



Center for Beneficiary Choices

**Business Owner for Medicare Advantage,
Prescription Drug Program, and Associated Products**

**Presented to the
Northern Virginia Technology Council**

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**Center for Beneficiary Choices (CBC)
Centers for Medicare & Medicaid Services**

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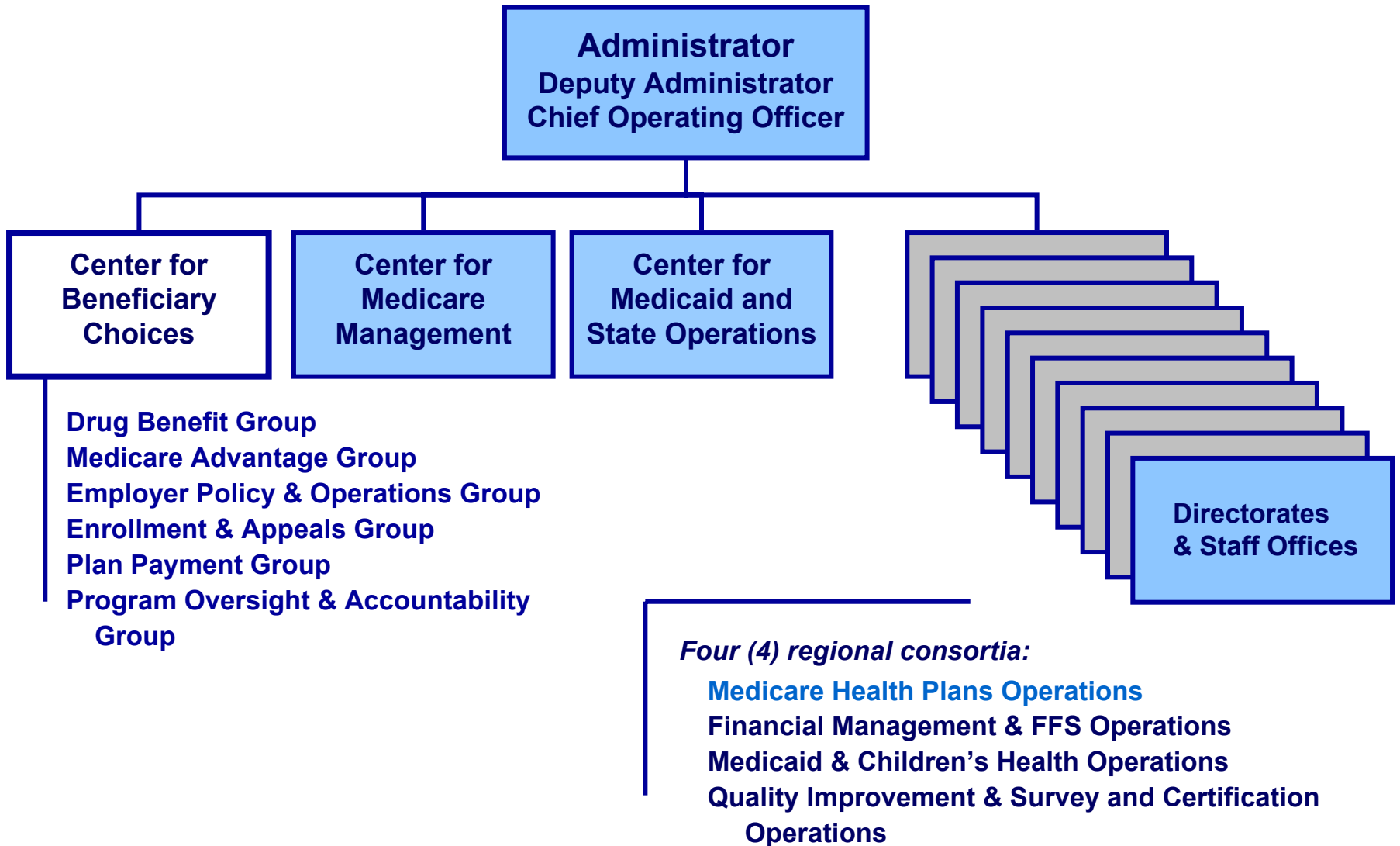
Overview



- **Organizational Context**
- **My Observations**
- **From the Administrator's View**
- **Program Management**
- **Current Issues**
- **Future**

Organizational Context

Centers for Medicare & Medicaid Services



My Observations



After one year...

