

Medicare Part D Senior Savings Model: Who's in?

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Starting January 1, 2021, the Centers for Medicare and Medicaid Services (CMS) initiated the Medicare Part D Senior Savings Model (SSM) in an effort to reduce non-low-income (NLI) beneficiary cost sharing for insulin products distributed under the Medicare Part D benefit.¹

Plans choosing to voluntarily participate in the SSM cover select insulins from a list of SSM-participating manufacturers for a maximum \$35 copay per 30-day supply during the first three phases of the Part D benefit (deductible, initial coverage, and coverage gap). This program provides NLI beneficiaries that are enrolled in participating plans with consistent and affordable out-of-pocket costs for lifesaving insulin drugs.

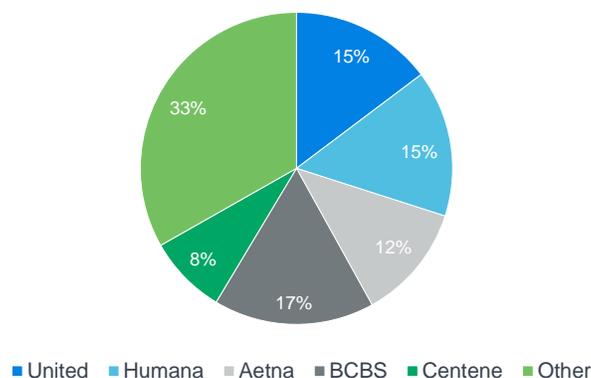
Standalone prescription drug plans (PDPs) and Medicare Advantage plans with prescription drug coverage (MAPDs) are eligible to participate in the SSM, provided they offer Enhanced Alternative coverage. Employer group waiver plans (EGWPs), dual eligible special needs plans (D-SNPs), and any PDPs or MAPDs offering Defined Standard, Actuarially Equivalent, or Basic Alternative Part D benefits are not eligible to participate. For additional background on the SSM and potential implications of the model, refer to the “Reducing insulin costs for seniors” Milliman white paper published in March 2020.²

This article provides an overview of which renewing MAPD plans (i.e., those not new to the market in 2021) participated in the first year of the SSM and how many NLI beneficiaries were enrolled in those plans at the end of 2020. We based our plan figures on unique plan IDs instead of unique plan-segment IDs. To provide a complete picture of the MAPD landscape, we include D-SNPs and other General Enrollment (non-EGWP) MAPD plans that are ineligible for the SSM in our analysis. This article is intended to provide MAPD plans with an overview of broad market trends relating to participation in the SSM and may help inform plans deciding whether to participate in the model in 2022.

Which organizations are participating in the SSM?

In 2021, roughly 27% of renewing MAPD plans covering over 45% of 2020 NLI enrollment are participating in the SSM. Figures 1 and 2 illustrate the distribution of renewing MAPD plans by parent organization. Figure 1 summarizes the distribution of all MAPD plans by parent organization (i.e., those participating plus those not participating in the SSM). Figure 2 summarizes the distribution of SSM MAPD plans by parent organization. We have combined parent organizations with Blue Cross Blue Shield licenses under the “BCBS” label and have grouped parent organizations with less than 3% offered plans under “Other.”

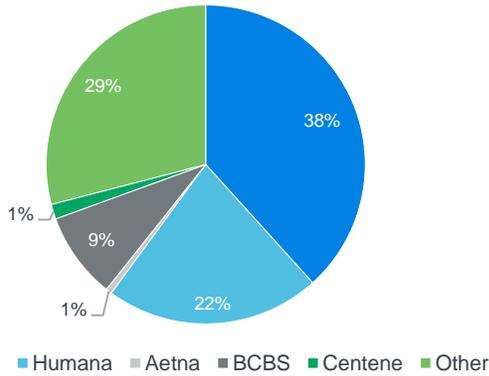
FIGURE 1: TOTAL MAPD PLAN DISTRIBUTION BY PARENT ORGANIZATION



¹ CMS. Part D Senior Savings Model. Retrieved February 10, 2021, from <https://innovation.cms.gov/innovation-models/part-d-savings-model>.

