

MEDICARE DATA HUB

Prescription & Outpatient Drugs

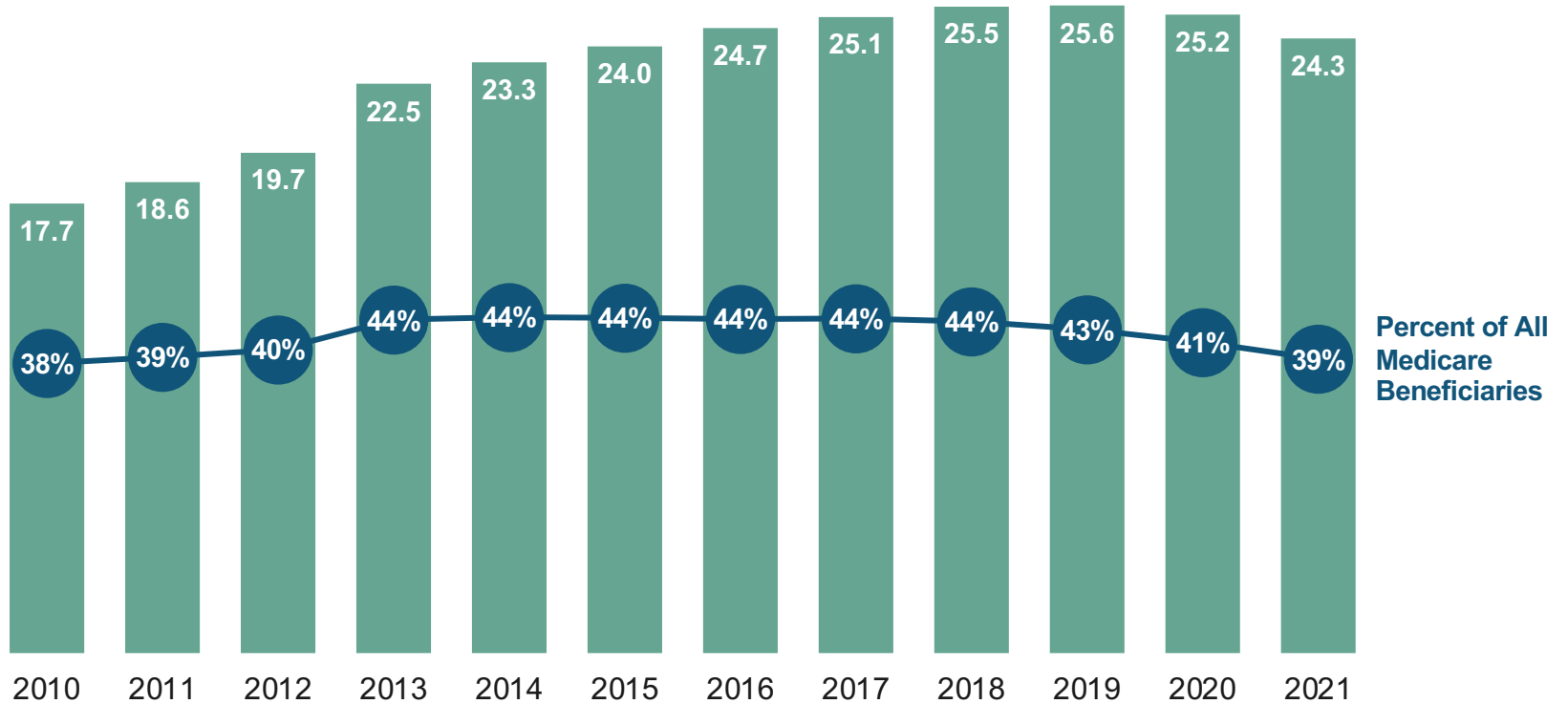
October 2022



The
Commonwealth
Fund

Enrollment in Medicare stand-alone prescription drug plans dropped slightly between 2020 and 2021.