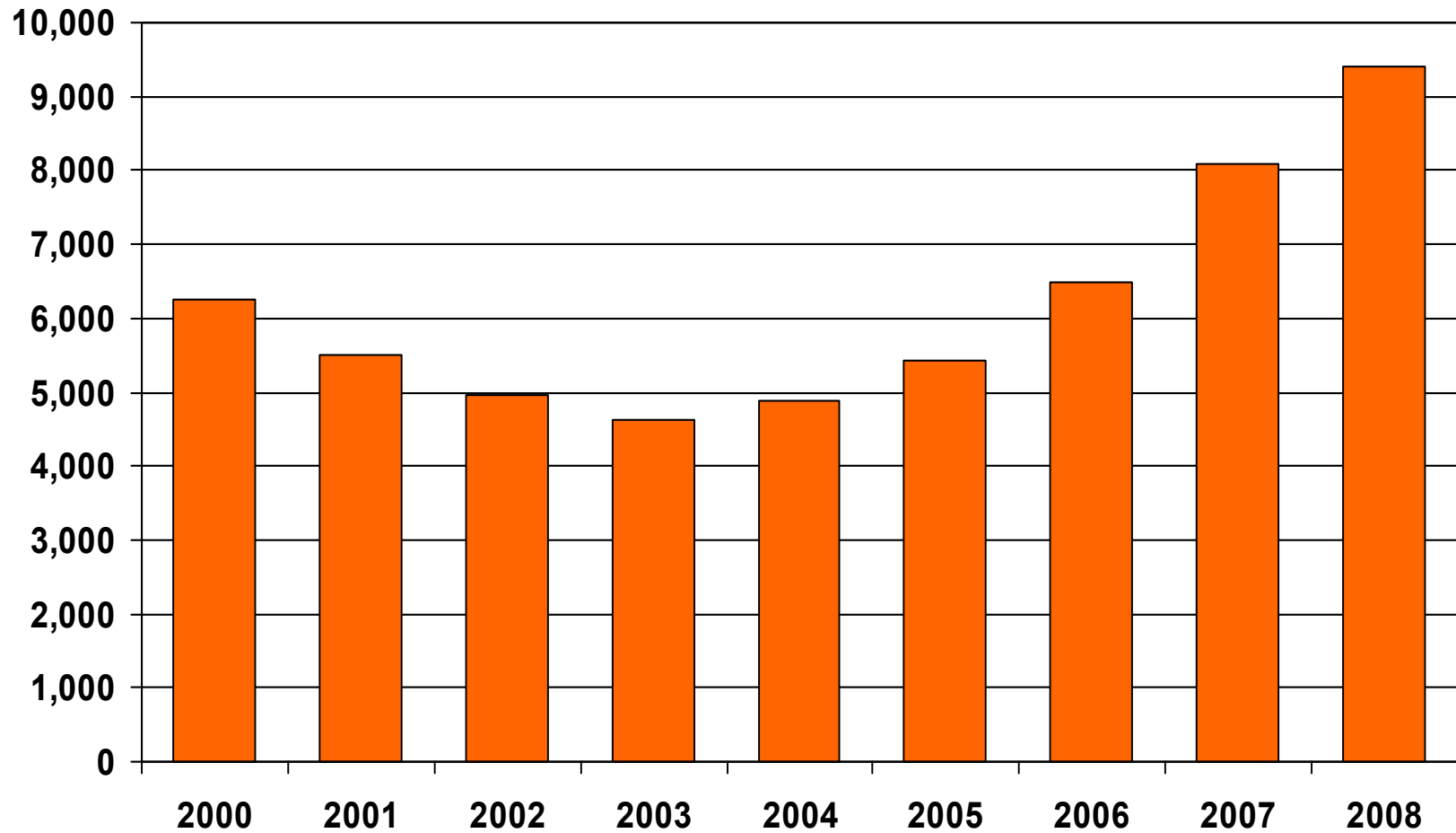
- **Lean, expert health policy team at CMS**
- **Completing final throes of Part D start up**
- **Transitioning to more operational context**
 - **Policy, quality and contracts closely linked to operations**
- **Very smooth transition from 2007 to 2008 benefit year**
- **CMS is transforming America's health system**

Medicare Advantage – Enrollment

(includes employer plans, excludes Cost and Demo plans)



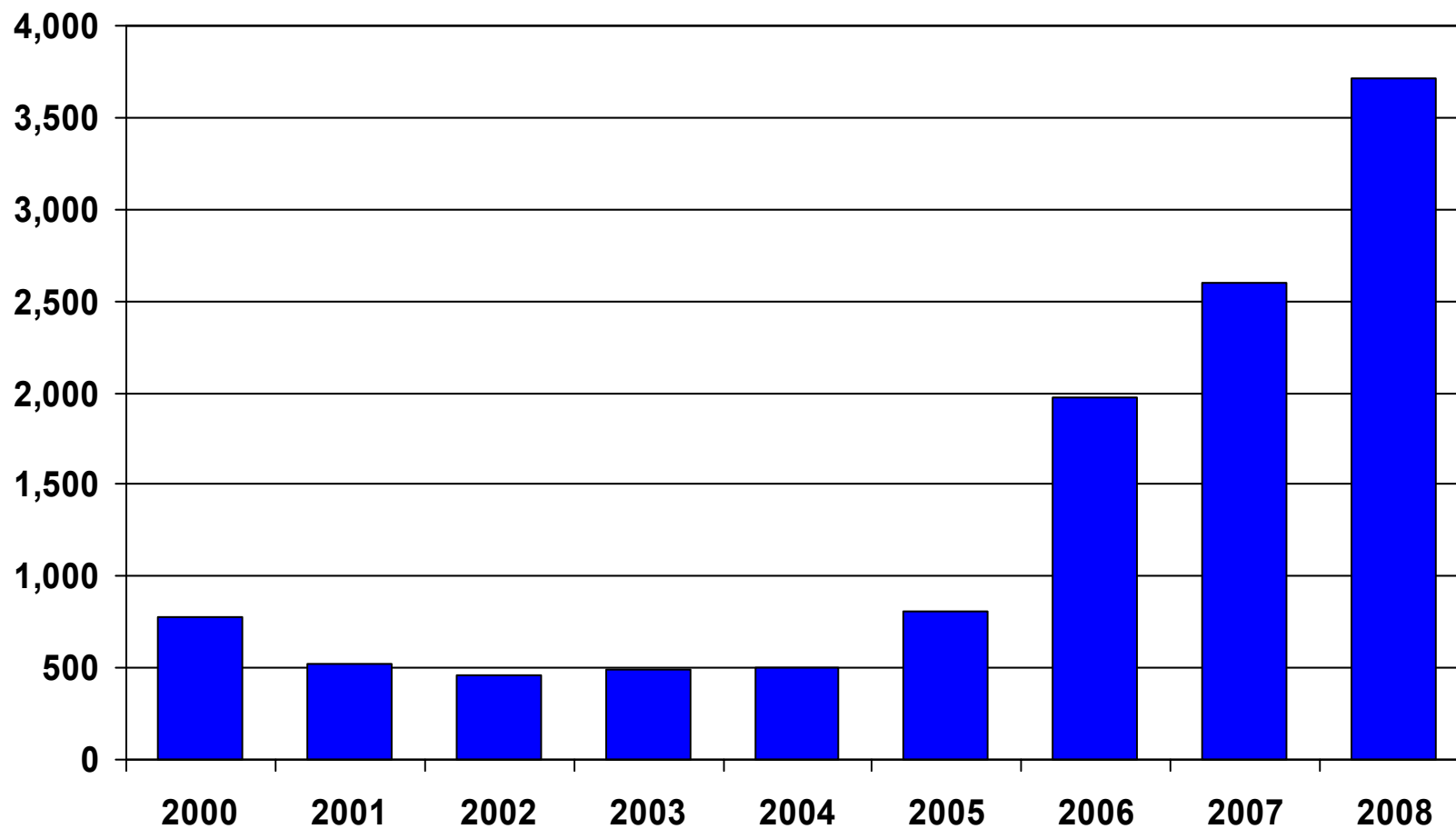
Enrolled (000)



