

# Sources of Data to Supplement PDE Data

## PLAN CHARACTERISTICS FILE

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# Plan Characteristics File

- **Contains information about plan type, benefit design, premium, cost-sharing and service area of Part D plans**

# Why Use Plan Characteristics File

- You can examine:
  - Characteristics of enrollees by plan type
  - Medication utilization/cost by plan type or within selected plan types
  - Premium elasticities from Part D Plan choice models
- You need to control for plan characteristics as covariates in your regression models

# Plan Characteristics File

- **Consists of four sub-files:**
  - Plan Benefit Base file
  - Premium file
  - Cost Sharing Tier file
  - Service area file
- **Unit of record differs by sub-file**

# Plan Characteristics File

- **Contract ID/Plan ID are encrypted**
- **Can be linked to BSF or PDE data (using encrypted Contract/Plan IDs)**
- **Created from an end-of-year snapshot**
- **Cannot be linked to plan-landscape files available on CMS website**

# Plan Benefit Base File

- **Contains plan type and drug benefit information**
- **One record per contract/plan**
  - **A contract identification number (Contract ID)**
    - » **Unique to each contract with CMS**
    - » **Encrypted**
    - » **1<sup>st</sup> letter (not encrypted) indicates organization type**
  - **A plan benefit package number (Plan ID)**
    - » **Indicates a specific benefit package within a contract**
    - » **Encrypted**

# Contract ID and Organization Type

- **1<sup>st</sup> letter (not encrypted) of contract ID indicates organization type**
  - H: Local managed care organization
  - R: Regional PPO (Preferred Provider Organization)
  - S: Stand-alone PDP (prescription drug plan)
  - E: Employer Direct Contract plans
  - H: Others
    - Demonstrations
    - National PACE (Program of All-inclusive Care for the Elderly)
    - Cost plan

# Part D Contracts and Plans Summary (2008)

| <b>1<sup>st</sup> digit<br/>Contract ID</b> | <b>General structure of<br/>plan (organization)</b> | <b>Number of<br/>contracts</b> | <b>Number of<br/>plans</b> |
|---|---|--------------------------------|----------------------------|
| H   | Local managed care plans (MA-PD)                    | 578                            | 3,152                      |
| R   | Regional PPO (MA-PD)                                | 14                             | 124                        |
| S   | Stand-alone PDP                                     | 93                             | 2,060                      |
| E   | Employer <u>Direct</u> Contract Plans               | 10                             | 10                         |
| H   | Others  | 84                             | 219                        |
|   | - Demonstrations                                    |                                |                            |
|   | - National PACE                                     |                                |                            |
|   | - Cost  |                                |                            |



# Organization/Plan Type (Benefit Base File)

- **Organization type: Local Medicare Advantage, Regional PPO, PDP, Employer Direct Contract, National PACE, Cost etc.**
- **Plan type: Health Maintenance Organization (HMO), Private Fee-for-Service , PPO, PDP etc.**
- **Demo type: Non-Demo, ESRD Demo, etc**
- **Employer group waiver plan (EGWP )**
- **Special Need Plan(SNP) Type**

# EGWP Indicator

- EGWP indicates an employer-sponsored Part D plan
- EGWPs do not have benefit/tier information
- Some EGWPs have PDE data
- Not all EGWPs are employer-direct contract plans

# Organization Type and EGWP (2008)

- Number of Plans

|   | EGWP | Yes | No    |
|---|------|-----|-------|
| <b>Organization Type</b>                |      |     |       |
| Employer <u>Direct</u> Contract         |      | 10  | 0     |
| Stand-alone PDP                         |      | 183 | 1,877 |
| MA-PD (Local MA, PFFS,<br>Regional PPO) |      | 603 | 2,673 |

# EGWP (Employer Group Waiver Plan)

- EGWP captures all employer *direct* contract plans (contract IDs begin with “E”)
- Most EGWPs are MA-PDs or PDPs (contract IDs start with “H” or “S”)
- Use this indicator to exclude *all* employer-sponsored Part D plans

# PDP/MA-PD Contracts and Plans (2008)

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| Contract Type | Contracts | Plans |
|---------------|-----------|-------|
| PDP           | 87        | 1,877 |
| MA-PD         | 474       | 1,926 |

