



# 2011 Medicare Marketplace: Analysis of Plan-Level Enrollment Data

February 2011  
Avalere Health LLC

# Methodology

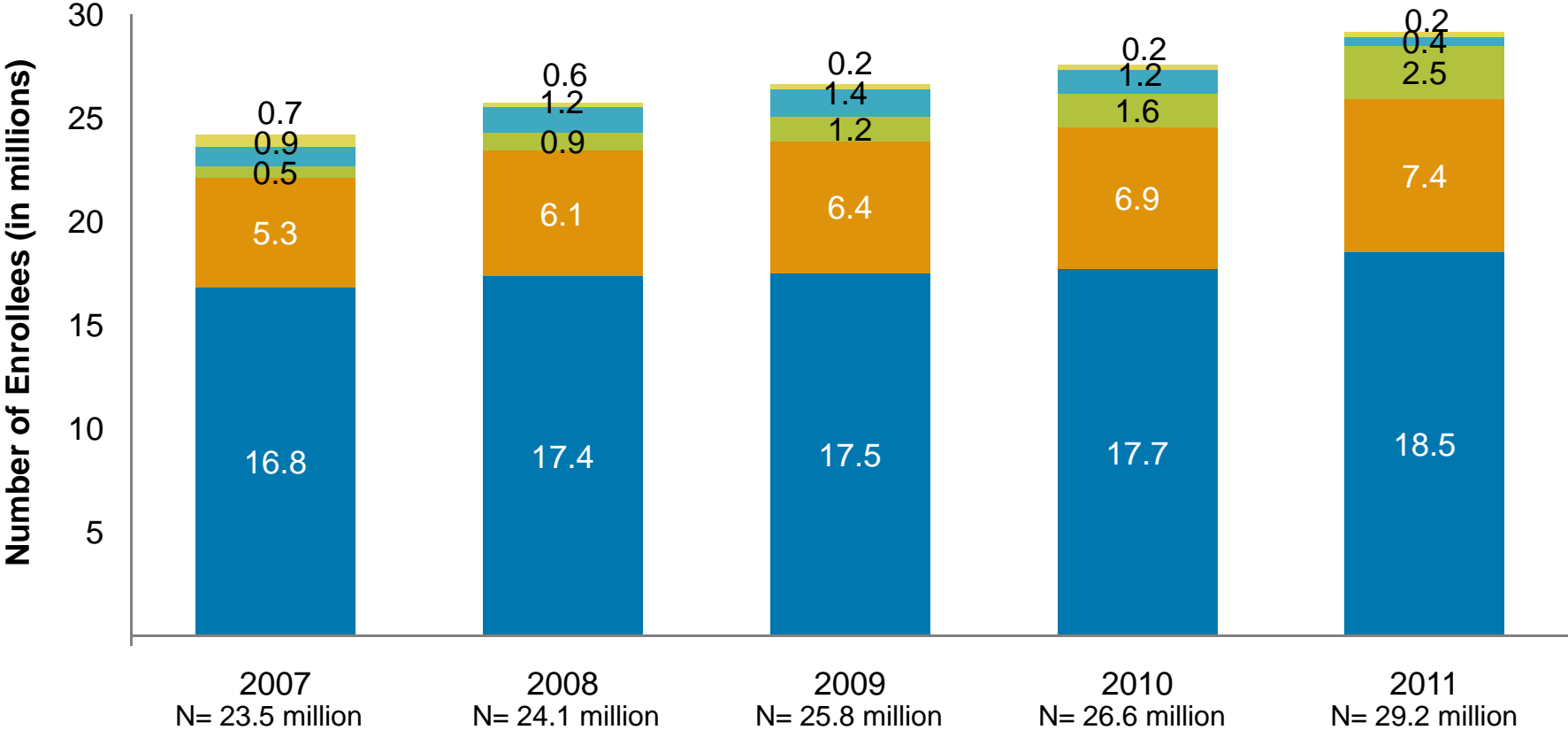
---

- The following analysis was conducted using the Centers for Medicare & Medicaid Services' (CMS) "Landscape File" and Avalere Health's proprietary database, DataFrame®
- DataFrame® is a proprietary database of all stand-alone prescription drug plans (PDPs) and Medicare Advantage Prescription Drug (MA-PD) plans
  - » Uses CMS data on Medicare Part D plan and formulary design
  - » Includes additional proprietary and public data sets
  - » MA plans may be one of the following: Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), Private-Fee-for-Service Plan (PFFS plan), or other type of MA plan
- Analysis uses released enrollment data from July 2006 (reflecting June 2006 enrollment), July 2007 (reflecting June 2007 enrollment), July 2008 (reflecting June 2008 enrollment), February 2009 (reflecting January 2009 enrollment), February 2010 (reflecting January 2010 enrollment), and February 2011 (reflecting January 2011 enrollment)
- A 'plan' in this context is a single option offered in one of the PDP regions; a plan sponsor may offer more than one plan in a region (typically they offer 2-3 plan choices) and may serve multiple regions
- The enrollment-weighted premium analysis excludes territories