Prescription Drug Plan (PDP) Enrollment in Millions

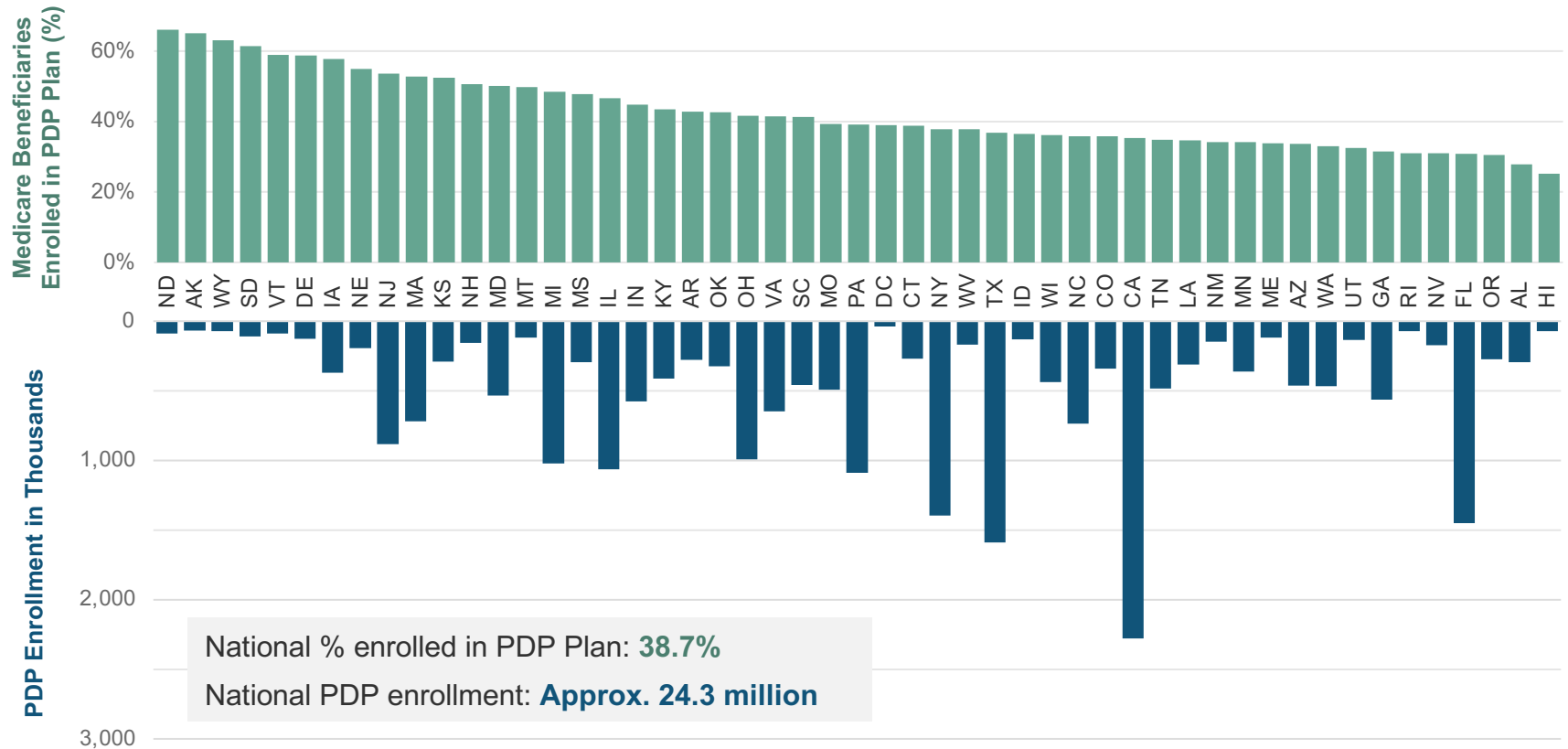


Source: CMS PDP State/County Penetration File, March 2021.

Note: Enrollment estimates do not include records denoted as pending state or county designation. This file contains data for the following organization types (where there are active contracts): PDP; employer/union-only direct-contract PDP.