² D'Anna, S.J., Feller, A., Hayes, M. et al. (March 2020). Reducing Insulin Costs for Seniors: Thoughts for Plan Sponsors Considering Participation in the Medicare Part D Senior Savings Model. Milliman White Paper. Retrieved February 10, 2021, from <https://www.milliman.com/en/insight/reducing-insulin-costs-for-seniors>.

FIGURE 2: SSM MAPD PLAN DISTRIBUTION BY PARENT ORGANIZATION



Figures 1 and 2 indicate uneven MAPD participation in the SSM among parent organizations for the first year of the model. United Healthcare and Humana are offering a greater share of participating MAPD plans than their share of total MAPD plans; conversely, Aetna, Centene, and BCBS parent organizations are offering a smaller share of participating MAPD plans than their share of total MAPD plans.

Figures 3 and 4 are analogous to Figures 1 and 2 but summarize 2020 NLI enrollment (computed as October 2020 enrollment multiplied by the 2020 annual percentage of enrollees who were not low-income subsidy-eligible by plan) rather than count renewing plans.

FIGURE 3: TOTAL MAPD 2020 NLI ENROLLMENT DISTRIBUTION BY PARENT ORGANIZATION

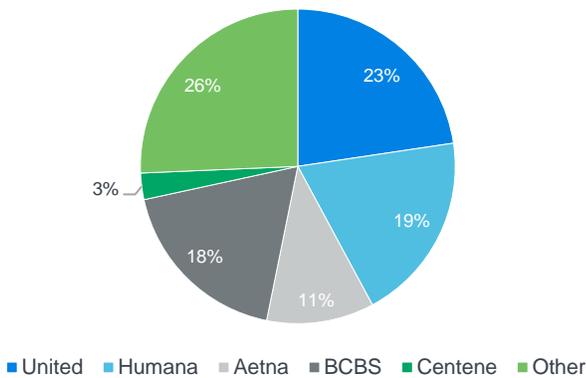
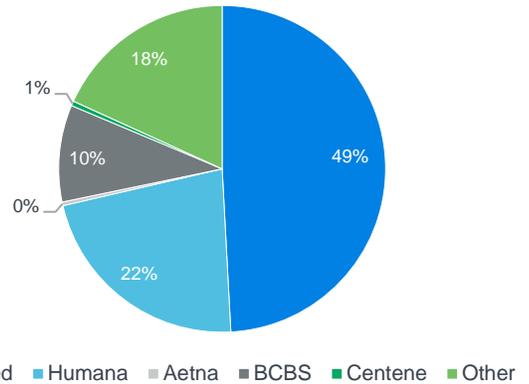


FIGURE 4: SSM MAPD 2020 NLI ENROLLMENT DISTRIBUTION BY PARENT ORGANIZATION



Figures 3 and 4 show an even greater NLI enrollment participation for United as compared to just the number of plans. Nearly half the NLI enrollment in participating MAPD plans is covered by United.

Where is the SSM going to be offered to MAPD enrollees?

The states with the highest prevalence of participating MAPD plans are Rhode Island (60%), Indiana (47%), North Carolina (47%), New Hampshire (47%), and Tennessee (42%). The states with the greatest share of 2020 MAPD NLI enrollees in SSM plans are Rhode Island (96%), Utah (78%), Vermont (78%), Louisiana (76%), and Tennessee (75%).

Figures 5 and 6 provide a heat map of the percentage of MAPD plans participating in the SSM and the percentage of MAPD NLI enrollees in participating plans for each state.