# PDPs Continue to Cover Majority of Part D Lives

## Part D Enrollment by Plan Type

■ PDP ■ HMO ■ PPO ■ PFFS ■ Other

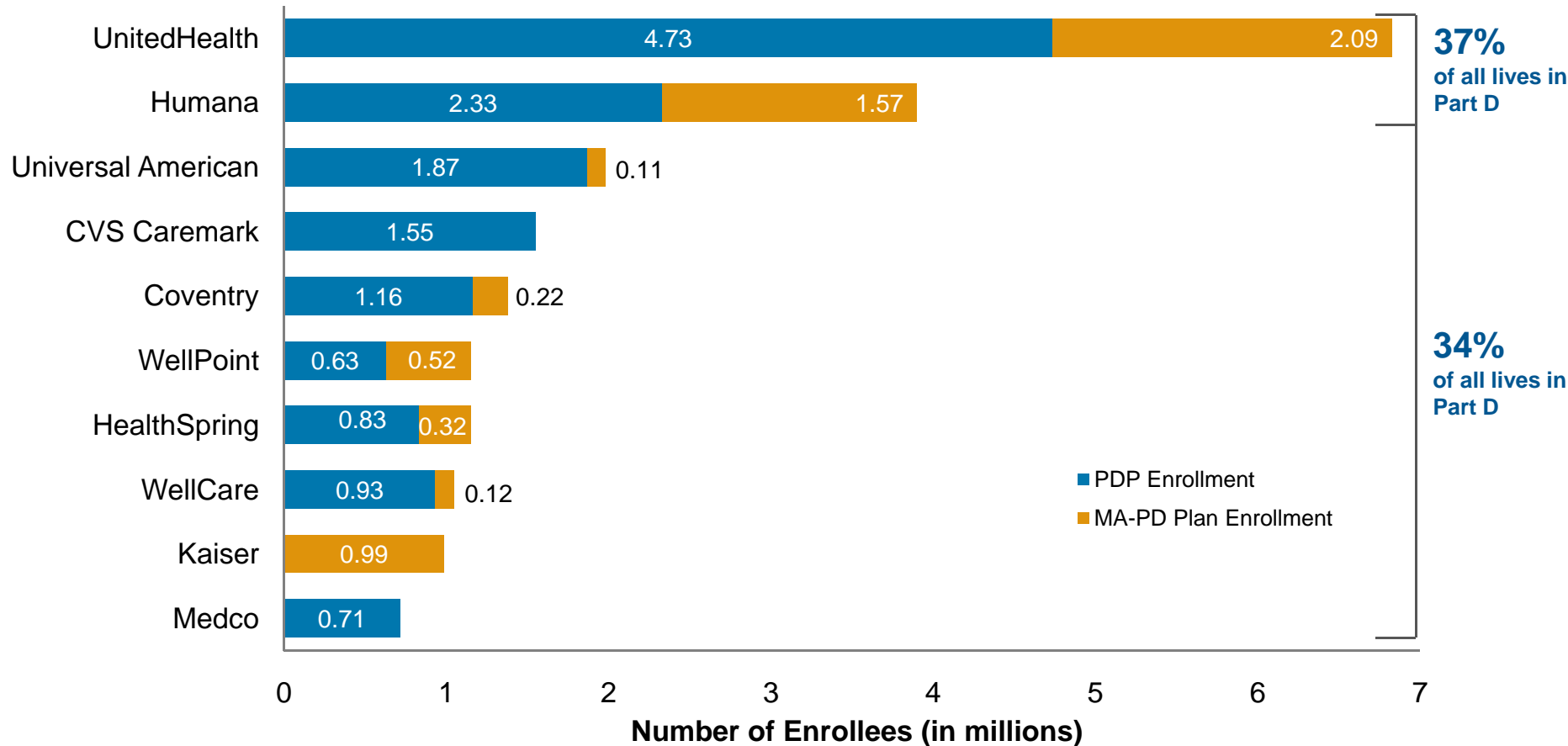


Source: Avalere Health analysis using enrollment data released by the Centers for Medicare & Medicaid Services in July 2007 (reflecting June 2007 enrollment), July 2008 (reflecting June 2008 enrollment), February 2009 (reflecting January 2009 enrollment), February 2010 (reflecting January 2010 enrollment), and February 2011 (reflecting January 2011 enrollment). Excludes lives in Part D plans with fewer than 10 enrollees. Figures are rounded and may not add to totals.



# UnitedHealth and Humana Continue to Dominate Part D Market with Nearly 40 Percent of Total Part D Lives

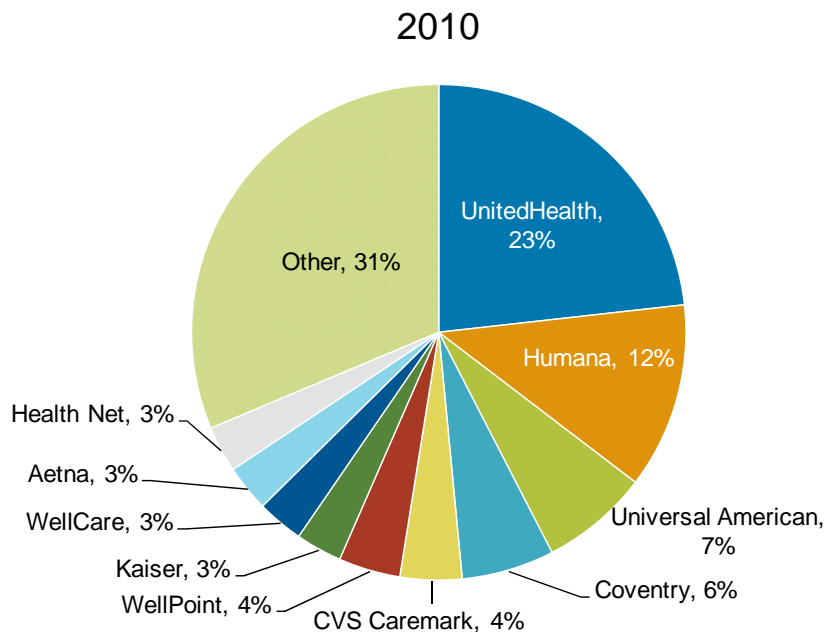
## Part D Enrollment of Top 10 Parent Organizations, 2011



