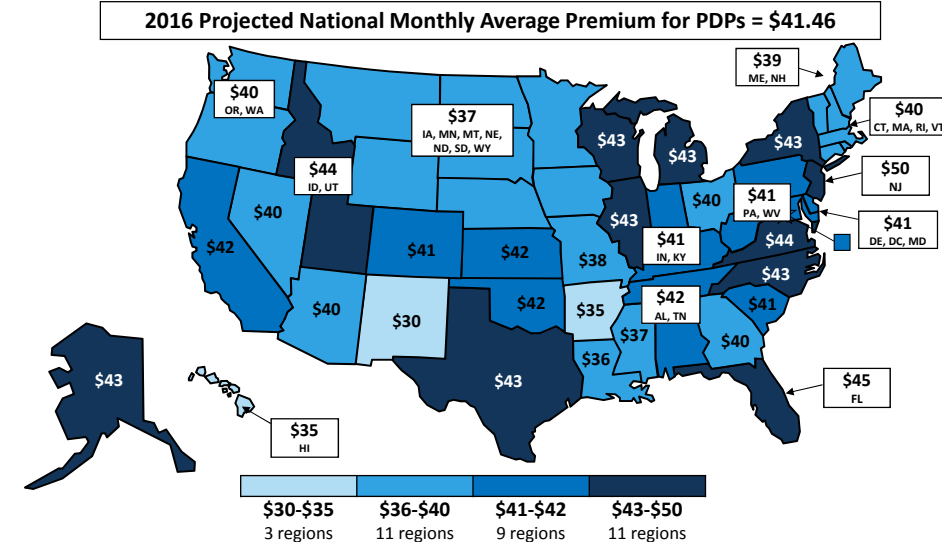
NOTE: Estimates are beneficiary weighted. Number of stand-alone drug plans is reported at the region level.
SOURCE: Georgetown/Kaiser Family Foundation analysis of CMS 2006-2016 PDP enrollment, crosswalk, and landscape source files.

After Years of Flat Monthly PDP Premiums, Average Premium is Projected Higher in 2016



NOTE: Average premiums are weighted by enrollment in each year (September 2015 enrollment used for 2015 and 2016). Excludes plans in the territories.
 SOURCE: Georgetown/Kaiser Family Foundation analysis of CMS 2006-2016 PDP enrollment and landscape source files.

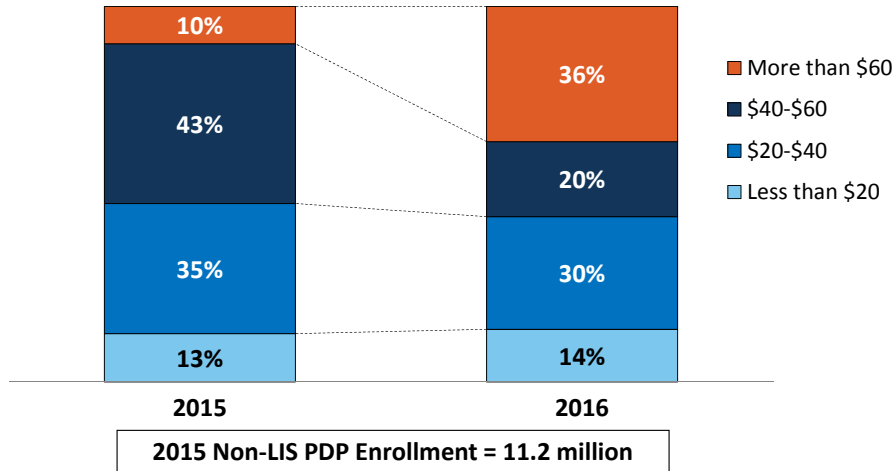
Projected Average PDP Premiums Vary a Lot by Region, 2016



NOTE: PDP is prescription drug plan. Average premiums are weighted by enrollment.
 SOURCE: Georgetown/Kaiser Family Foundation analysis of CMS 2016 Part D plan and enrollment files.

