2013 Medicare Part D Landscape

September 19, 2012

(Using September 4, 2012 Data)

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Quick Fact: 2012 versus 2013

- Access to a Medicare prescription drug plan will remain strong in 2013.
- Everyone with Medicare will have access to a wide range of plan choices.
- During open enrollment, we encourage beneficiaries to use the tools and resources available to review their coverage and enroll in lower cost and higher quality options.
- The average estimated basic Medicare prescription drug plan premium is projected to be $30 in 2013, holding steady from last year.

Quick Fact: 2012 versus 2013

- In 2013, there will be 1,065 stand-alone plans offered by Part D sponsors. Of these, 520 (48.8%) are enhanced alternative plans and 545 (51.2%) are basic plans.
- Overall,
  - There is an increase of 2 stand-alone plans offered in 2013 than 2012.
  - There are 11 more EA plans offered in 2013 than 2012 (a 2.2% increase from 2012 to 2013).
  - There are 9 fewer basic plans offered in 2013 than 2012 (a 1.6% decrease from 2012 to 2013).

Quick Fact: 2012 versus 2013

- On average, every region will have 15 enhanced stand alone plans and 16 basic plans in 2013, consistent with 2012.
- In the 10 regions (out of 34) with the largest decrease in the number of PDP plans, there was a decrease of 1 to 2 plans from 2012 to 2013.
- In 2013, every region will have at least two low-income subsidy (LIS) plans.
- An average of 10 LIS plans will be available per region.

Quick Fact: 2012 versus 2013

- Almost every region will have one PDP plan with the lowest premium of $15.00 in 2013
    - o Except of Region 01 (New Hampshire and Maine), Region 03 (New York), Region 28 (Arizona), and Region 33 (Hawaii). (It was $15.10 in 2012).
- Every region will have one PDP plan with the premium of $18.50. (Humana Walmart-Preferred Rx Plan (PDP); these same Humana plans' premiums in 2012 were $15.10).

Quick Fact: 2012 versus 2013

- There will be 22 national PDPs from 11 parent organizations in 2013 (compared to 24 national PDPs from 11 parent organizations in 2012).
- All 11 parent organizations offering these 22 national PDPs also offer LIS plans nationally.
    - Aetna Inc., CIGNA, Coventry Health Care Inc., CVS Caremark Corporation, Envision Insurance, Humana Inc., RCGM LLC, Torchmark Corporation, UnitedHealth Group Inc., and WellPoint Inc.
- SmartD Rx will be a new national PDP.
- HealthSpring Inc.'s national PDP in 2012 is now sponsored by CIGNA in 2013.
- RCGM LLC is a new parent organization offering a national PDP.
- Community CCRx PDP and Bravo Health will no longer be a national PDP in 2013.
- Medco Health Solutions Inc., that offered a national PDP in 2012, will no longer be offered nationally in 2013 (Acquired by Express Scripts).

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- Annual Standard Benefit Adjustments
- Patterns in Plan Offering
- Part D Enrollment Patterns

Annual Standard Benefit Adjustments

Benefit Parameters	2006	2007	2008	2009	2010	2011	2012	2013
Deductible	$250	$235	$275	$295	$310	$310	$320	$325
Initial Coverage Limit	$2,250	$2,400	$2,510	$2,700	$2,830	$2,840	$2,930	$2,970
Out-of-Pocket (OOP) Threshold	$3,600	$3,850	$4,050	$4,350	$4,550	$4,550	$4,700	$4,750
Total Covered Drug Spend at OOP Threshold	$5,100	$5,451.25	$5,726.25	$6,153.75	$6,440	$6,447.50	$6,657.50	$6,733.75