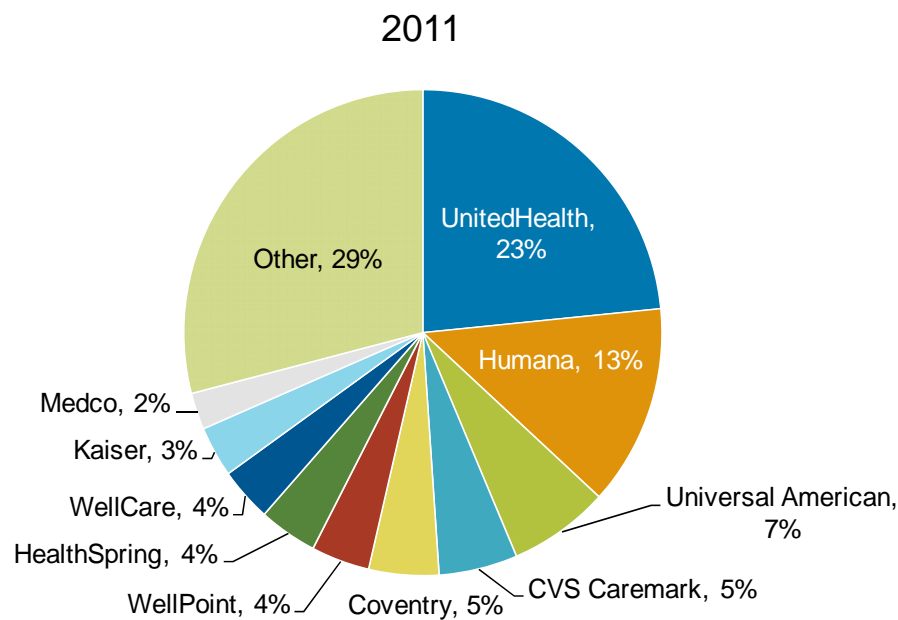
Source: Avalere Health analysis using enrollment data released by the Centers for Medicare & Medicaid Services in February 2011, reflecting enrollment accepted as of January 2011. Excludes lives in Part D plans with fewer than 10 enrollees.