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- Excludes PACE, Demonstration, 1876 cost, Employer, SNP, and Part B only plans
- *Need to use both contract and plan-specific information*

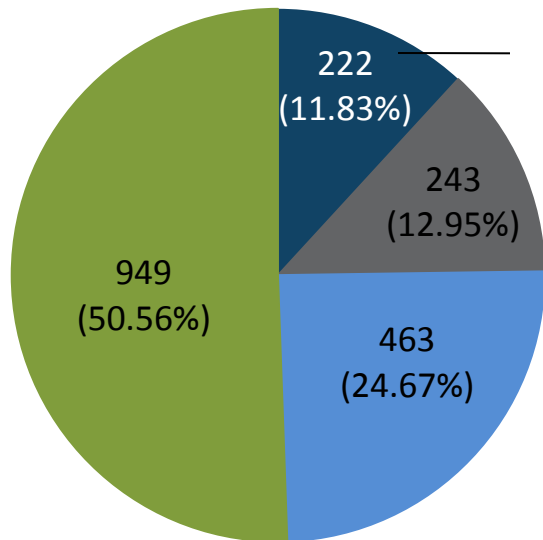
# Drug Benefit Type (Benefit Base File)

- **Defined standard**
- **Actuarially equivalent**
  - Defined deductible & modified cost-sharing
  - No gap coverage
- **Basic alternative**
  - Reduced deductible and/or modified cost-sharing
  - No gap coverage
- **Enhanced alternative**
  - Reduced deductible
  - Gap coverage

# Type of Drug Benefit (2008)

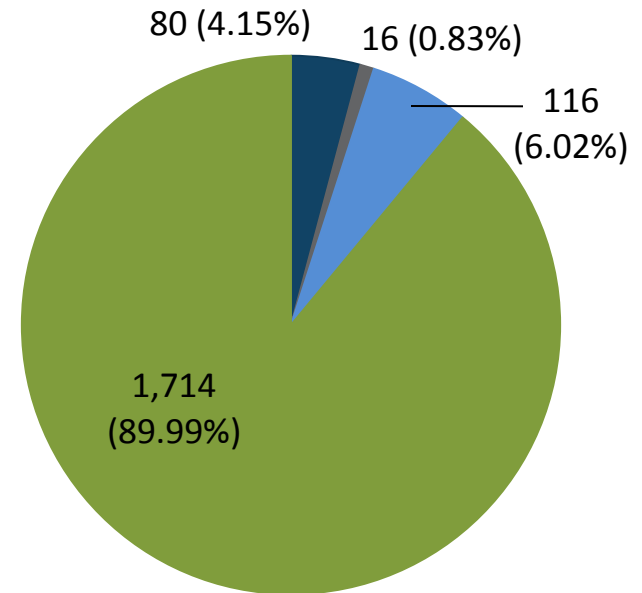
## PDP

- Defined standard
- Actuarially equivalent
- Basic alternative
- Enhanced



## MA-PD

- Defined standard
- Actuarially equivalent
- Basic alternative
- Enhanced



Excludes employer-sponsored plans, Part B only, SNP, National PACE, cost plans.

# Deductible Type (Benefit Base File)

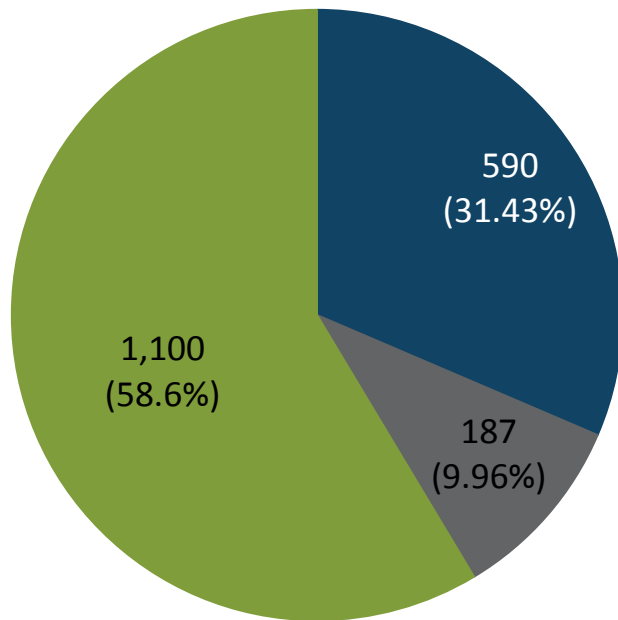
- **Defined standard**
- **Reduced (plan-defined)**
- **Zero**