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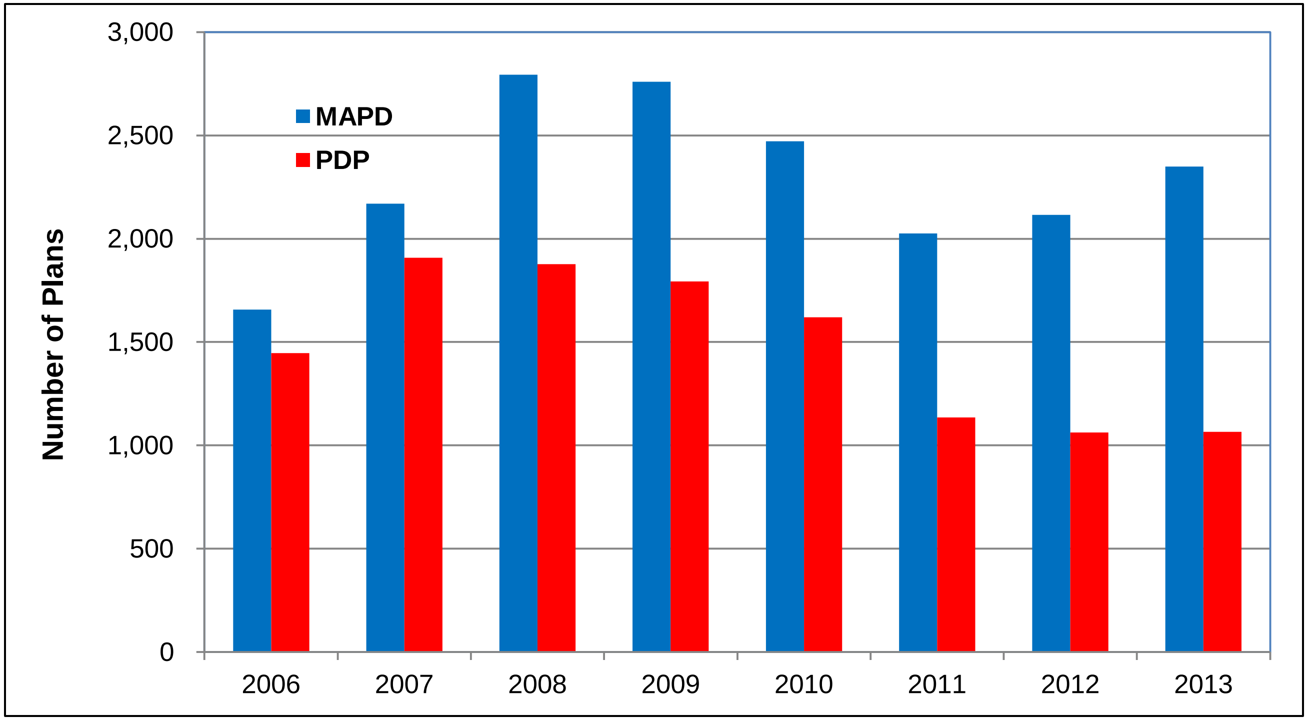
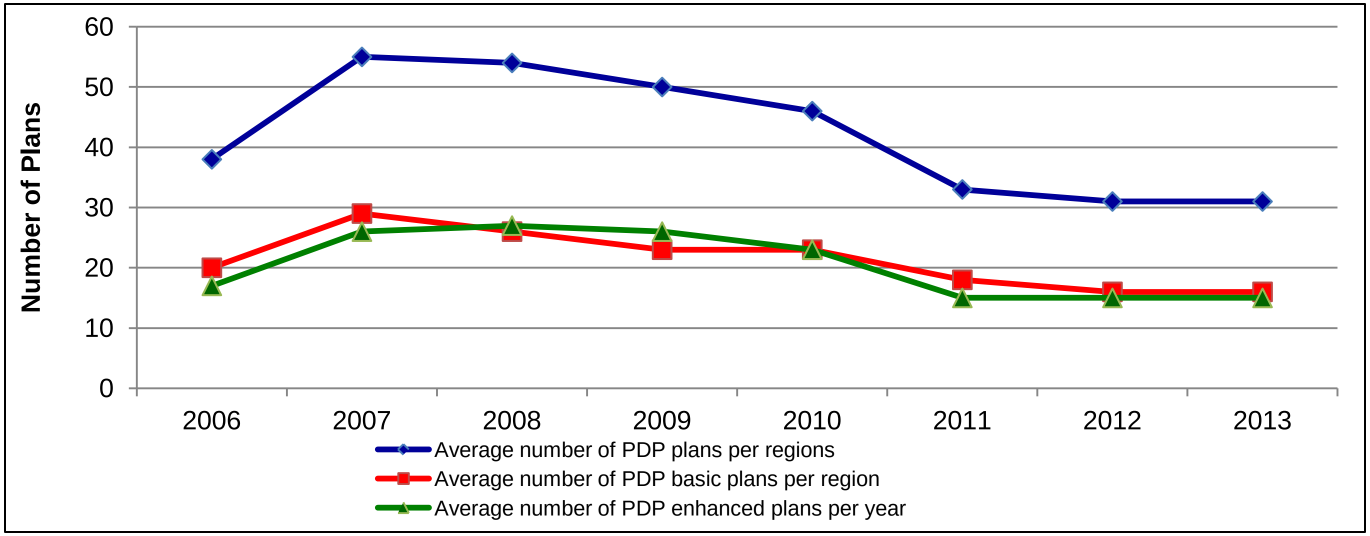
Part D Plans by Year

Contract Type	Contract Year							
	2006	2007	2008	2009	2010	2011	2012	2013
MAPD	1,657	2,170	2,794	2,760	2,472	2,025	2,116	2,350
PDP	1,446	1,908	1,877	1,793	1,620	1,136	1,063	1,065