FIGURE 5: PERCENTAGE OF PLANS PARTICIPATING IN THE SSM FOR 2021 BY STATE

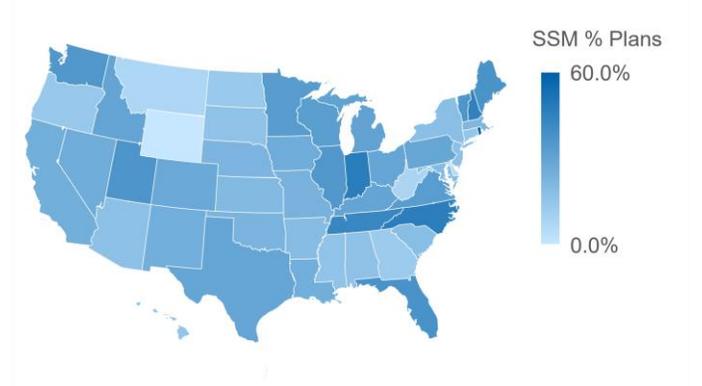
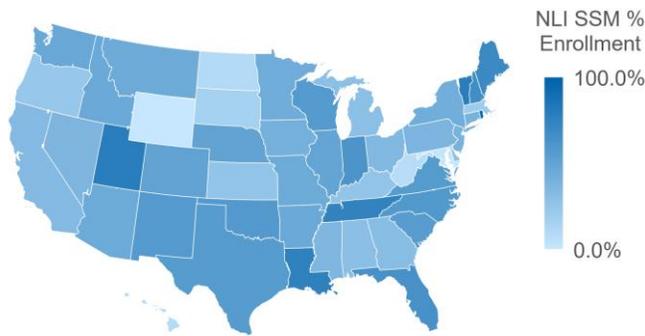


FIGURE 6: PERCENTAGE OF 2020 NLI MEMBERS IN PLANS PARTICIPATING IN THE SSM FOR 2021 BY STATE



What types of MAPD plans are participating in the SSM?

Figure 7 summarizes renewing MAPD plan participation in the SSM based on plan type and Figure 8 summarizes MAPD NLI enrollment in participating plans by plan type. Non-SNP MAPD plans are broken down between preferred provider organization (PPO), health maintenance organization (HMO), and HMO-point-of-service (HMO-POS), and we break out SNP plans between D-SNP, chronic condition SNP (C-SNP), and institutional SNP (I-SNP). While D-SNPs are not eligible to participate in the SSM, we have included those plans here to provide a complete picture of the MAPD landscape.

FIGURE 7: MAPD PLAN DISTRIBUTION BY PLAN TYPE

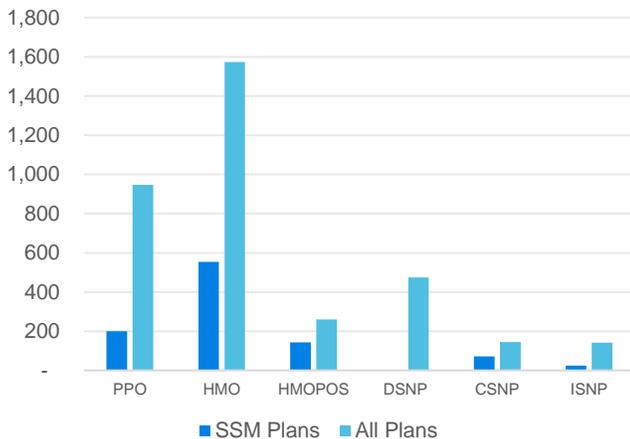
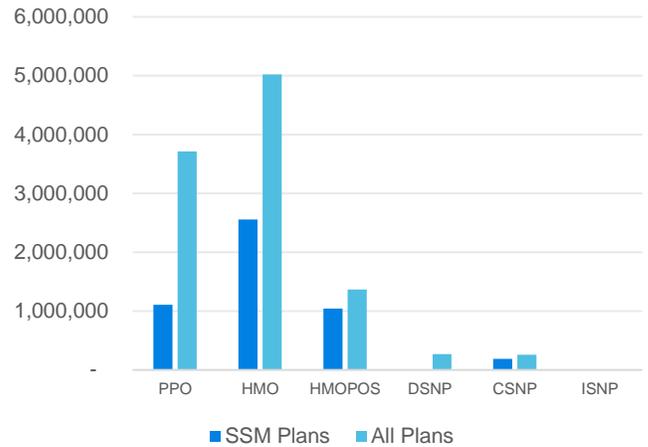