# Type of Deductible (2008)

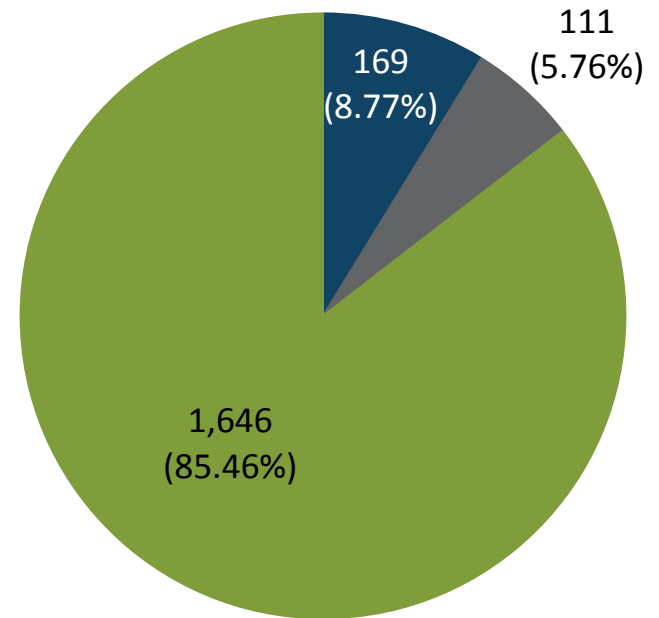
## PDP

■ Defined standard ■ Reduced ■ Zero



## MA-PD

■ Defined standard ■ Reduced ■ Zero



Excludes employer-sponsored plans, Part B only, SNP, National PACE, cost plans.

# Gap Coverage

- **Gap coverage type**
  - **Some Generics**
  - **Some Generics and Some Brands**
  - **All Generics**
  - **All Generics and Some Brands**
  - **All Generics and All Preferred Brands**
  - **All Generics and All Brands**
  - **All Drugs on Your Formulary**
  - **No Gap Coverage**

# Gap Coverage (2008)

| Gap coverage | PDP   |       | MA-PD |       |
|--------------|-------|-------|-------|-------|
|              | N     | %     | N     | %     |
| Yes          | 547   | 29.14 | 985   | 51.14 |
| No           | 1,330 | 70.86 | 941   | 48.86 |
| Total        | 1,877 | 100   | 1,926 | 100   |

# Tier Information (Benefit Base File)

- Type of drug covered in each tier during pre-ICL and gap periods
- Copayment amount and coinsurance for 1 month in each tier during pre-ICL and gap periods

# Type of Drug in Each Tier (Benefit Base File)

- **Variables:**

- **pre\_ICL\_drug\_type\_tier01 - 07**
- **Six-digit number (combination of 0s and 1s) and each digit in each position means:**
  - » **1 in 1: Non-preferred Brand**
  - » **1 in 2: Generic**
  - » **1 in 3: Preferred Generic**
  - » **1 in 4: Non-preferred Generic**
  - » **1 in 5: Brand**
  - » **1 in 6: Preferred Brand**
- **Examples (the most frequent values)**
  - » **010000 (pre\_ICL\_drug\_type\_tier01)**
  - » **000001 (pre\_ICL\_drug\_type\_tier02)**
  - » **100000 (pre\_ICL\_drug\_type\_tier03)**

# Cost Sharing in Each Tier (Benefit Base File)

- **Variables:**

- pre\_ICL\_inp\_1m\_COPAY\_tier01 - 07

- **Mean Values (2008):**

- pre\_ICL\_inp\_1m\_COPAY\_tier01: \$4.27
- pre\_ICL\_inp\_1m\_COPYA\_tier02: \$30.72
- pre\_ICL\_inp\_1m\_COPYA\_tier03: \$63.98

- **With information on drug type, we can obtain each plan's copayment for generic and branded drugs**

- **Application: The relationship between copayment amounts and the use of medications**