Average PDP Plans per Region by Year

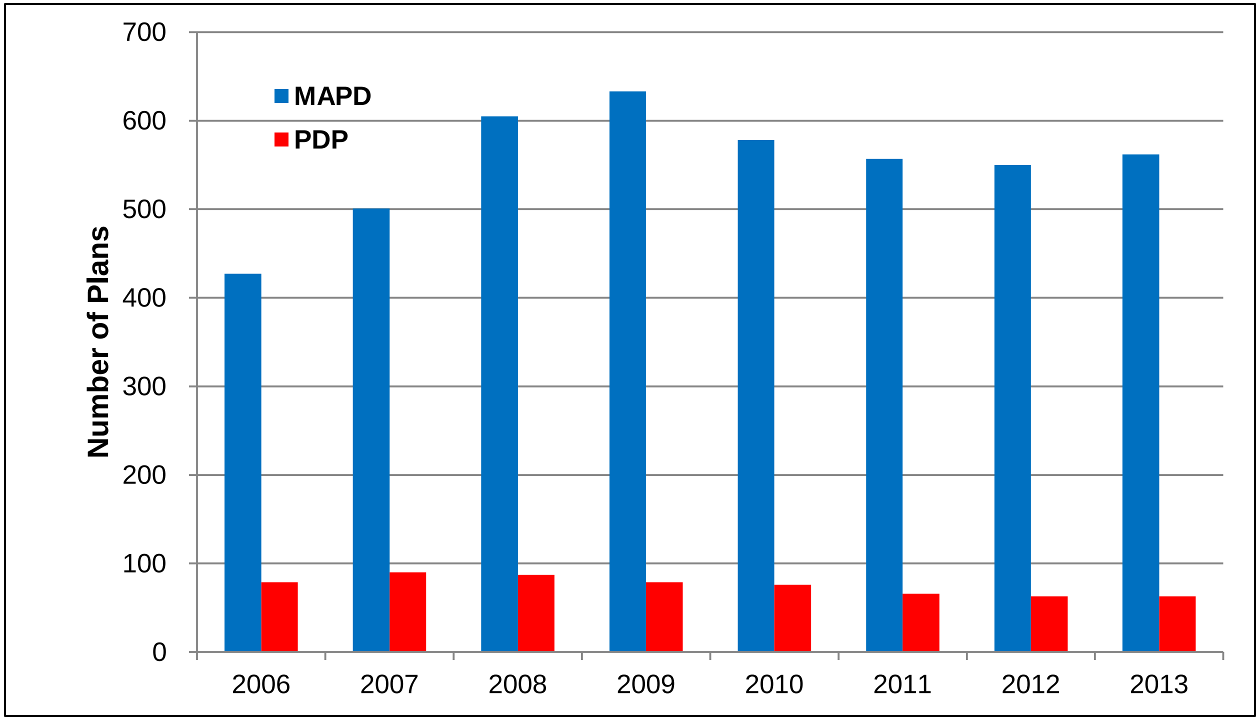
Year	Average number of PDP plans per regions	Average number of PDP basic plans per region	Average number of PDP enhanced plans per year
2006	38	20	17
2007	55	29	26
2008	54	26	27
2009	50	23	26
2010	46	23	23
2011	33	18	15
2012	31	16	15
2013	31	16	15



Note: Excluding US territories.

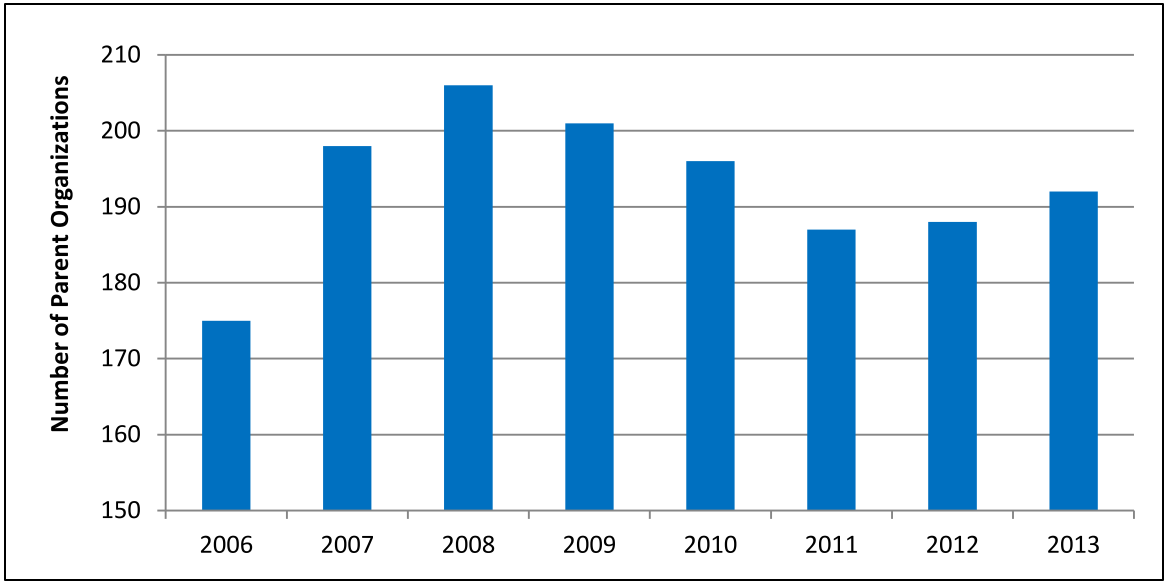
Contracts by Year

Contract Type	Contract Year							
	2006	2007	2008	2009	2010	2011	2012	2013
MAPD	427	501	605	633	578	557	550	562
PDP	79	90	87	79	76	66	63	63



Parent Organizations by Year

Contract Year	Number of Parent Organizations
2006	175
2007	198
2008	206
2009	201
2010	196
2011	187
2012	188
2013	192