Medicare Advantage – Plans (A/B, Non-employer Plans)



Plans

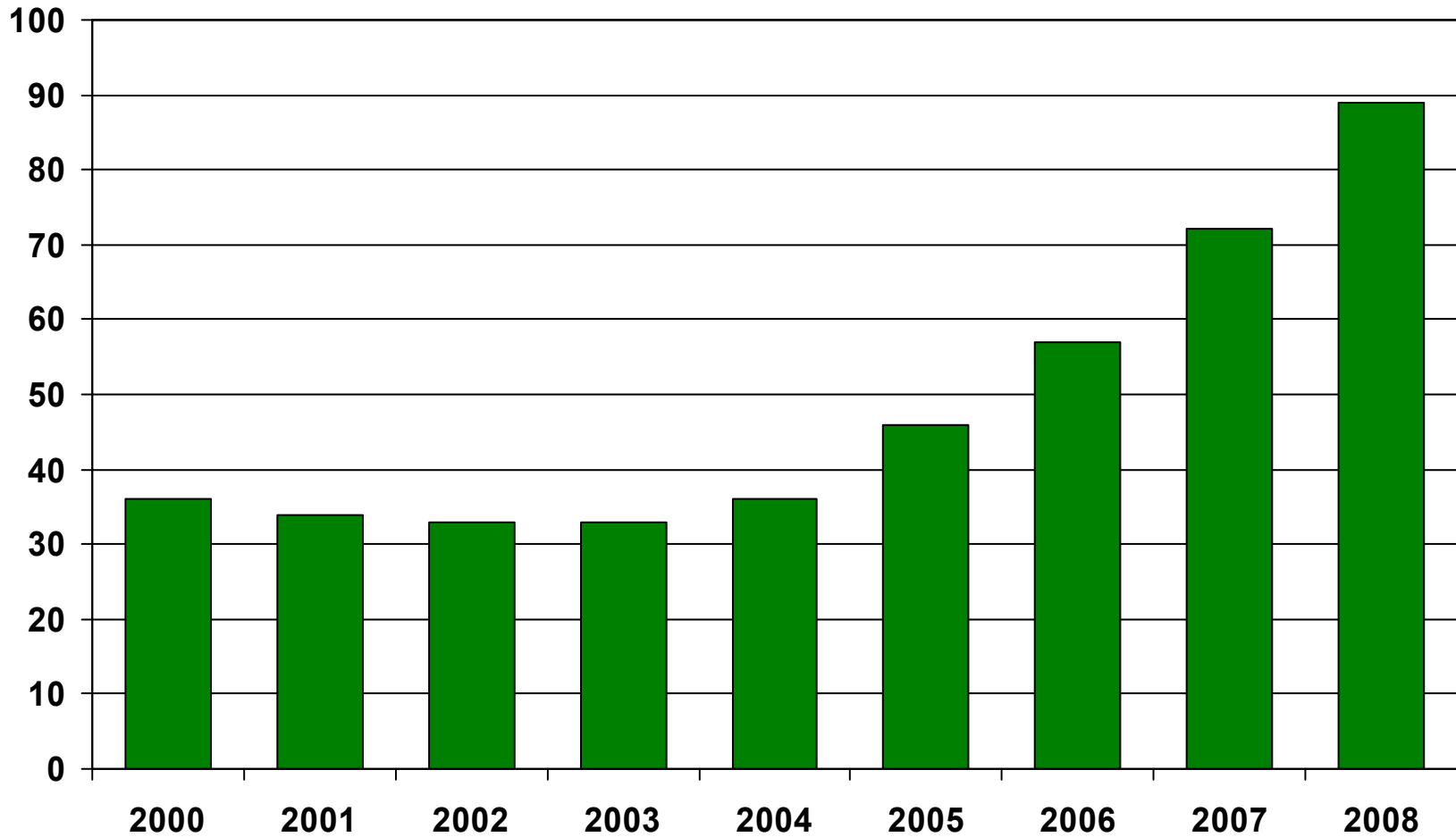


Medicare Advantage – Program

(Based on plan bid data submitted prior to plan year)