# Example of using plan information

|  | Filling Rx with a branded drug |                |         |
|--|--------------------------------|----------------|---------|
|  | OR                             | 95% CI         | P-value |
| Copayment for preferred branded drugs (\$) | 0.981                          | [0.978, 0.985] | 0.000   |
| Plan type                                  |                                |                |         |
| Private FFS (ref)                          |                                |                |         |
| HMO  | 0.863                          | [0.768, 0.970] | 0.014   |
| PPO  | 1.242                          | [1.072, 1.438] | 0.004   |

-Among MA-PD enrollees who used a statin in 2008

-Controls for demographic factors, health-risk measures, and market-area variables

# Premium File

- **Contains premium information**
- **One record per contract/plan/segment**
  - **Segment: a geographic area covered by a particular benefit package**
- **Segment ID:**
  - **Applies only to local MA-PDs**
  - **Premium information may vary by segment**
  - **Less than 2 % of MA-PD records had more than one segment ID (2008)**



# Part D Premium Fields (Premium File)

- **Basic premium: net of rebate**
- **Supplemental premium: net of rebate**
- **Total premium: net of rebate**

# How Part D Premium is Determined

- **Part D Premium = *base* premium + (plan bid – national average bid)**
  - **Base premium: a portion of national average bid (\$31.08 in 2012)**
  - **Beneficiary pays or receives the difference between his/her plan's bid and benchmark**
  - **Example:**
    - » National average bid: \$100 (Plan A: \$110; Plan B: \$90)
    - » Base Premium: \$30
    - » Part D premium for each plan?

# Example of Part D Premium Bidding



# Part D Premium Information

- **Basic premium**
  - Net of rebate
  - Can be zero or negative
  - Some MA-PDs have negative basic premiums in 2008
  - MA-PDs are allowed to cross-subsidize between Parts C and D
- **Supplemental premium: net of rebate**
  - Premium for supplementary benefits
- **Total premium: net of rebate**
  - Basic premium + supplemental premium

# Average Part D Total Premium (2008)

|                     | PDP   |                            | MA-PD |                            |
|---------------------|-------|----------------------------|-------|----------------------------|
|                     | N     | Average premiums (monthly) | N     | Average premiums (monthly) |
| <b>Benefit type</b> |       |                            |       |                            |
| Basic               | 928   | 30.0                       | 212   | 17.9                       |
| Enhanced            | 949   | 49.5                       | 1,760 | 20.5                       |
| <b>Deductible</b>   |       |                            |       |                            |
| Yes                 | 777   | 30.1                       | 280   | 17.8                       |
| No                  | 1,100 | 46.7                       | 1,692 | 20.7                       |
| <b>Gap coverage</b> |       |                            |       |                            |
| Yes                 | 547   | 62.6                       | 1,009 | 21.8                       |
| No                  | 1,330 | 30.5                       | 963   | 14.4                       |

# Tier File

- One record per contract/plan/tier
- Type of drug covered, cost-sharing type, and cost-sharing amount by
  - benefit phase (pre-ICL, gap, post OOPT)
  - days supplied (1 month, 3 months, other days)
  - type of pharmacy (in-network, mail-order; preferred, non-preferred)
- Information is available only for relevant benefit types of each plan

# Service Area File

- **Region, state, and county where each plan benefit package is offered**
- **one record per contract/plan/service area**
- **Service area**
  - **Local MA-PDs: county (listed by state & county)**
  - **Regional MA-PDs: region (listed by MAPD region & state)**
  - **PDPs: state (listed by PDP region and state)**

# Using Plan Characteristics File

- **As stand-alone source, you can examine**
  - **How many Part D plans are available to beneficiaries**
  - **What percentage of Part D plans offer coverage for the gap**
  - **Whether premiums differ by plan type or benefit package; How much they are different?**
  - **Geographical differences in plan availability or premiums**