# Minimal Shifts in Part D Market Share Among Top Sponsors

## Parent Organizations by Percent of Total Part D Enrollment



**N = 27.6 million**



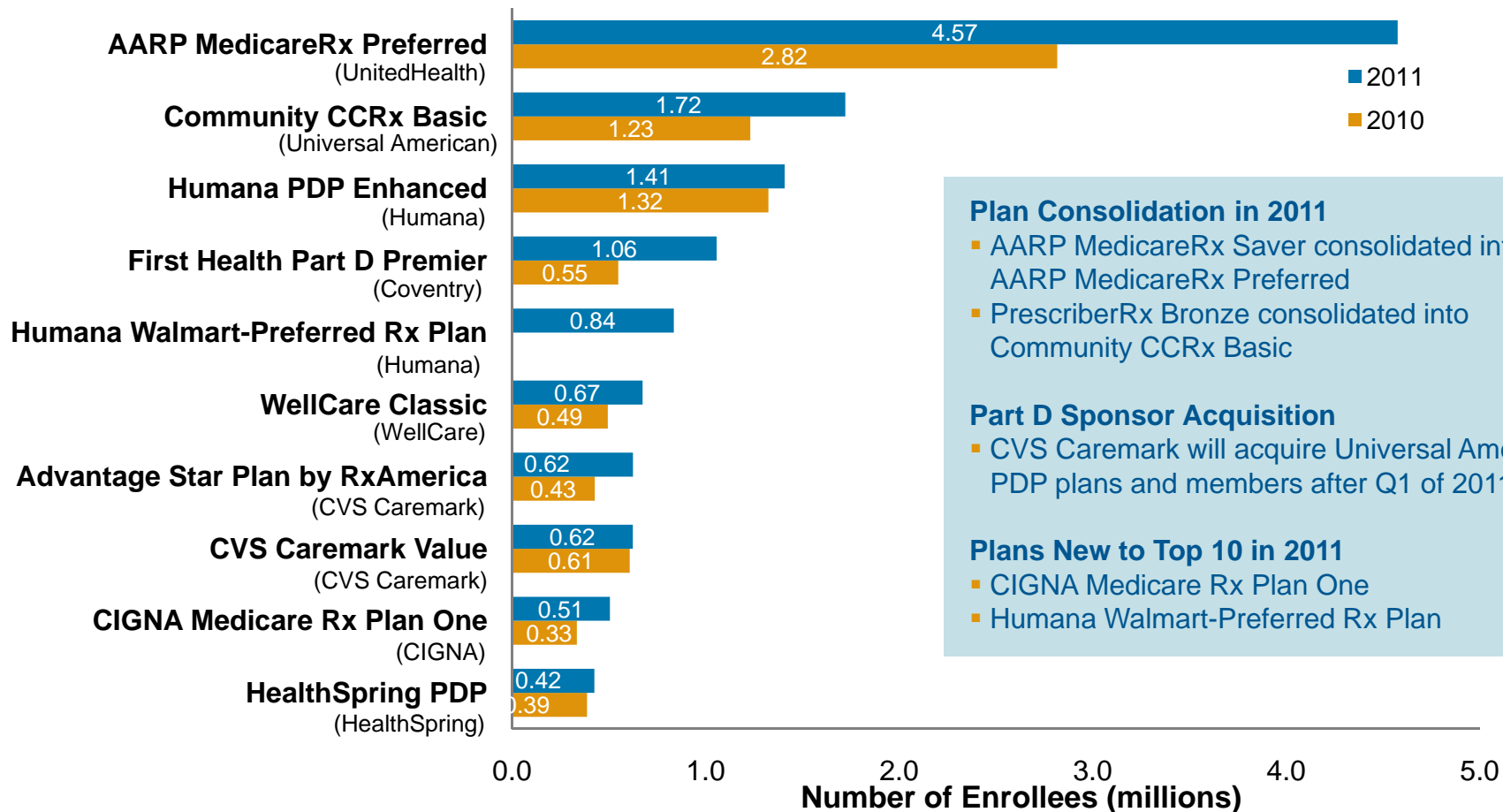
**N = 29.2 million**

- The top 10 Part D organizations capture 71% of enrollment in 2011
- UnitedHealth remains top parent organization
- CVS Caremark will become third largest sponsor following acquisition of Universal American's PDP lives, starting in April
- In 2011, Medco and HealthSpring replaced Aetna and Health Net in the top 10 Part D sponsor organizations

Source: Avalere Health analysis using enrollment data released by the Centers for Medicare & Medicaid Services in February 2010, reflecting enrollment accepted as of January 2010, and February 2011, reflecting enrollment accepted as of January 2011. Excludes lives in Part D plans with fewer than 10 enrollees.

# Despite Strong Marketing Push by Humana Walmart Plan, AARP MedicareRx Preferred Still Most Popular Plan in 2011

## Top 10 PDP Offerings by Enrollment, 2011



**Plan Consolidation in 2011**

- AARP MedicareRx Saver consolidated into AARP MedicareRx Preferred
- PrescriberRx Bronze consolidated into Community CCRx Basic

**Part D Sponsor Acquisition**

- CVS Caremark will acquire Universal American's PDP plans and members after Q1 of 2011

**Plans New to Top 10 in 2011**

- CIGNA Medicare Rx Plan One
- Humana Walmart-Preferred Rx Plan

Source: Avalere Health analysis using enrollment data released by the Centers for Medicare & Medicaid Services in February 2010, reflecting enrollment accepted as of January 2010, and February 2011, reflecting enrollment accepted as of January 2011. Excludes lives in Part D plans with fewer than 10 enrollees.

# AARP MedicareRx Preferred and Humana Walmart Likely Factors in Decline in Enrollment-Weighted Average Premium for Top Ten PDPs

PDP Offering	# of Regions in 2010	# of Regions in 2011	2011 Plan Enrollment*	Enrollment-Weighted Average Premium**		% Change in Average Premium, 2010-2011
				2010	2011	
AARP MedicareRx Preferred	34	34	4,565,805	\$39.40	\$34.72	-12%
Community CCRx Basic	34	34	1,719,489	\$28.85	\$29.71	3%
Humana PDP Enhanced	33	33	1,408,181	\$41.40	\$43.76	6%
First Health Part D-Premier	34	34	1,056,737	\$30.69	\$35.70	16%
Humana Walmart-Preferred Rx Plan	n/a	34	835,690	n/a	\$14.80	n/a
WellCare Classic	33	33	637,882	\$28.07	\$31.77	13%
Advantage Star Plan by RxAmerica	34	34	624,558	\$29.57	\$28.47	-4%
CVS Caremark Value	34	34	623,617	\$33.70	\$32.84	-3%
CIGNA Medicare Rx Plan One	34	34	505,753	\$29.14	\$34.30	18%
HealthSpring PDP	34	34	424,946	\$30.84	\$32.72	6%
<b>Top 3 Plans</b>			<b>7,693,475</b>	<b>\$37.47</b>	<b>\$35.26</b>	<b>-6%</b>
<b>Top 10 Plans</b>			<b>12,402,658</b>	<b>\$35.09</b>	<b>\$33.14</b>	<b>-6%</b>
<b>All PDPs</b>			<b>16,954,814</b>	<b>\$37.19</b>	<b>\$38.44</b>	<b>3%</b>

Source: Avalere Health analysis using DataFrame®, a proprietary database of Medicare Part D plan features.