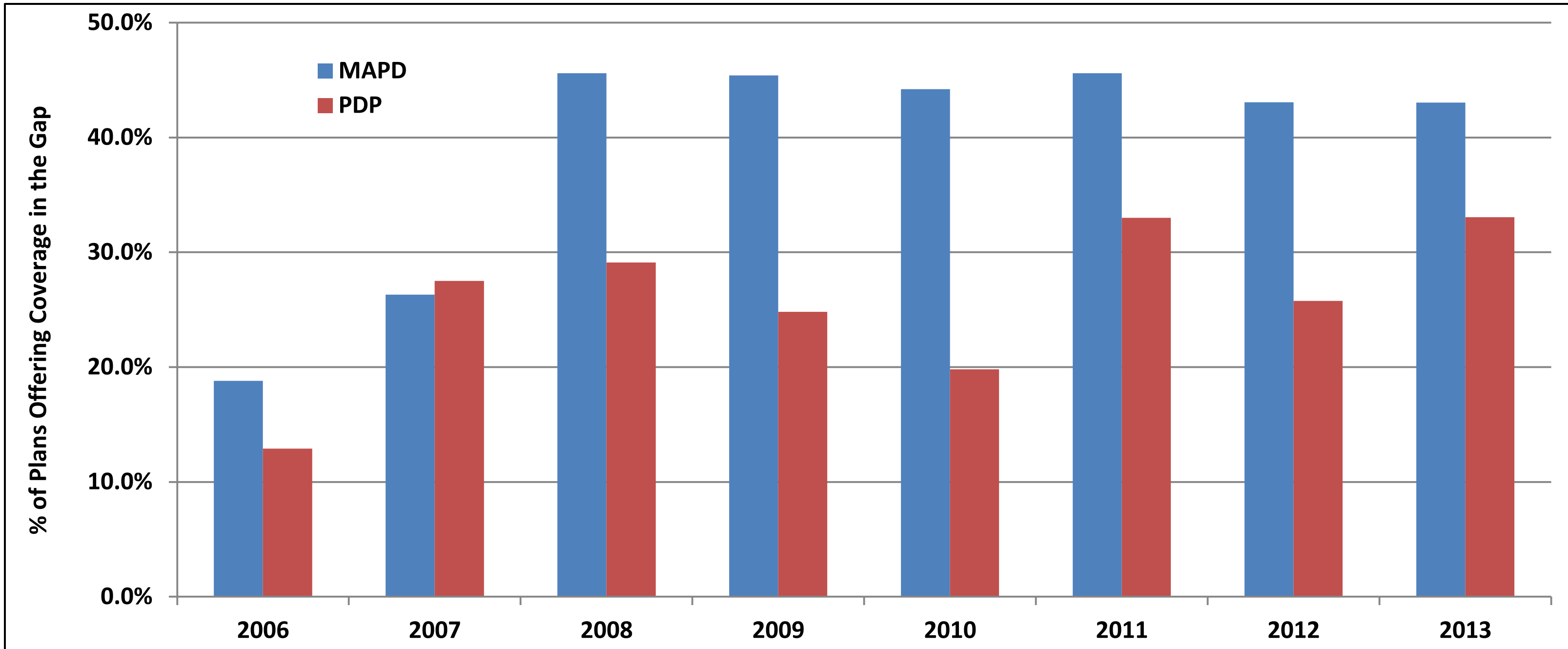
Trends in Part D Benefit Types by Year

For PDPs, the Number of DS and BA Benefit Types Decreased from 2012 to 2013 While AE Benefit Types Increased and EA Benefit Types Remained Stable. For MAPDs, the Number of DS, BA, AE, and EA Benefit Types Remained Relatively Stable from 2012 to 2013

Contract Type	Benefit Type	2006		2007		2008		2009		2010		2011		2012		2013	
		plans	%	plans	%	plans	%	plans	%	plans	%	plans	%	plans	%	plans	%
PDP	DS	134	9.3%	221	11.6%	222	11.8%	173	9.9%	176	10.9%	136	12.0%	97	9.1%	48	4.5%
	AE	314	21.7%	257	13.5%	243	12.9%	333	19.1%	374	23.1%	283	24.9%	284	26.7%	424	39.8%
	BA	386	26.7%	523	27.4%	463	24.7%	312	17.9%	252	15.6%	201	17.7%	173	16.3%	73	6.9%
	EA	612	42.3%	907	47.5%	949	50.6%	921	53.0%	818	50.5%	516	45.4%	509	47.9%	520	48.8%
MAPD	DS	250	15.1%	291	13.4%	282	10.1%	322	11.7%	329	13.3%	276	13.6%	288	13.6%	343	14.6%
	AE	148	8.9%	45	2.1%	24	0.9%	30	1.1%	55	2.2%	53	2.6%	24	1.1%	25	1.1%
	BA	338	20.4%	380	17.5%	298	10.7%	184	6.7%	118	4.8%	107	5.3%	117	5.5%	127	5.4%
	EA	921	55.6%	1,454	67.0%	2,190	78.4%	2,224	80.6%	1,970	79.7%	1,589	78.5%	1,687	79.7%	1,855	78.9%

Plans Offering Supplemental Coverage in the Gap* (as a share of all Plans)

