

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:

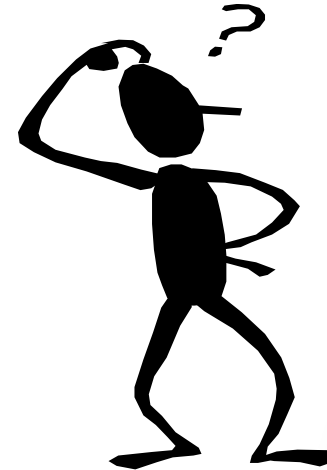
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Medicare Part D: The Intent

- 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

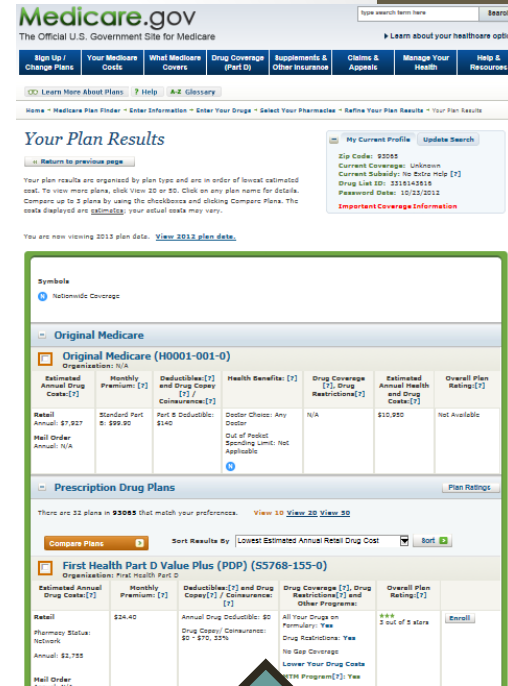
- To longitudinally examine the relationship between stand-alone prescription drug plan (PDP) costs, subsidy status, and the number of PDPs and benchmark plans offered in **California** from 2008-2012.

Methods



Recorded from Medicare website:

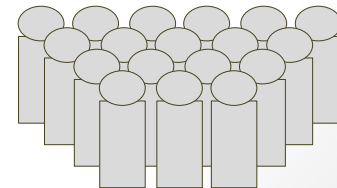
- Subsidy status
- Cost data for the beneficiary's current plan
- Lowest cost plan for the upcoming year



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 (www.medicare.gov)
- The potential opportunity cost (OC) of a beneficiary remaining in their current PDP as opposed to the lowest cost PDP was calculated:
 - $OC = [EAC (\$) \text{ of Current Plan in the upcoming year} - EAC (\$) \text{ of Least Expensive PDP in the upcoming year}]$