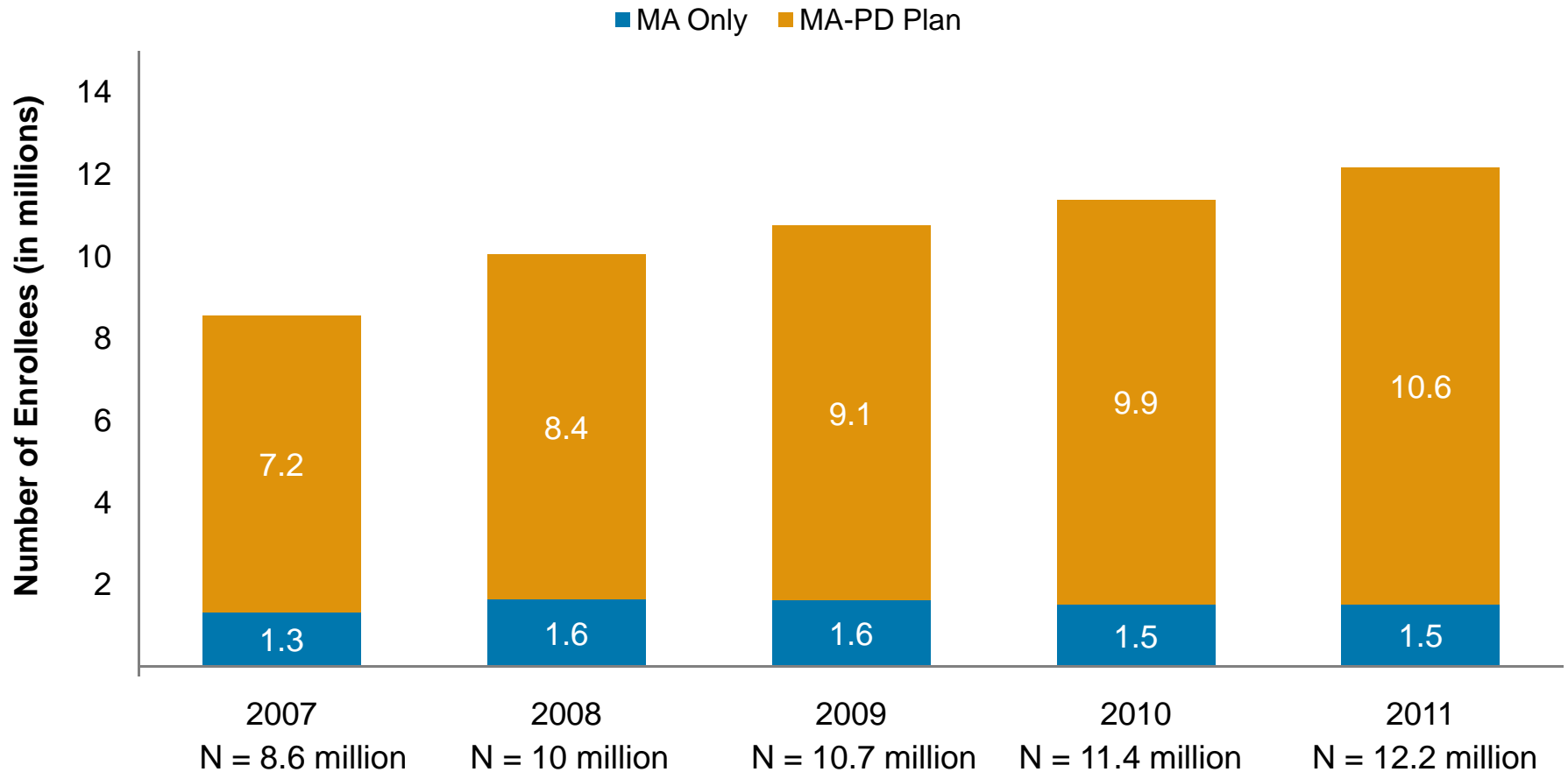
\* Excludes enrollment in territories.

\*\* 2010 enrollment-weighted averages with January 2010 data; 2011 enrollment-weighted with January 2011 enrollment data.