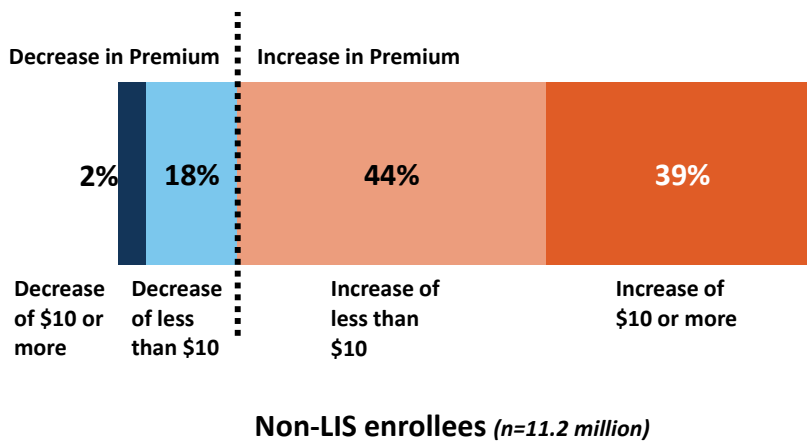
More PDP Enrollees Will Pay at Least \$60 Monthly Premiums in 2016 Compared to 2015

Excluding Enrollees Who Receive Low-Income Subsidies



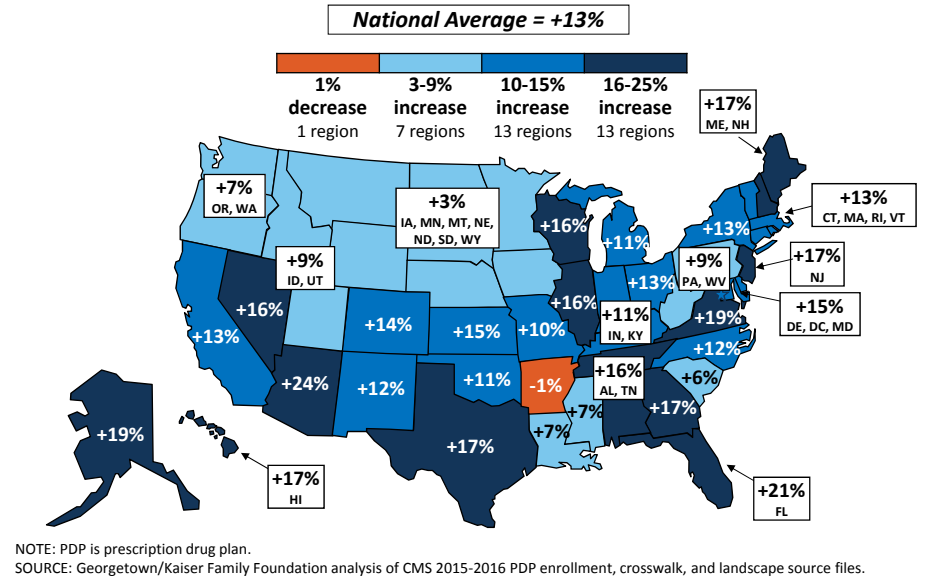
NOTE: LIS is low-income subsidy. PDP is prescription drug plan. Analysis excludes enrollees for whom CMS provides no crosswalk between their 2015 and 2016 PDPs. 2016 distribution assumes no plan changes during the open enrollment period.
 SOURCE: Georgetown/Kaiser Family Foundation analysis of CMS 2015-2016 PDP enrollment, crosswalk, and landscape source files.

Most PDP Enrollees Face Higher Premiums If They Don't Switch During Open Enrollment



NOTE: PDP is prescription drug plan. LIS is Low-Income Subsidy. Analysis excludes enrollees for whom CMS provides no crosswalk between their 2015 and 2016 PDPs.
 SOURCE: Georgetown/Kaiser Family Foundation analysis of CMS 2015-2016 PDP enrollment, crosswalk, and landscape source files.