FIGURE 8: MAPD 2020 NLI ENROLLMENT DISTRIBUTION BY PLAN TYPE



Participation rate was highest among HMO-POS MAPD plans and C-SNPs at 55% and 49%, respectively, with participating plans accounting for 76% and 74% of all HMO-POS and C-SNP NLI enrollees, respectively. Approximately 35% of HMO MAPD plans are participating in the SSM for 2021, accounting for 51% of NLI HMO enrollees. Participation was lower among MAPD PPO plans, with just 21% of plans participating, accounting for about 30% of NLI PPO enrollees. Only 24 out of 141 I-SNPs are participating in the SSM for 2021, accounting for less than 10,000 NLI enrollees.

Were MAPD plans with higher star ratings more likely to participate in the SSM?

There is essentially no difference in the enrollment-weighted average star rating among participating and nonparticipating MAPD plans, with both averaging around a 4.0 star rating. However, the participation rate among renewing MAPD plans assigned a star rating differed for each level of star rating; 22% of 5.0-star, 37% of 4.5-star, 37% of 4.0-star, 19% of 3.5-star, and 10% of 3.0-star or lower plans participated.

Figures 9 and 10 provide the distribution of the plans by star rating among participating MAPD plans, nonparticipating MAPD plans, and all MAPD plans.

FIGURE 9: MAPD PLAN DISTRIBUTION BY STAR RATING

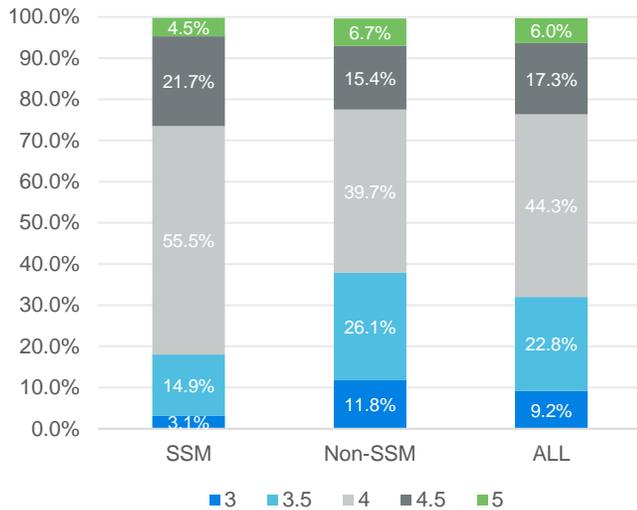
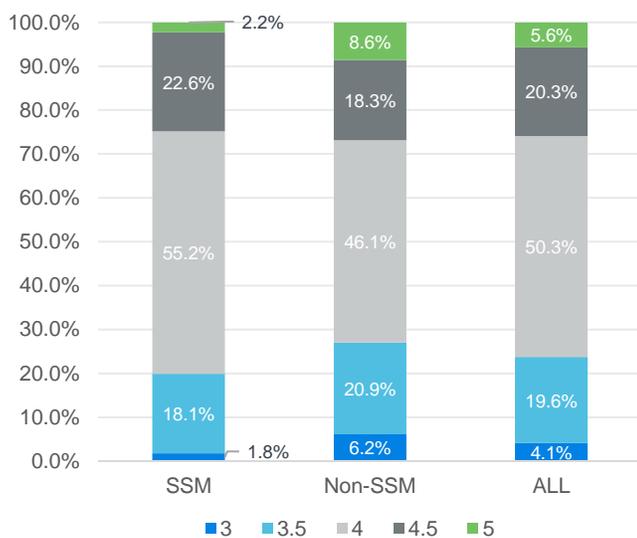