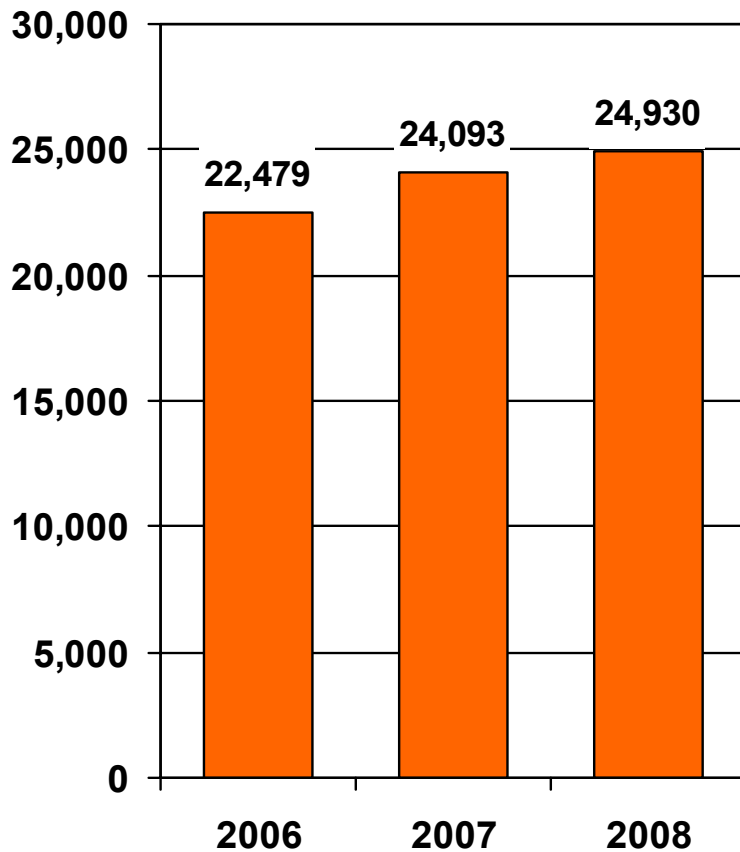
\$B



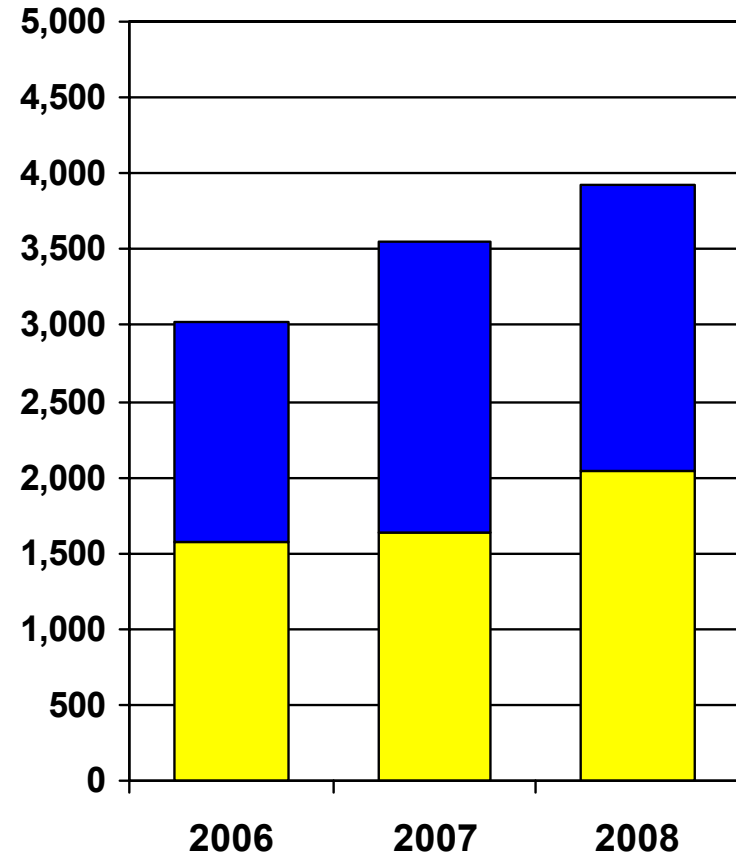
Prescription Drug Program – Early Phase



(000)
PD Enrollment
(All Plans with Drugs)



PD Plans
(Non-Employer Plans)