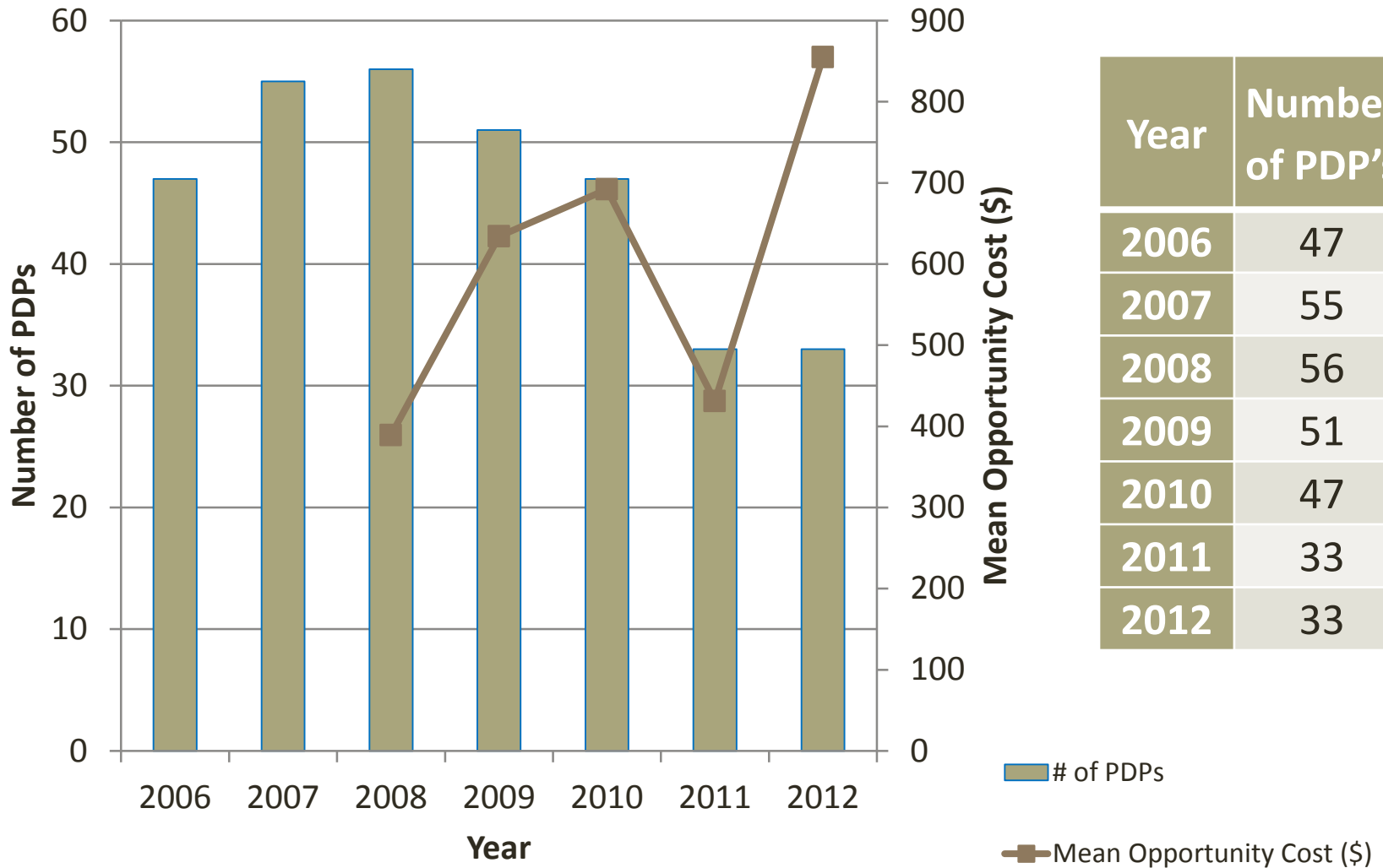
Demographic Characteristics of Beneficiary Attendees with a PDP: 2007-2011

Year	2007	2008	2009	2010	2011	Aggregate Total (%) or Weighted Mean \pm SD
Demographic Characteristics						
Female, No. (%)	32 (70)	131 (58)	84 (48)	148 (56)	209 (64)	604 (58)
Age, Mean \pm SD	76.1 \pm 9.6	75.5 \pm 8.4	75.5 \pm 10.0	74.6 \pm 9.7	75.9 \pm 9.0	75.4 \pm 9.9
White, 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 \pm SD	5.0 \pm 3.4	5.4 \pm 3.3	5.2 \pm 3.4	5.2 \pm 3.4	5.3 \pm 3.8	5.3 \pm 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 \pm SD
\$0, 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 \pm SD	\$464 \pm \$443	\$623 \pm \$842	\$476 \pm \$1650	\$452 \pm \$740	\$813 \pm \$1935	\$606 \pm \$2180
75 th percentile	\$623	\$891	\$467	\$489	\$733	-
Maximum	\$2,175	\$4,512	\$20,824	\$4,804	\$18,709	-