# Despite Impending MA Payment Reform, Enrollment in Medicare Advantage Continues to Grow at a Steady Pace

## Medicare Advantage Enrollment, 2007-2011

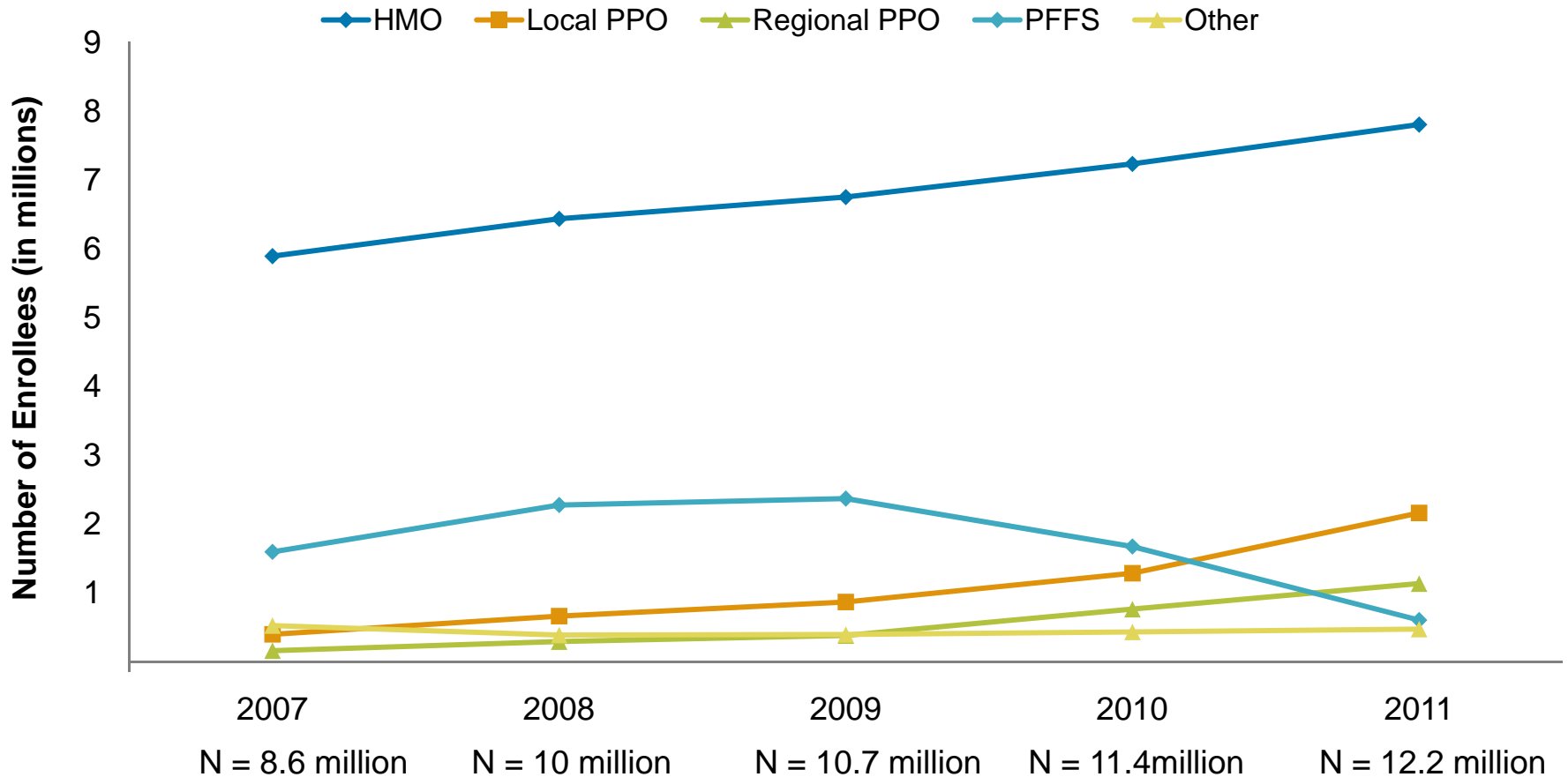


Source: Avalere Health analysis using enrollment data released by the Centers for Medicare & Medicaid Services in July 2007 (reflecting June 2007 enrollment), July 2008 (reflecting June 2008 enrollment), February 2009 (reflecting January 2009 enrollment), February 2010 (reflecting January 2010 enrollment), and February 2011 (reflecting January 2011 enrollment). Figures are rounded and may not add to totals.



# Enrollment in HMO and PPO Plans Continues to Grow as PFFS Enrollment Declines

## Medicare Advantage Enrollment by Plan Type, 2007-2011



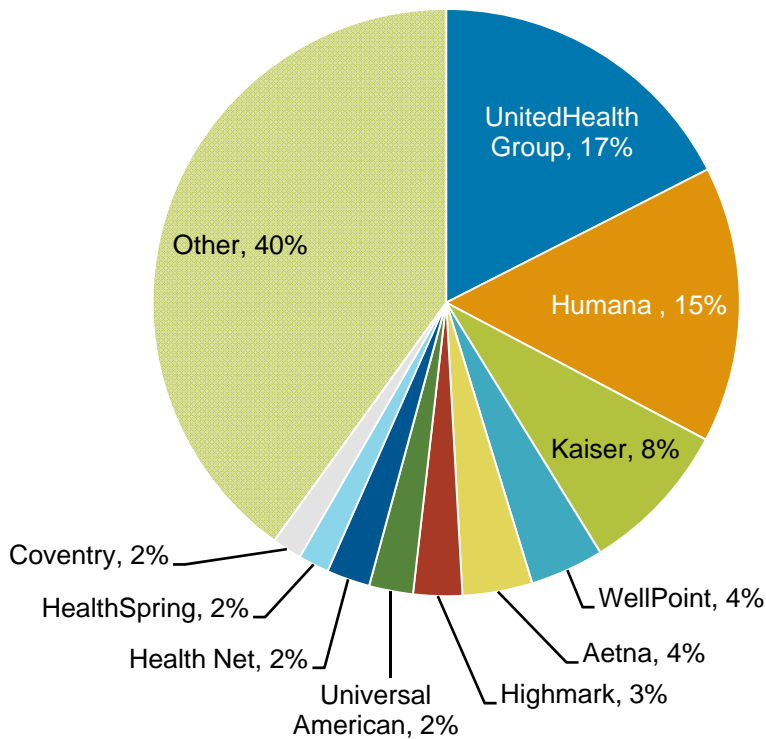
Source: Avalere Health analysis using enrollment data released by the Centers for Medicare & Medicaid Services in July 2007 (reflecting June 2007 enrollment), July 2008 (reflecting June 2008 enrollment), February 2009 (reflecting January 2009 enrollment), February 2010 (reflecting January 2010 enrollment), and February 2011 (reflecting January 2011 enrollment).