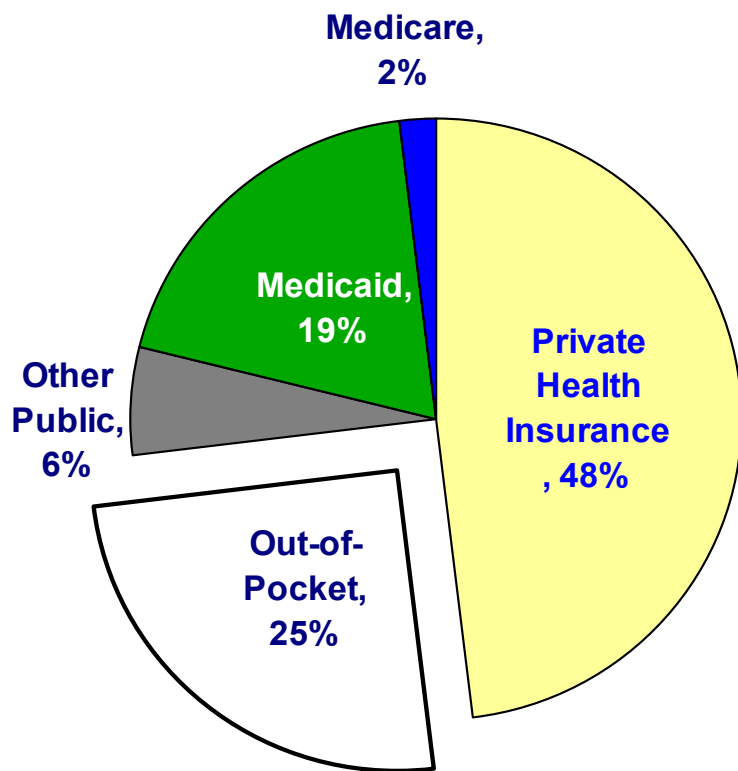
- PDP Only
- MA Plans with Drugs

National Prescription Drug Spending by Source of Payment, 2005 and 2006

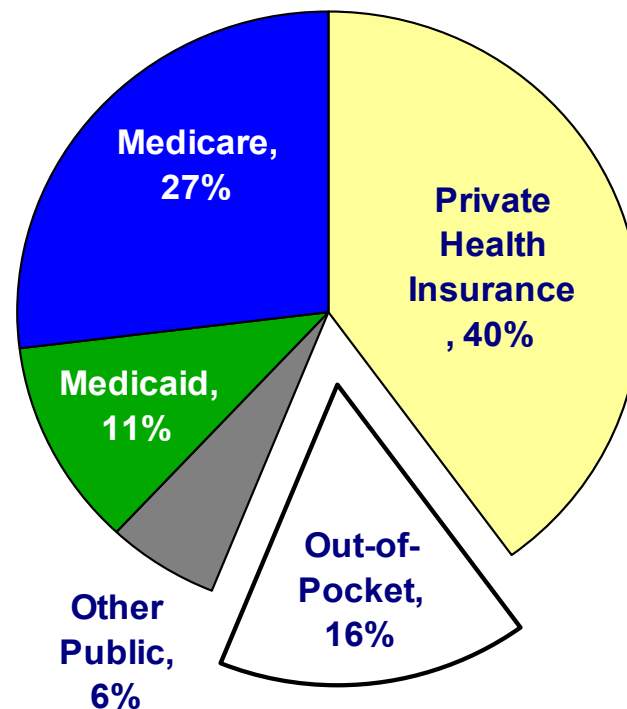


Out-of-pocket spending as a share of all prescription drug spending decreased in the first year of the Medicare drug benefit.

2005 (\$203 Billion)



2006 (\$219 Billion)

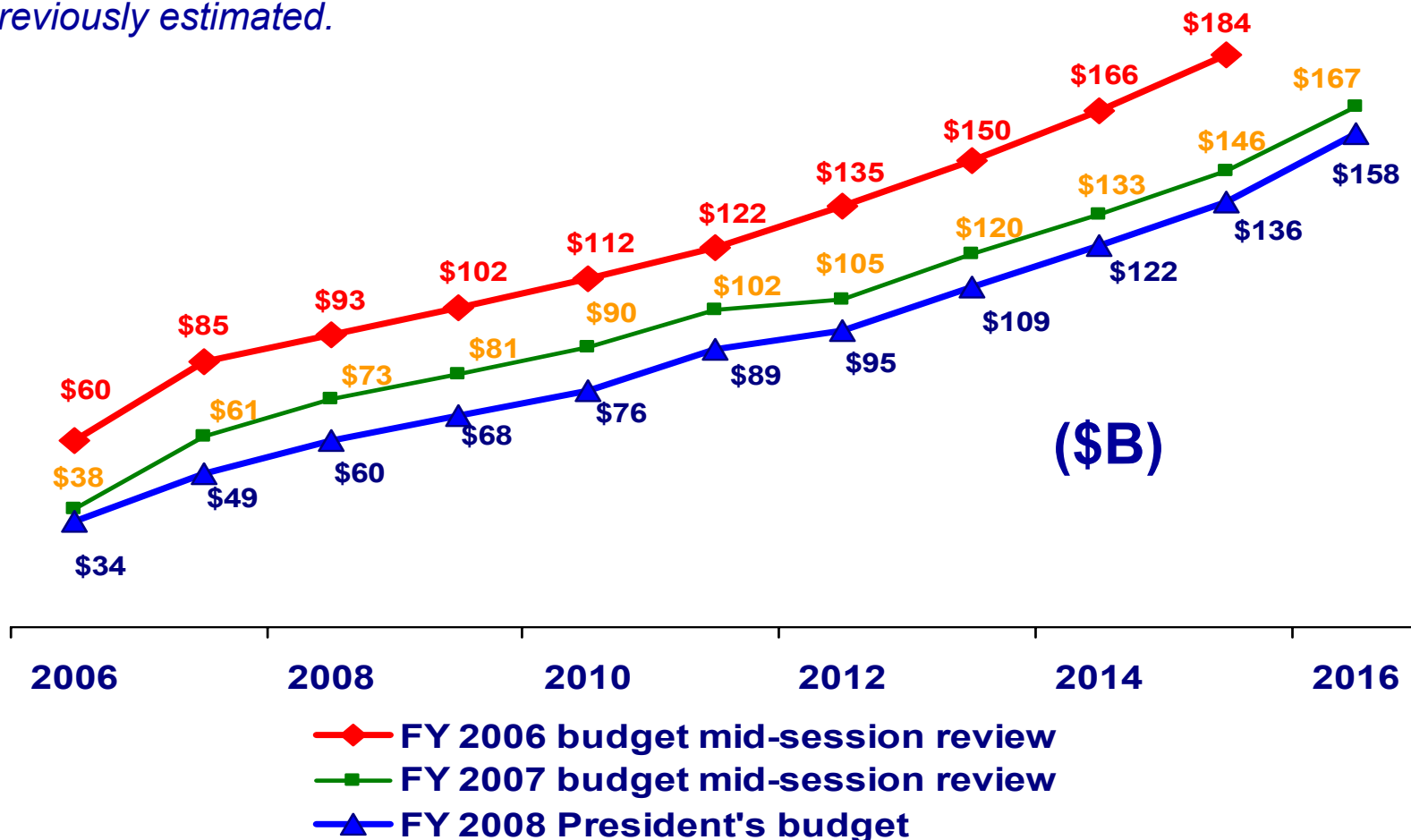


Source: Borger, et al., "Health Spending Projections Through 2015: Changes on the Horizon," *Health Affairs* web exclusive, February 22, 2006.