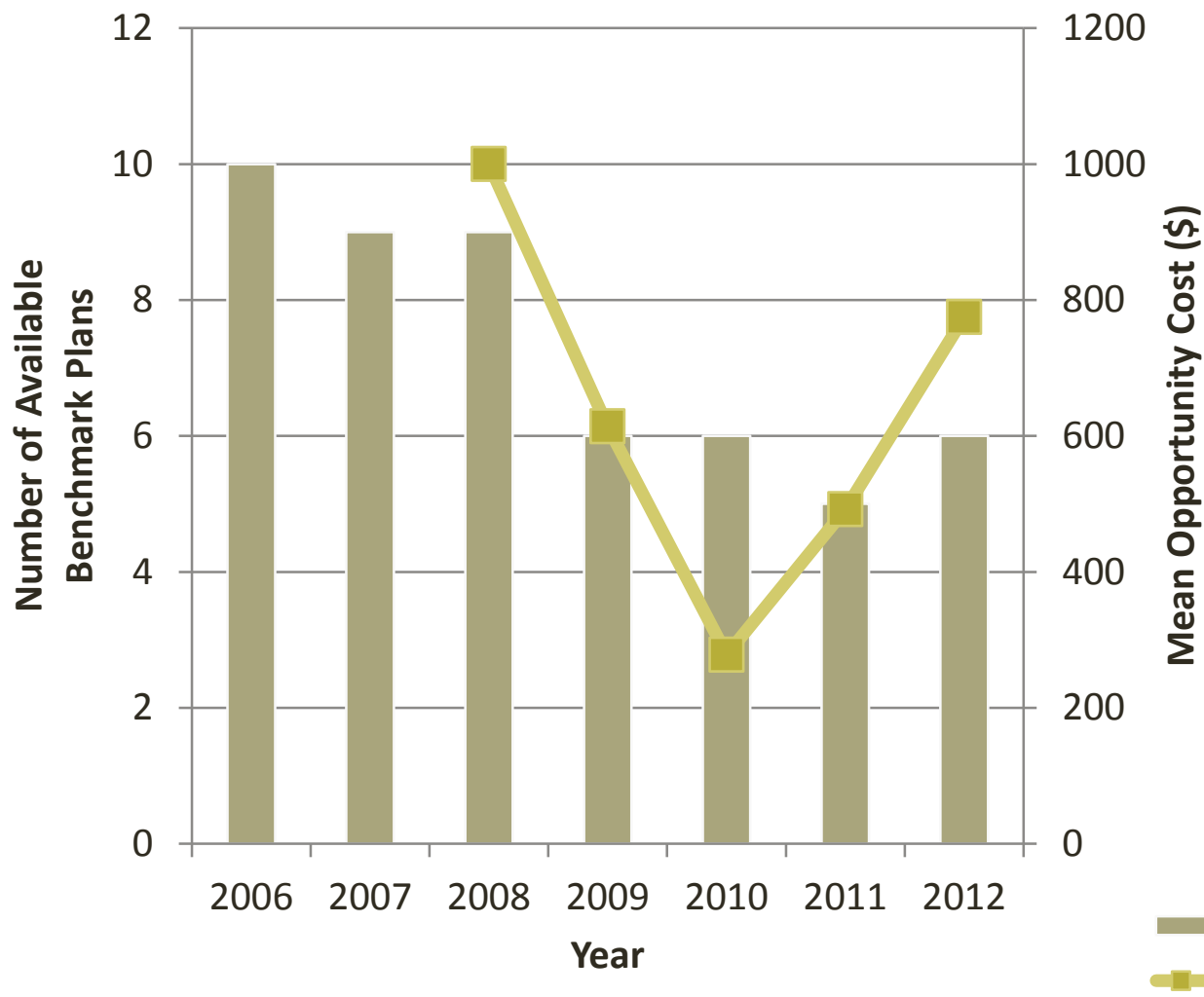
Annual Mean Potential OC as a Function of PDP Offerings for *Non-Subsidy* Recipients



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 \pm 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 \pm SD	\$389 \pm \$287	\$634 \pm \$673	\$692 \pm \$2281	\$431 \pm \$622	\$855 \pm \$1681	\$640 \pm \$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 Subsidy Recipients



Year	Number of Benchmark Plans
2006	10
2007	9
2008	9
2009	6
2010	6
2011	5
2012	6

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

Potential Opportunity Cost (\$)	2007 (n=5)	2008 (n=123)	2009 (n=90)	2010 (n=94)	2011 (n=133)	Aggregate Total (%) or Weighted Mean \pm SD
\$0, 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 \pm SD	\$1000 \pm \$910	\$614 \pm \$962	\$278 \pm \$623	\$492 \pm \$921	\$775 \pm \$2274	\$573 \pm \$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.