# UnitedHealth, Humana, and Kaiser Continue to Provide MA Benefits to Over 40 Percent of All MA Enrollees

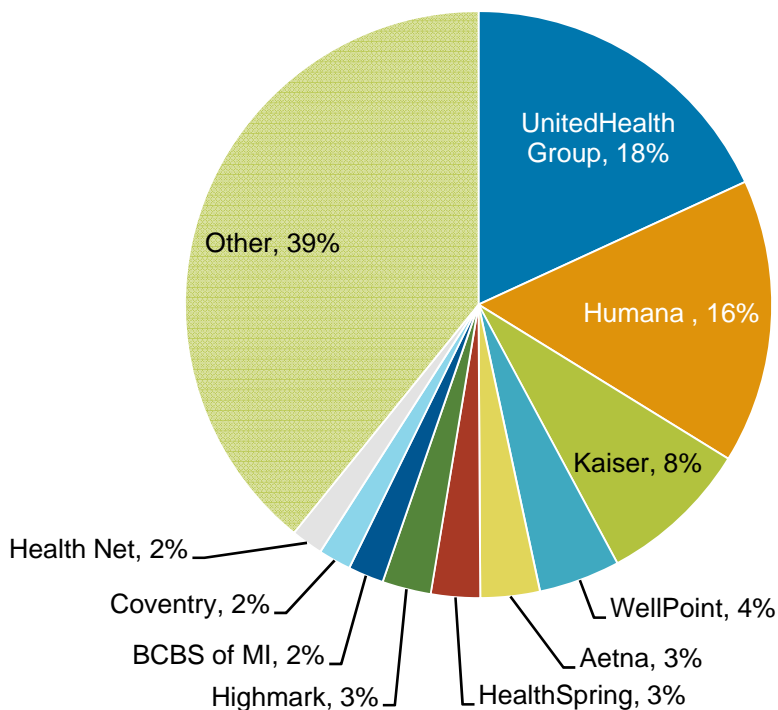
## Parent Organizations by Percent of Total Medicare Advantage Enrollment

2010



**N = 11.4 million**

2011



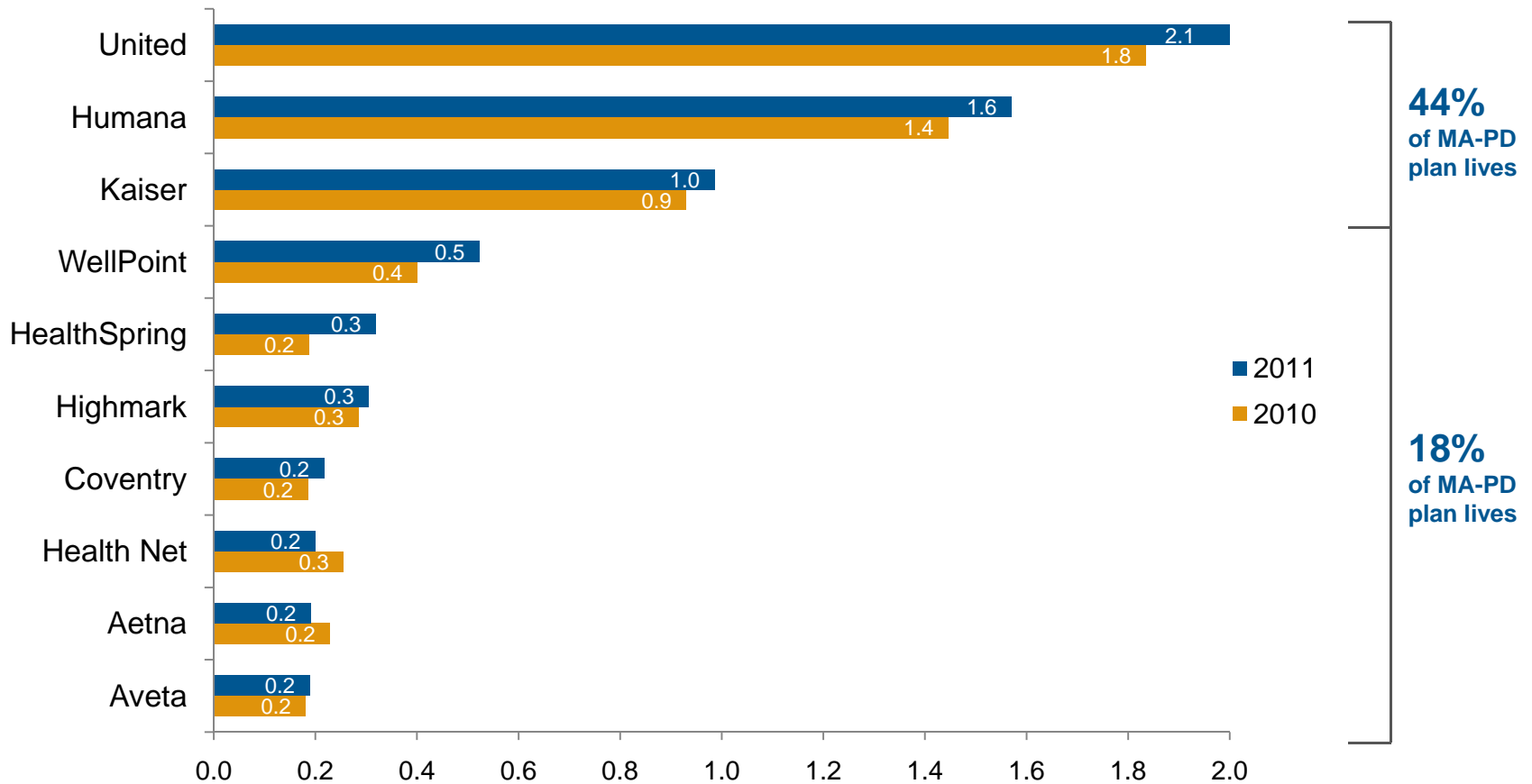
**N = 12.2 million**

Source: Avalere Health analysis using enrollment data released by the Centers for Medicare & Medicaid Services in February 2010 (reflecting January 2010 enrollment) and February 2011 (reflecting January 2011 enrollment). Figures are rounded and may not add to totals.