Total Projected Spending Under Part D, A Comparison of 2006 - 2008 Estimates

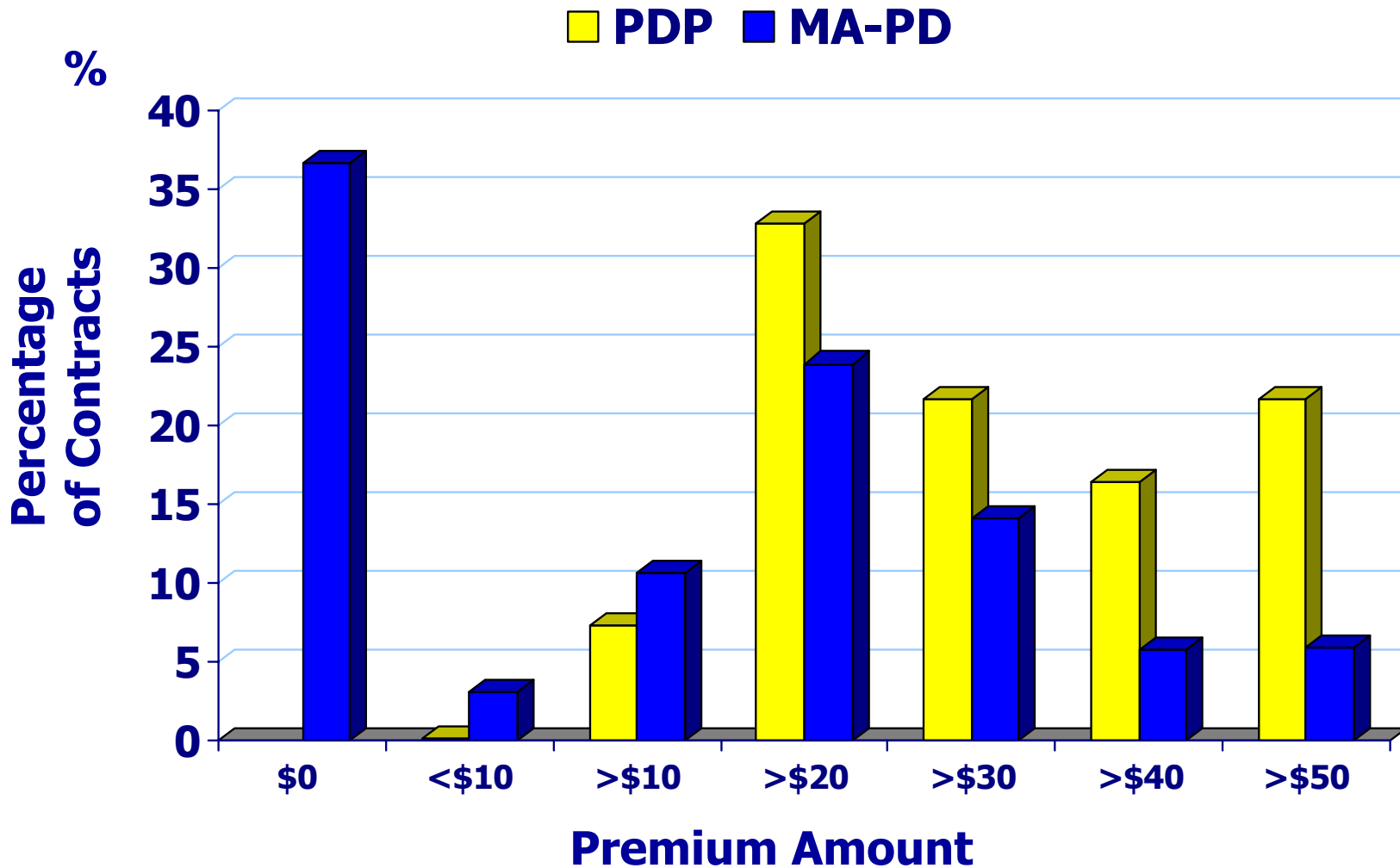


Total spending under Medicare Part D is projected to be lower than previously estimated.