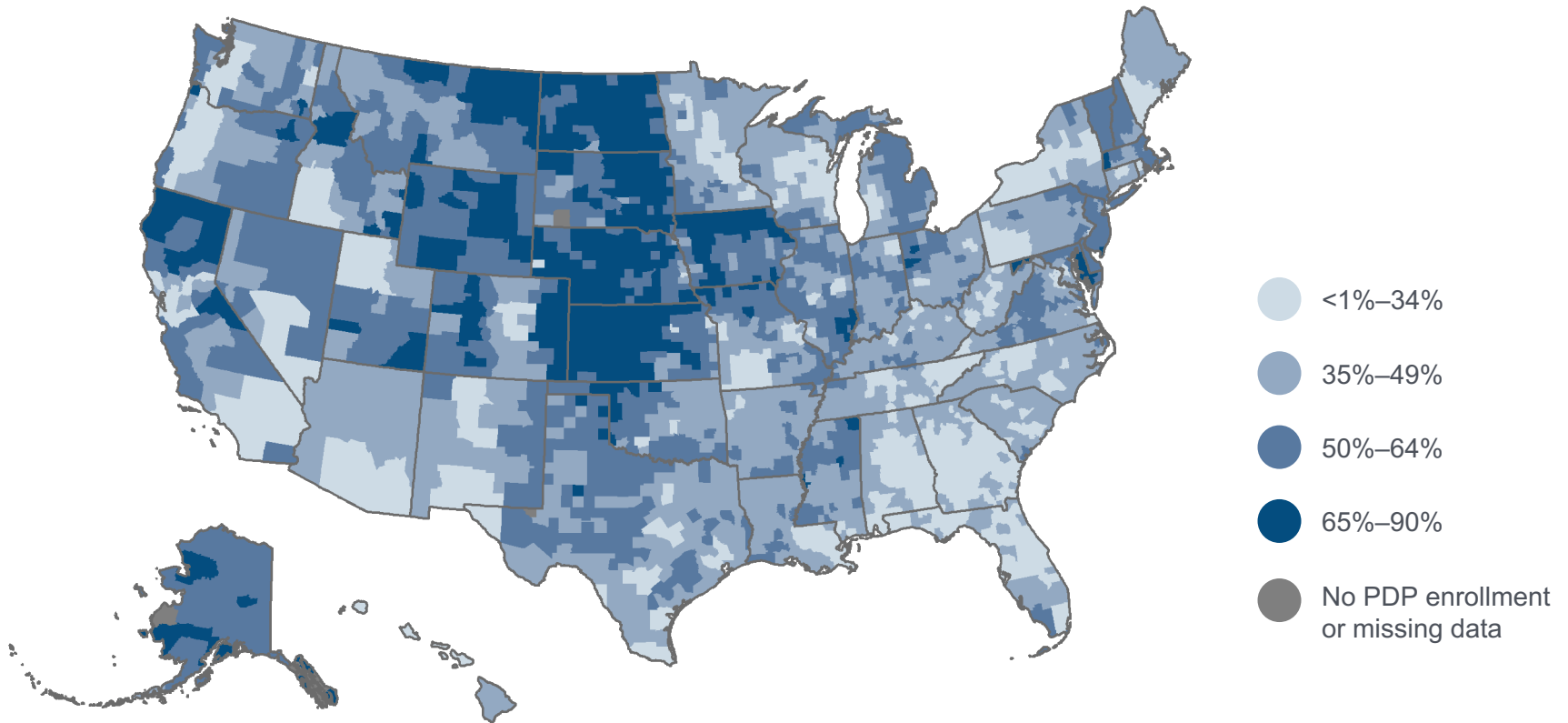
PRESCRIPTION & OUTPATIENT DRUGS: ENROLLMENT

Rates of enrollment in Medicare stand-alone prescription drug plans (PDPs) is highest in rural states with low Medicare Advantage enrollment rates.