FIGURE 10: MAPD 2020 NLI ENROLLMENT DISTRIBUTION BY STAR RATING



Plans with a rating of 3.5 stars or lower made up only 18% of participating MAPD plans and about 20% of participating NLI enrollment, while these lower-rated plans made up about 38% of nonparticipating plans and over 27% of NLI enrollment. Similarly, 5.0-star plans account for 5% of participating plans and just 2% of participating NLI enrollment, while these highest-rated plans account for 7% of nonparticipating plans and 9% of NLI enrollment. Kaiser Permanente composes 55% of nationwide NLI enrollment in 5.0-star plans, but chose not to participate in the SSM program, driving the low participation for 5.0-star plans. Because lower-rated MAPD plans do not receive quality bonus payments and have a lower MA rebate percentage than higher-rated MAPD plans, these lower-rated plans typically have smaller MA rebates available to cover the cost of supplemental benefits. It is possible that this dynamic accounts for lower participation in the SSM among these MAPD plans.

Methodology

While performing this analysis, we relied upon public information released by CMS, including October 2020 enrollment³ and contract information,⁴ 2020 low-income enrollment by plan,⁵ 2021 star ratings,⁶ 2021 plan and benefit templates,⁷ and 2021 SSM status.⁸ We compiled, sorted, and summarized the data, but excluded EGWPs and PDPs from our analysis.

³ CMS. Monthly Enrollment by CPSC – October 2020. Retrieved February 10, 2021, from <https://www.cms.gov/files/zip/monthly-enrollment-cpsc-october-2020.zip> (download).

⁴ CMS. MA Plan Directory – January 2021. Retrieved February 10, 2021, from <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDENrolData/Downloads/MA-Plan-Directory.zip> (download).

⁵ CMS. 2020 Low Income Subsidy Enrollment by Plan. Retrieved February 10, 2021, from <https://www.cms.gov/files/zip/2020-low-income-subsidy-enrollment-plan.zip> (download).

⁶ CMS. 2021 Star Ratings Data Table – CAI (Oct 08 2020). Retrieved February 10, 2021, from <https://www.cms.gov/files/zip/2021-star-ratings-data-table-oct-08-2020.zip-0> (download).

⁷ CMS. 2021 PBP Benefits Upd as of 10-14-2020. Retrieved February 10, 2021, from <https://www.cms.gov/httpswwwcmgovresearch-statistics-data-and-systemsstatistics-trends-and/2021-pbp-benefits-upd-10-14-2020>.

⁸ CMS. 2021 Part D Senior Savings (PDSS) Model – Landscape File. Retrieved February 10, 2021, from <https://innovation.cms.gov/media/document/pdss-2021-model-landscape-file>.

Caveats and Limitations

Dustin Grzeskowiak and Nathan Smith are actuaries for Milliman, members of the American Academy of Actuaries, and meet the qualification standards of the Academy to render the actuarial opinion contained herein. To the best of our knowledge and belief, this information is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices.

The material in this report represents the opinion of the authors and is not representative of the view of Milliman. As such, Milliman is not advocating for, or endorsing, any specific views contained in this report related to the Medicare Advantage program or the Senior Savings Model.

This report is intended to summarize MAPD plans participating in the senior savings model for 2021. This information may not be appropriate, and should not be used, for other purposes. We do not intend this information to benefit, and assume no duty of liability to, any third party that receives this work product. Any third-party recipient of this report that desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its specific needs.

The credibility of certain comparisons provided in this report may be limited, particularly where the number of plans or NLI enrollees in certain groupings is low.

In preparing our analysis, we relied upon public information from CMS, which we accepted without audit. However, we did review it for general reasonableness. If this information is inaccurate or incomplete, conclusions drawn from it may change.



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