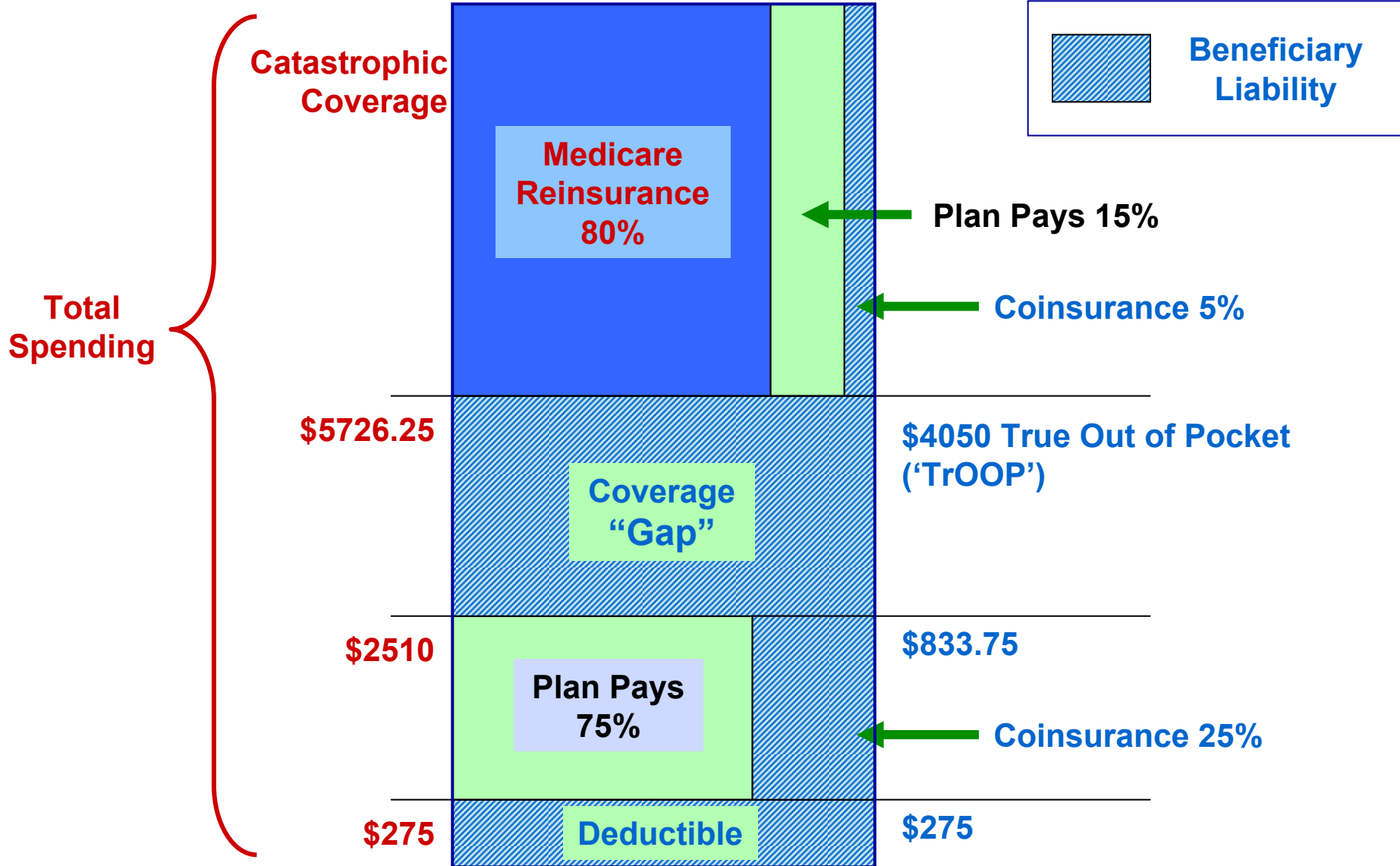
Note: Data are from the FY 2006 Budget Mid-Session Review, FY 2007 Budget Mid-Session Review, and FY 2008 President's Budget Source: Office of the Actuary, CMS.