PRESCRIPTION & OUTPATIENT DRUGS: ENROLLMENT

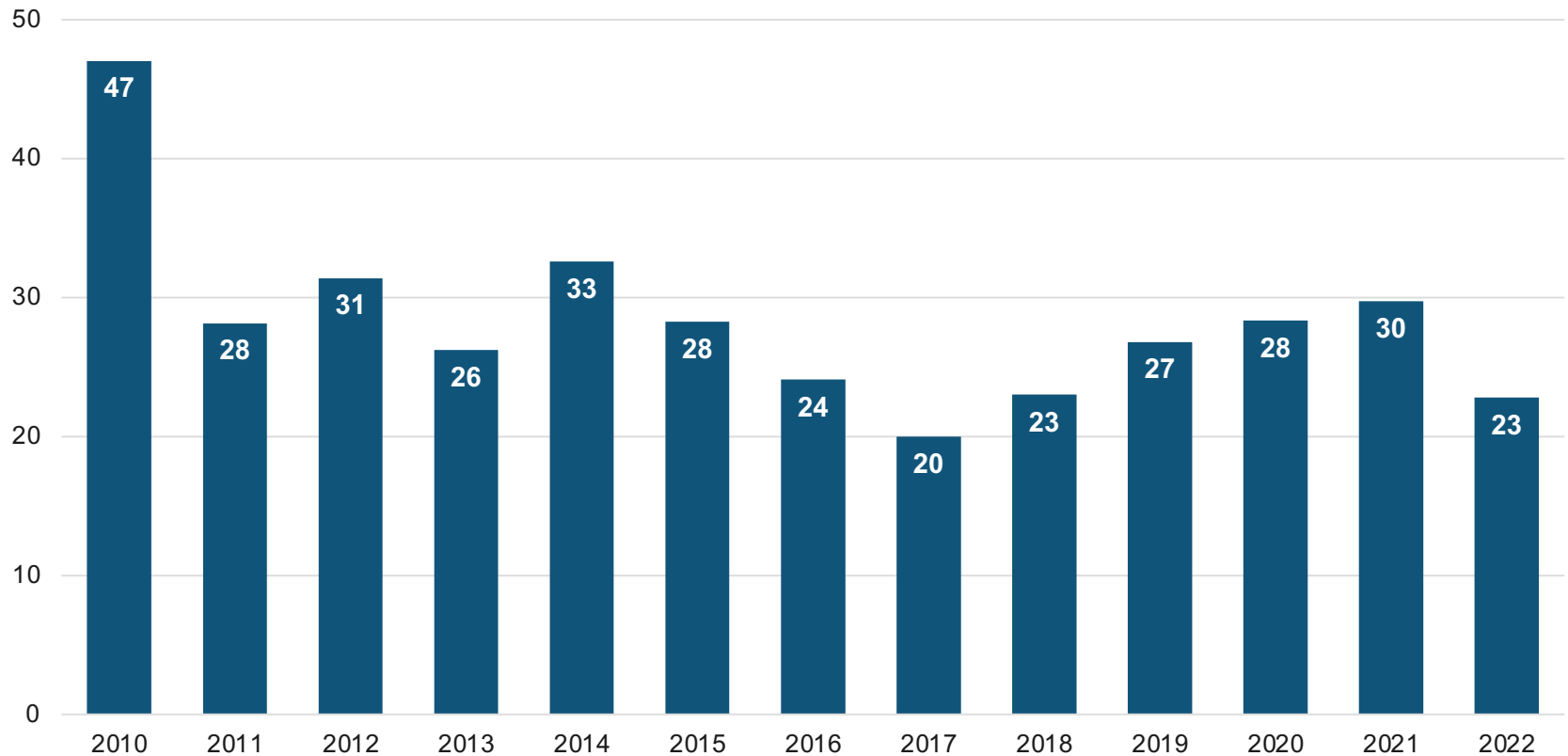
Across counties, enrollment in stand-alone prescription drug plans (PDPs) ranges from less than 1 percent to 78 percent of Medicare beneficiaries.