# 2011 Top Ten Parent Organizations Remain Relatively Stable from 2010

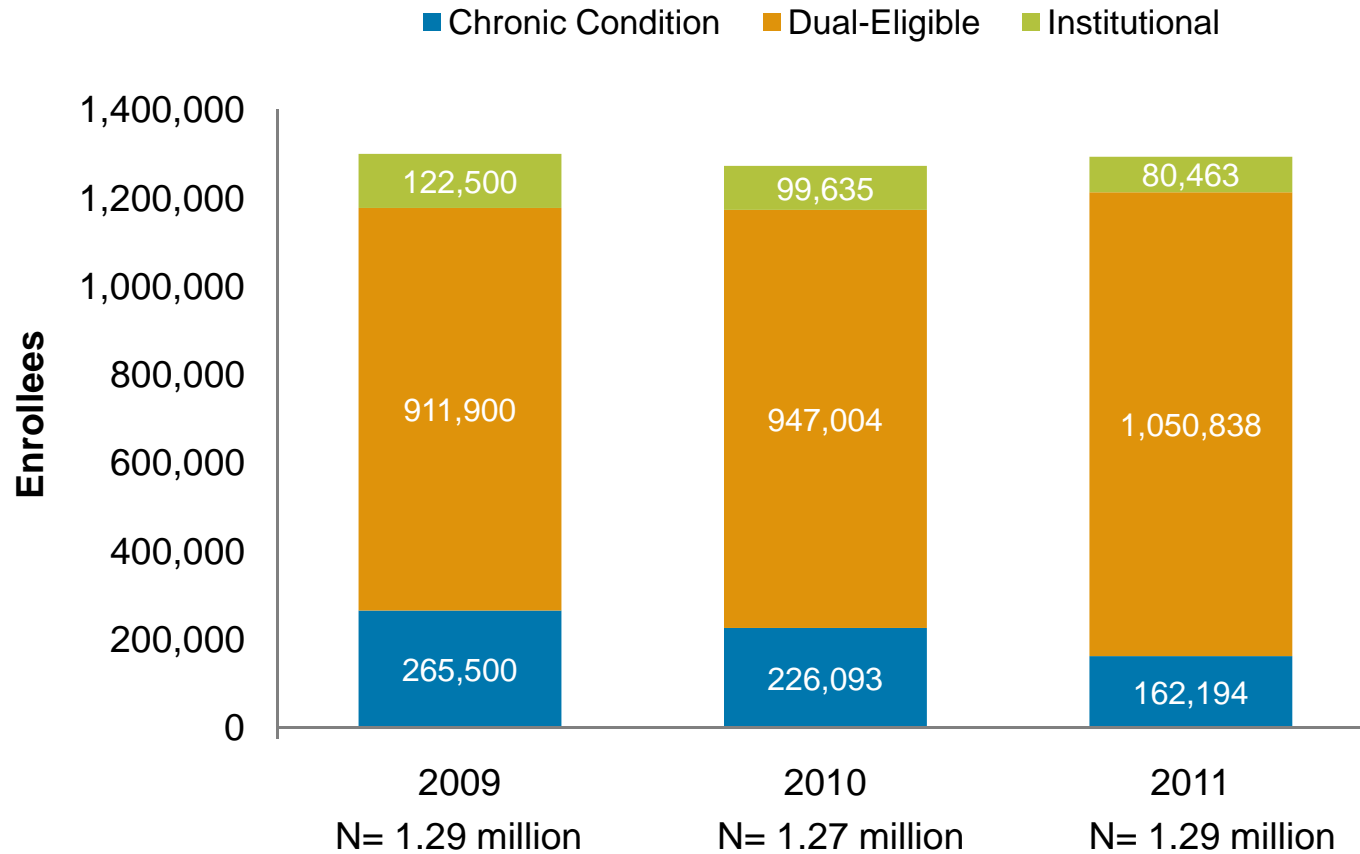
## Enrollment of Top 10 MA-PD Plan Parent Organizations, 2010-2011\*



Source: Avalere Health analysis using enrollment data released by the Centers for Medicare & Medicaid Services in February 2011, reflecting enrollment accepted as of January 2011, and February 2010, reflecting enrollment accepted as of January 2010.\* Includes Special Needs Plans (SNPs); excludes Medicare Advantage plans that do not offer drug coverage.

# Continued Growth in Dual-Eligible Special Needs Plans (SNPs) in 2011

## SNP Enrollment by SNP Type, 2009-2011



Source: Avalere Health analysis using enrollment data released by the Centers for Medicare & Medicaid Services in February 2009 (reflecting January 2009 enrollment), February 2010 (reflecting January 2010 enrollment), and February 2011 (reflecting January 2011 enrollment).