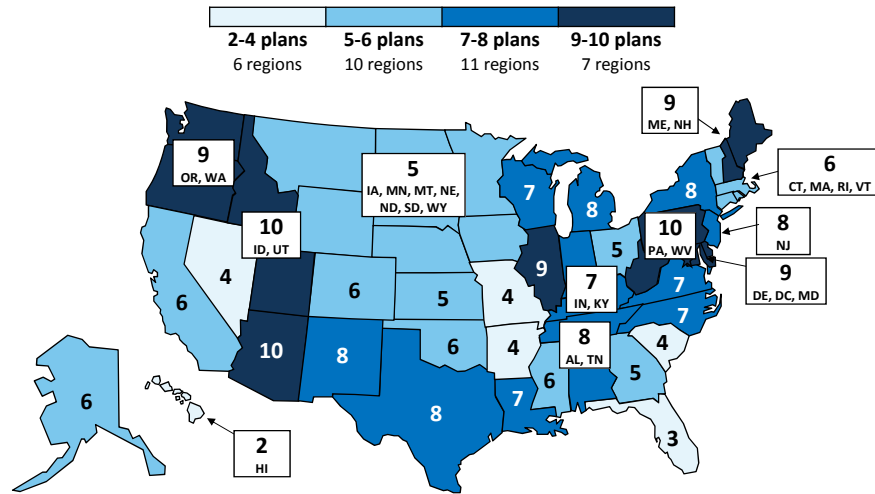
Changes in the Average PDP Premium Vary Considerably by Region, 2015-2016



Important Plan Features Are Also Changing

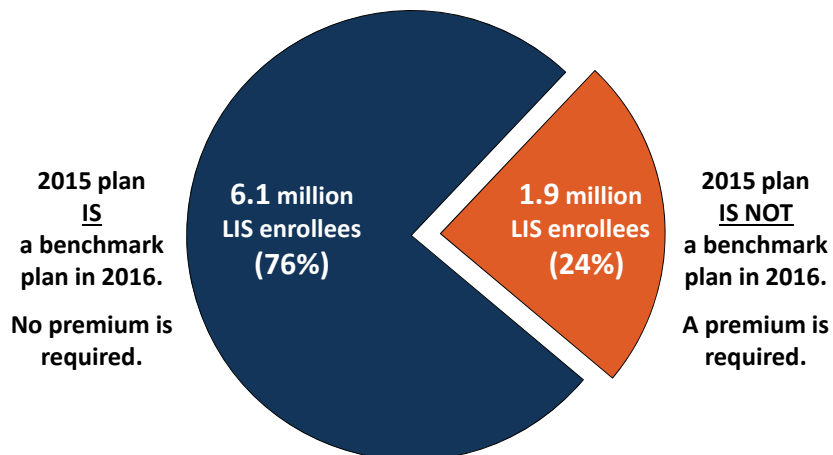
- **Deductibles**
 - Biggest annual jump in maximum allowed amount: \$320 to \$360
 - 67% of PDPs have deductibles, mostly with max
- **Cost Sharing**
 - Most plans have 5 tiers
 - Trend to coinsurance instead of flat copays
- **Tiered Pharmacy Networks**
 - Preferred (lower) cost sharing in select pharmacies
 - Higher cost sharing in other network pharmacies

Low-Income Subsidy Part D Enrollees Can Enroll In Selected Plans with a Zero Premium



SOURCE: Georgetown/Kaiser Family Foundation analysis of CMS 2016 PDP landscape source file.

Many Low-Income Subsidy Enrollees Must Switch or Be Reassigned to Avoid Premiums



Total LIS Enrollment in PDPs in 2015 = 7.9 million

NOTE: PDP is prescription drug plan. Analysis includes enrollment in PDPs only. Estimates do not sum to total due to rounding.
SOURCE: Georgetown/Kaiser Family Foundation analysis of CMS 2015-2016 PDP enrollment, crosswalk, and landscape source files.

Medicare Beneficiaries Benefit from Shopping

- Most Part D enrollees face changes and may save money if they shop around
- History says most stay where they are
 - 2006-10: 87% of non-LIS stay with the same plan
 - Even if facing large premium increases, many stay
- Shoppers should look beyond premiums
 - Cost sharing for drugs, pharmacy networks
- Resources
 - Medicare.gov Plan Finder and 1-800-Medicare
 - Counselors, friends, and family members