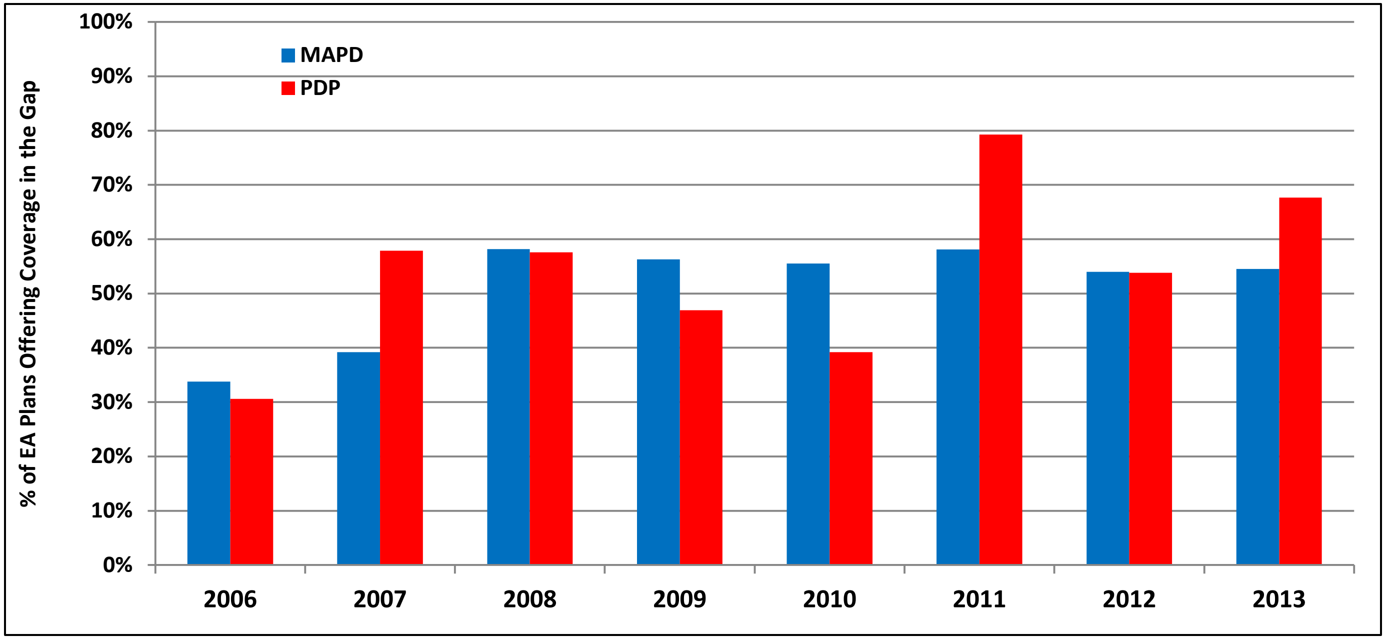
Contract Type	2006		2007		2008		2009		2010		2011		2012		2013	
	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%
MAPD	311	18.8%	570	26.3%	1,274	45.6%	1,252	45.4%	1,093	44.2%	923	45.6%	911	43.1%	1,011	43.0%
PDP	187	12.9%	525	27.5%	5,457	29.1%	432	24.8%	321	19.8%	375	33.0%	274	25.8%	352	33.1%



*For years 2011-2013, these data represent the additional gap coverage offered through a supplemental Part D benefit that is above and beyond the standard gap coverage benefit provided for under the Affordable Care Act.

Plans Offering Supplemental Coverage in the Gap* (as a share of EA Plans only)

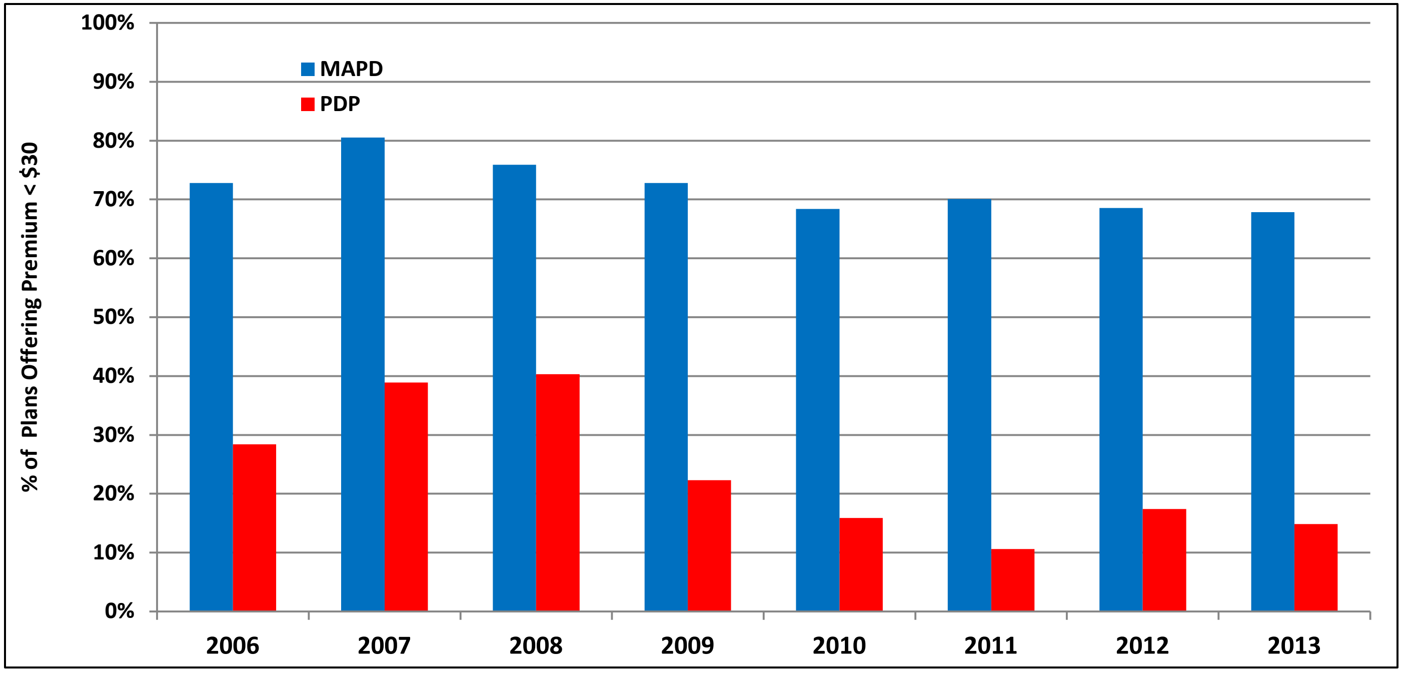
Contract Type	2006		2007		2008		2009		2010		2011		2012		2013	
	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%
MAPD	311	33.8%	570	39.2%	1,274	58.2%	1,252	56.3%	1,093	55.5%	923	58.1%	911	54.0%	1011	54.5%
PDP	187	30.6%	525	57.9%	5,457	57.6%	432	46.9%	321	39.2%	409	79.3%	274	53.8%	352	67.7%