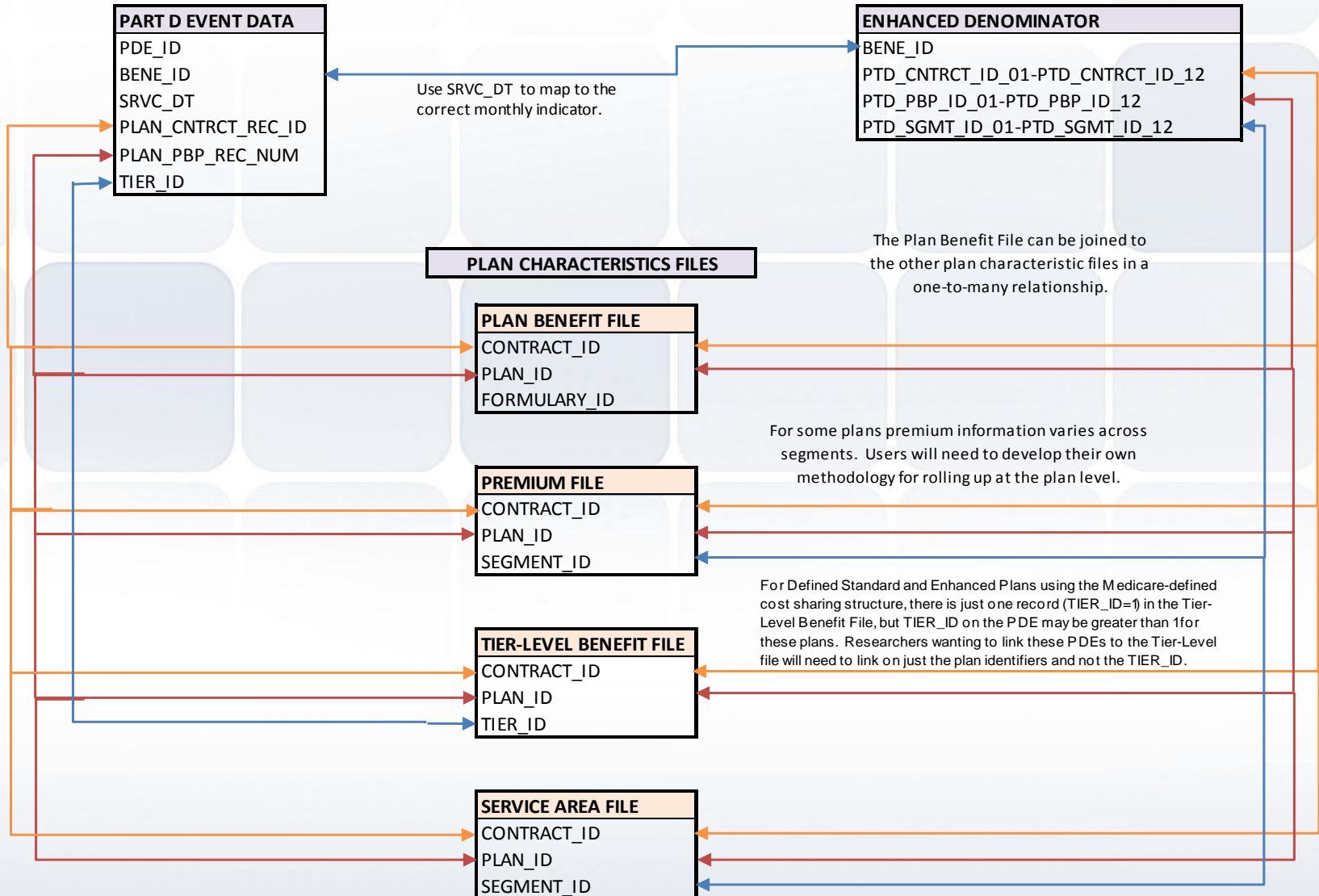
# Using Plan Characteristics File

- **Link to BSF data to examine:**
  - Demographics of enrollees in each plan type
  - Part D plan choice models to estimate premium elasticities, etc.
- **Identifiers to use for merge:**
  - Contract ID/Plan ID (plan/tier files)
  - Contract ID/Plan ID/Segment ID (premium/service area files)

# Using Plan Characteristics File

- **Link to PDE data to examine:**
  - Medication utilization/cost by plan type
  - Percent of beneficiaries who reach ICL by plan type
  - PDE-data based risk scores by plan type
- **May need to aggregate PDE data to patient level**
- **Identifiers to use for merge:**
  - Contract ID/Plan ID (plan/premium/service area files)
  - Contract ID/Plan ID/Tier ID (tier file)

## RELATIONSHIP DIAGRAM FOR PDE, DENOMINATOR, AND PLAN CHARACTERISTICS FILES\*



\*See Part D User Manual for more specific guidance on file linkage.