PRESCRIPTION & OUTPATIENT DRUGS: AVAILABILITY

Between 2021 and 2022, the average number of stand-alone prescription drug plans fell by almost one-quarter.

Average number of prescription drug plans



Source: CMS State/County Penetration, and PDP Landscape Source Files, 2010-2022.

Note: Data represent the average number of plans operating in counties across the U.S., weighted by the number of Medicare beneficiaries in each year. (Data for 2021 are weighted by September 2020 beneficiaries.) Employer-sponsored plans and plans under sanction are excluded. Estimates do not include records denoted as pending state or county designation.

PRESCRIPTION & OUTPATIENT DRUGS: BENEFITS

Average premiums for stand-alone prescription drug plans (PDP) in 2022 are \$48 per month, on average.



Source: CMS Plan and Premium Information for Plans Offering Part D Coverage, 2022.

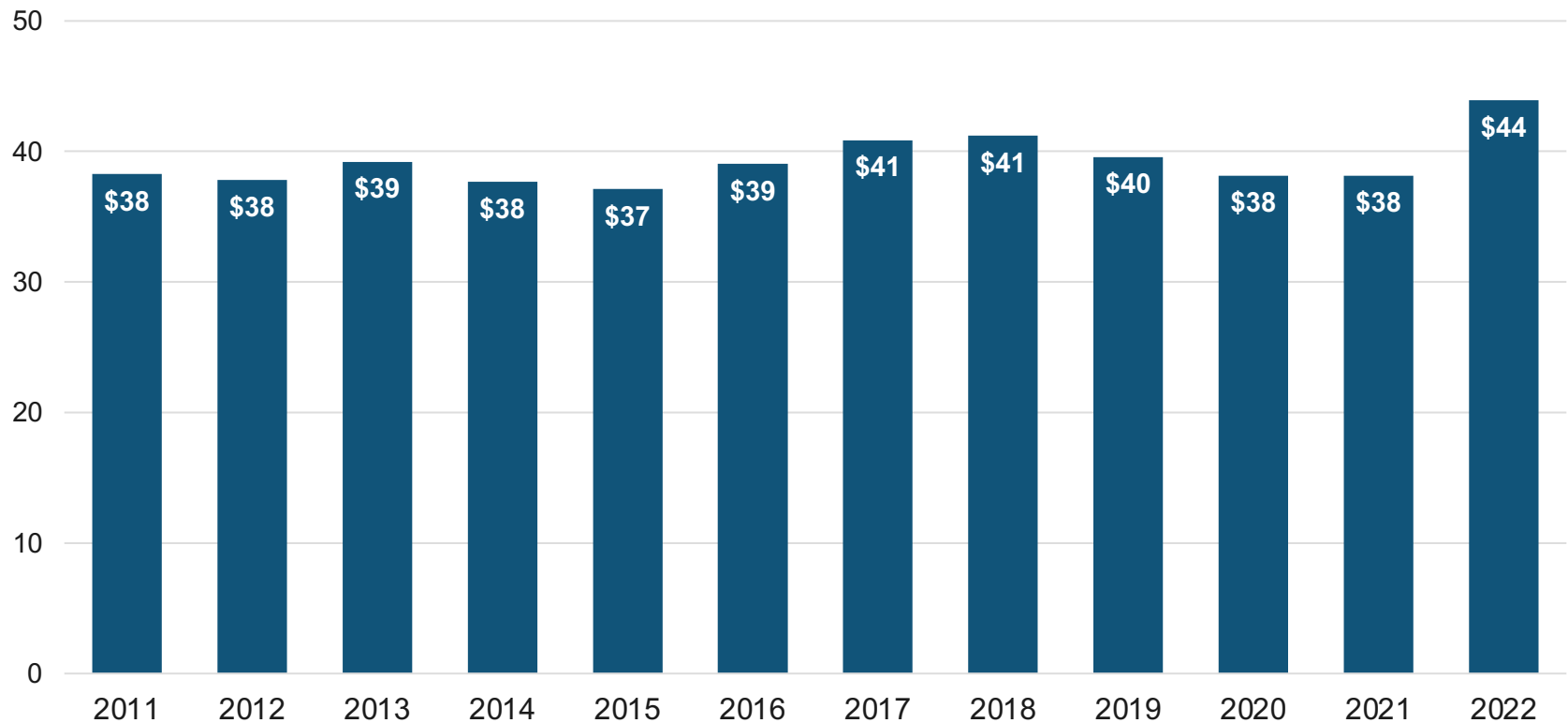
Notes: Amounts represent total Part D premiums, which are the sum of the Basic and Supplemental Premiums. Total premium may be lower than the sum of the basic and supplemental premiums because of negative basic or supplemental premiums. MA-PD average excludes employer-sponsored plans, Part B-only plans, demonstration, cost plans, and plans not offering Part D benefits.