*For years 2011-2013 ,these data represent the additional gap coverage offered through a supplemental Part D benefit that is above and beyond the standard gap coverage benefit provided for under the Affordable Care Act.

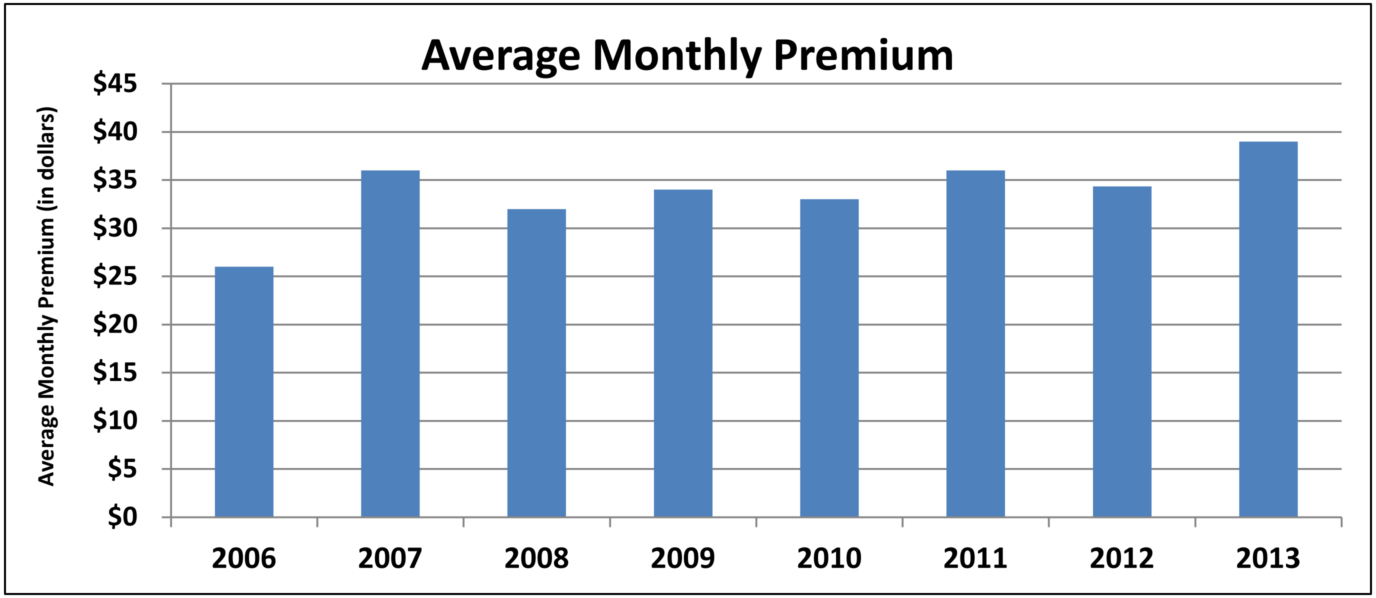
Plans with Premium < $30 by Year

Contract Type	2006		2007		2008		2009		2010		2011		2012		2013	
	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%
MAPD	1,206	72.8%	1,748	80.5%	2,120	75.9%	2,010	72.8%	1,691	68.4%	1,419	70.1%	1,451	68.6%	1,595	67.9%
PDP	410	28.4%	742	38.9%	755	40.3%	388	22.3%	258	15.9%	120	10.6%	185	17.4%	158	14.8%