2008 Premium Analysis

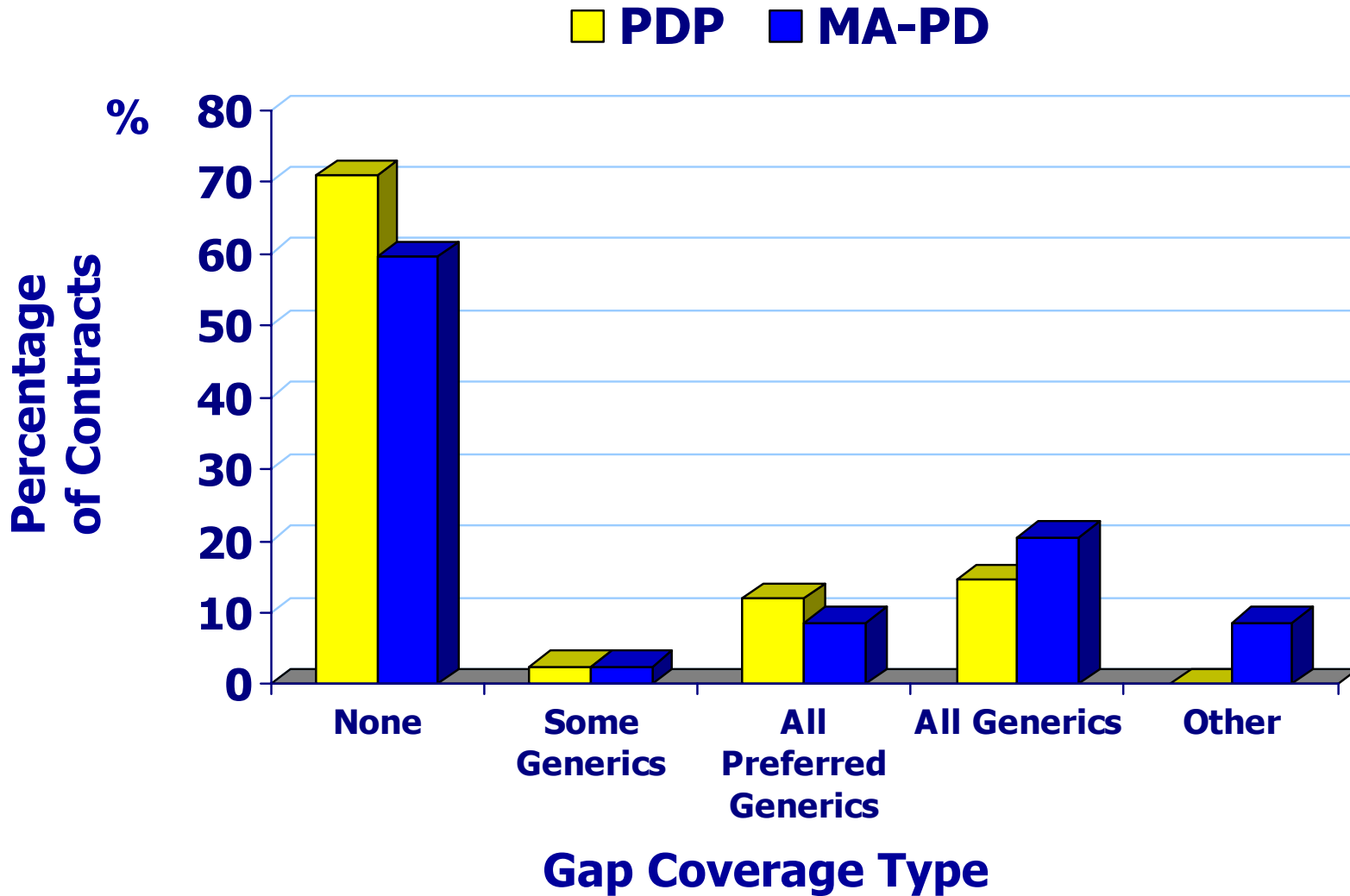


Note: Excludes Employer, PACE, SNP, and Part B only plans.

Standard Drug Benefit 2008



2008 Gap Coverage Analysis



Note: Excludes Employer, PACE, SNP, and Part B only plans.

From the Administrator...



- **Competition works – demonstrated in both Part C and D lines of business**
- **Sensible payment reform essential**
 - **US spends over \$2T annually on health care**
 - **By 2017, ~\$4T, or 21% of our GDP**
 - **Unsustainable: Trust Fund bankruptcy in 2019**
 - **Secretary’s “*Four Cornerstones*” ***
 - **Transparency in Price**
 - **Transparency in Quality**
 - **Health Information Technology**
 - **Value-Based Purchasing**

***Report Cards**

Plan Ratings

Select Plans for ZIP Code 21244

Print This Page

Close Window

When you choose 3 plans to compare, quality and performance information will be available to help you make the best choice for you. Quality and Performance varies across plans. Giving good quality care means doing the right thing, at the right time and in the right way to get the best possible results.

You are comparing: Prescription Drug Plans **Health and Prescription Drug Plans** [What is this?]

Drug Plan Ratings

Health Plan Ratings

Choose up to 3 plans to

Sort Table By: Plan Name

	Plans Name and ID Numbers	Drug Plan Customer Service [What is this?]	Using Your Plan To Get Your Prescriptions Filled [What is this?]	Drug Pricing Information [What is this?]
<input checked="" type="checkbox"/>	Plan A (H0000-02)	★★★★★	★★★★	★★★
<input type="checkbox"/>	Plan B (H0000-003)	★★★★★	★★★★	★★★★
<input checked="" type="checkbox"/>	Plan C (H0000-004)	★★★★★	★★★★★	★★★★★
<input type="checkbox"/>	Plan D (H0000-005)	★★★★★	★★★	★★★★
<input checked="" type="checkbox"/>	Plan E (H0000-006)	★★★★★	★★★★★	★★★★★
<input type="checkbox"/>	Plan F (H0000-007)	★★★★★	★★★	★★★★
<input type="checkbox"/>	Plan G (H0000-008)	★★★★★	★★★	★★★★
<input type="checkbox"/>	Plan H	★★★★★	★★★	★★★★

Plan Ratings

The number of [stars](#) shows how well the plans perform.

Excellent ★★★★★

Very Good ★★★★

Good ★★★

Fair ★★

Poor ★

Program Management



- **Governance development (policy; operations; technology)**
- **Fiscal conditions and dynamic political context**
- **Advancing our ‘line of business’ approach**
 - **Streamlining our five-year ‘business cycle’**
(planning year → *contract closure*)
 - **Assuring consistent communications with industry**
 - **Optimizing business/IT integration**
 - **Applying our line-of-business “framework”**

Line of Business Framework



Medicare Parts C and D						
		Beneficiaries and Stakeholders	Plans and Business Partners	CMS: The Agency	Health and Business Sectors	
Elements	Short Title	<i>“Beneficiaries”</i>	<i>“Plans”</i>	<i>“CMS”</i>	<i>“Business”</i>	
System Design		<i>Confident, Informed Consumers</i>	<i>Collaborative Partnerships</i>	<i>Skilled, Committed & Highly Motivated Workforce</i>	<i>Affordable Health Care System</i> <i>High-Value Health Care</i>	
Development (Change Management)						
Current Operations						
Accountabilities						

*** CMS Strategic Action Plan**

Current Issues



- **Increasing Low Income Subsidy enrollment**
 - Challenged to identify and reach out to them
- **Increasing quality measurement in Parts C and D**
 - Supporting transparency and value
- **Transitioning to sustained operations**
 - Make it Happen — Make it Better — Make it Last!

The Future ...



- **Fulfill vital role in Nation's health system evolution**
- **Apply advancing strategies, technologies, and methods**
- **Partner constructively with the private sector**
- **Sustain accountability in major public programs**