PRESCRIPTION & OUTPATIENT DRUGS: BENEFITS

Between 2021 and 2022, premiums for Part D stand-alone prescription drug plans increased by 16 percent.

Weighted by plan enrollment

Dollars (\$)

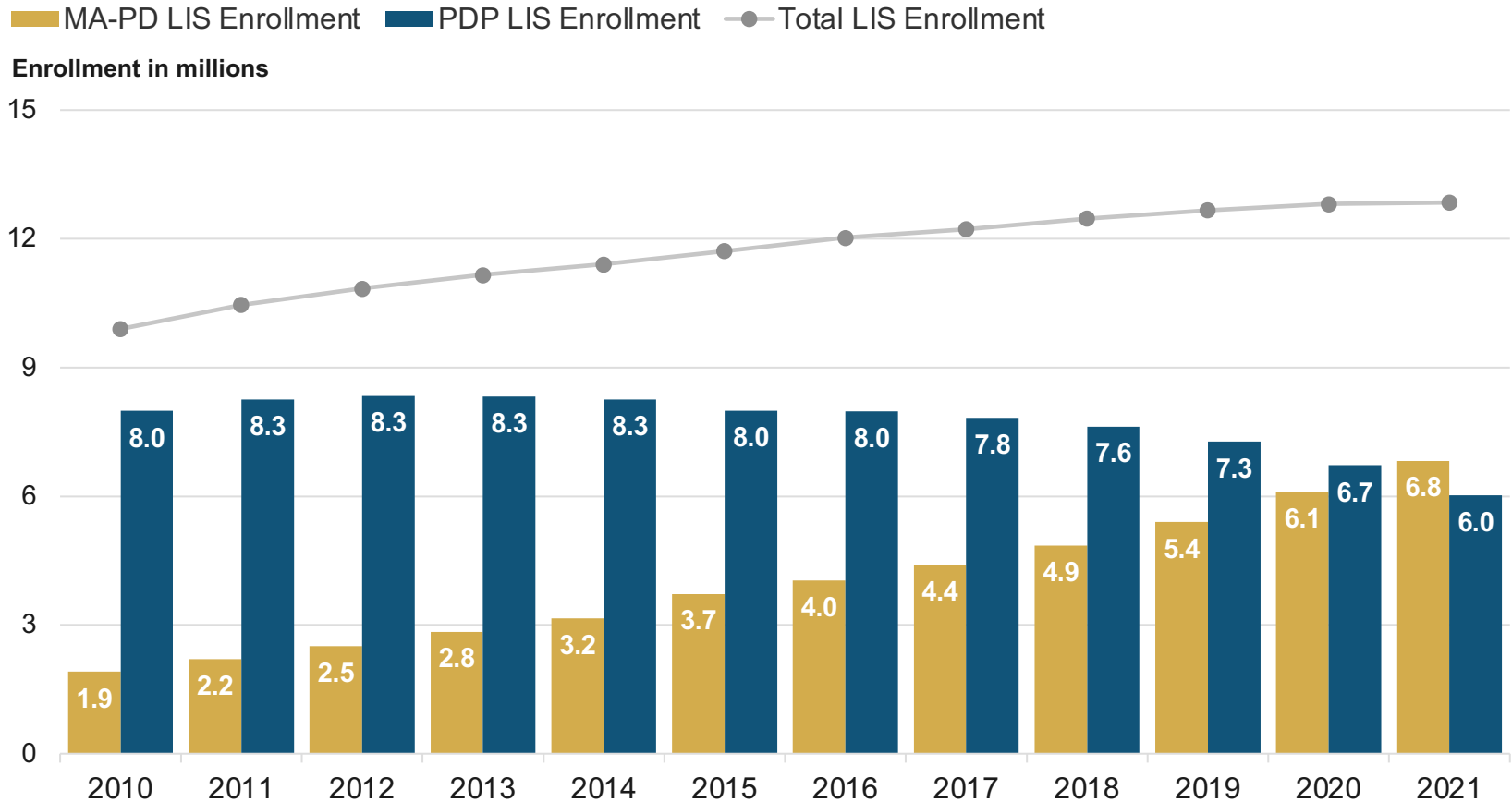


Source: CMS Plan and Premium Information for Plans Offering Part D Coverage, 2011–2022.

Notes: Data represent average plan premiums weighted by plan enrollment and are not adjusted for inflation. Amounts represent total Part D premiums, which are the sum of the basic and supplemental premiums. Total premium may be lower than the sum of the basic and supplemental premiums because of negative basic or supplemental premiums. Employer-sponsored plans and plans under sanction are excluded.