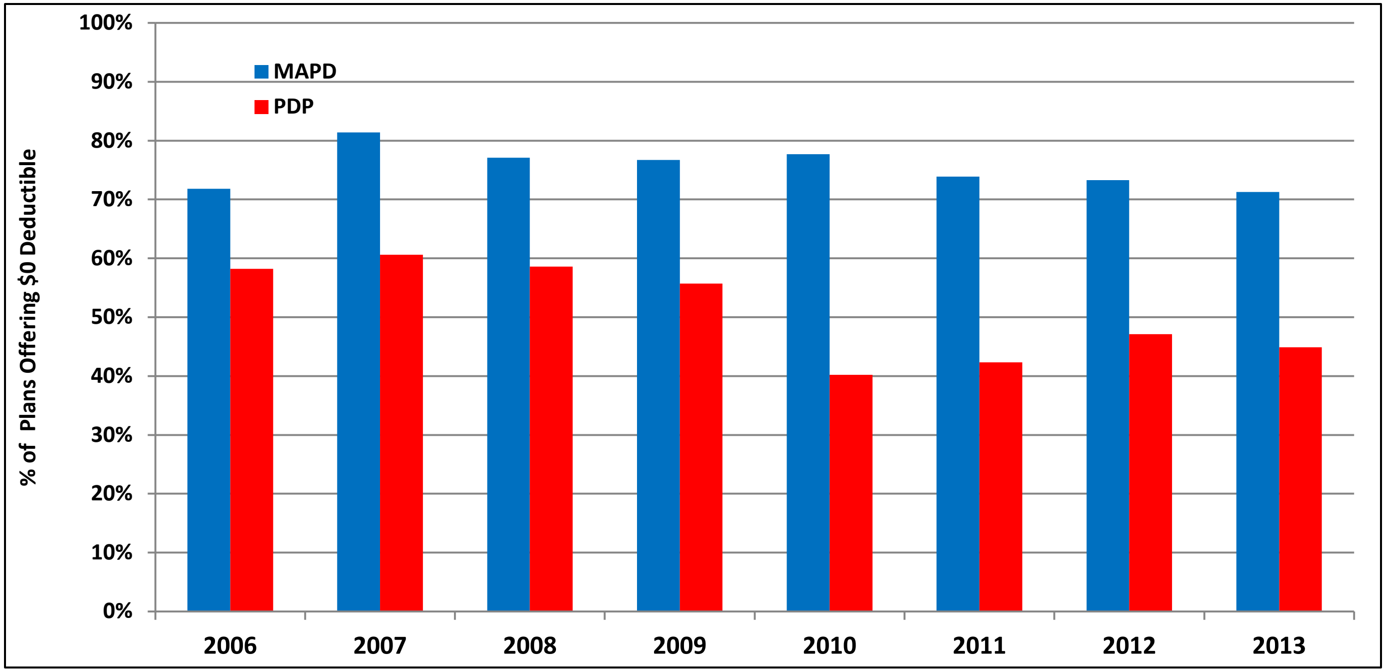
Average Premium for Defined Standard PDP Plans

Year	Average Monthly Premium
2006	$26
2007	$36
2008	$32
2009	$34
2010	$33
2011	$36
2012	$34
2013	$39



Plans Offering $0 Deductible by Year

Contract Type	2006		2007		2008		2009		2010		2011		2012		2013	
	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%	Plans	%
MAPD	1,190	71.8%	1,766	81.4%	2,154	77.1%	2,117	76.7%	1,921	77.7%	1,497	73.9%	1,551	73.3%	1,675	71.3%
PDP	842	58.2%	1,157	60.6%	1,100	58.6%	968	55.7%	651	40.2%	481	42.3%	501	47.1%	478	44.9%



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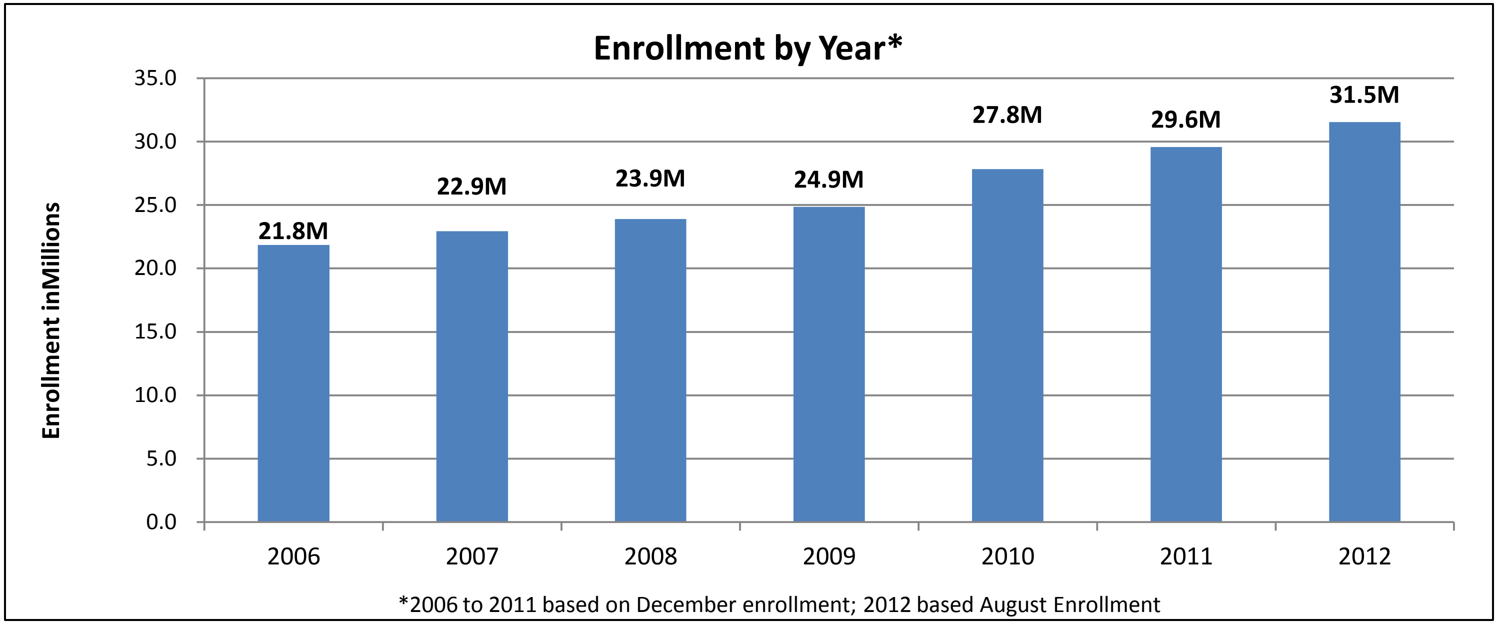
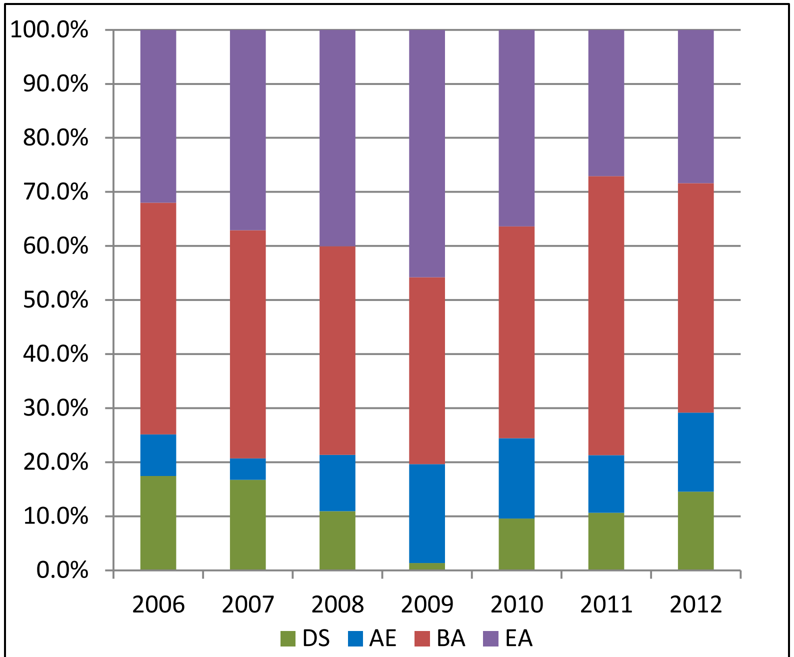
Enrollment Trends of Part D

Year	Enrollment*
2006	21,848,355
2007	22,945,077
2008	23,885,731
2009	24,852,522
2010	27,838,845
2011	29,580,086
2012	31,537,764

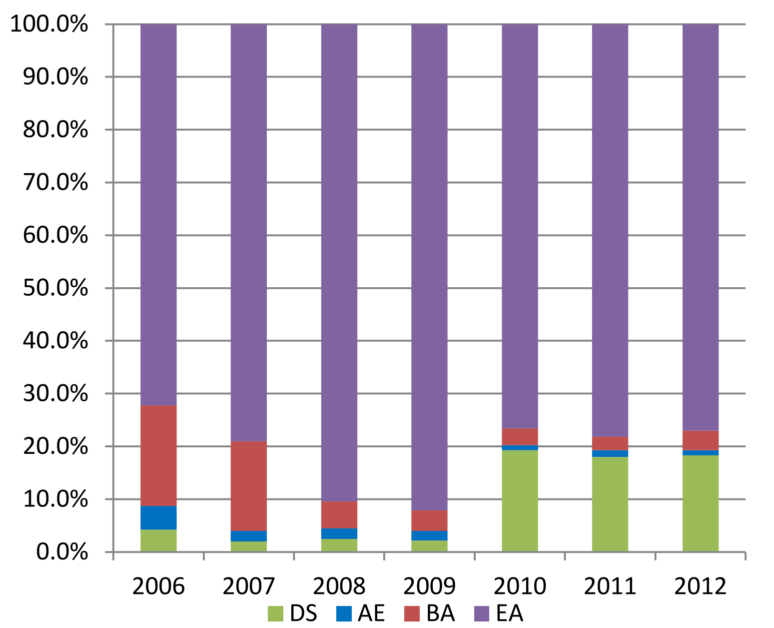


Non-LIS Enrollment by Benefit Type

Contract Type		2006	2007	2008	2009	2010	2011	2012
PDP	DS	17.4%	16.7%	10.9%	1.4%	9.6%	10.6%	14.5%
	AE	7.7%	4.0%	10.4%	18.3%	14.8%	10.7%	14.6%
	BA	42.8%	42.2%	38.6%	34.6%	39.2%	51.6%	42.5%
	EA	32.0%	37.1%	40.0%	45.8%	36.3%	27.1%	28.4%
MAPD	DS	4.2%	2.0%	2.5%	2.2%	19.3%	18.0%	18.3%
	AE	4.5%	2.0%	2.0%	1.8%	1.0%	1.3%	1.0%
	BA	19.0%	17.0%	5.1%	3.9%	3.2%	2.6%	3.7%
	EA	72.2%	79.0%	90.4%	92.1%	76.6%	78.2%	77.1%



PDP



MAPD

2012 and 2013 Non-Renewals

- The percentage of enrollees impacted by non-renewing plans in 2013 continues to be low and will be similar to 2012.

Year	% MA Enrollees Impacted*	% PDP Enrollees Impacted**	% Total Enrollees Impacted **
2011	9.9%	2.0%	4.8%
2012	2.5%	0.1%	1.1%
2013	3.0%	0.1%	1.3%

Note:

**   MA non-Renewing Enrollment/ MA Enrollment*

***   PDP non-Renewing Enrollment / PDP Enrollment*

****Total non-Renewing Enrollment / Total Enrollment*