PRESCRIPTION & OUTPATIENT DRUGS: LOW INCOME SUBSIDY

Beginning in 2021, more beneficiaries receiving a Part D low-income subsidy (LIS) are in Medicare Advantage plans than stand-alone prescription drug plans.



MA-PD = Medicare Advantage prescription drug plan; PDP = Stand-alone prescription drug plan.

Source: CMS Low Income Subsidy Enrollment by Plan, 2010-2021.

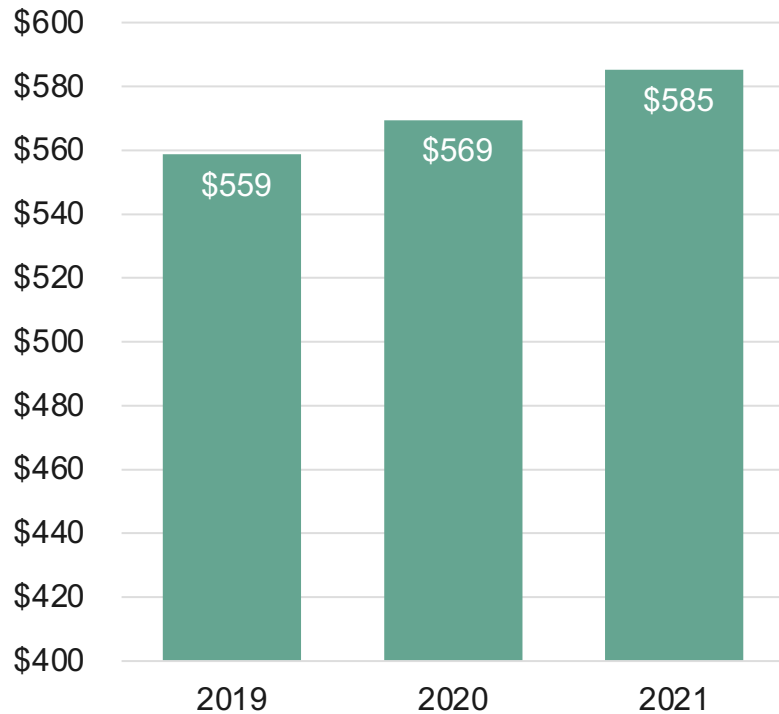
Note: Enrollment estimates do not include plan records suppressed because of a value of 10 or less. Only includes Medicare Advantage plans with Part D coverage.

PRESCRIPTION & OUTPATIENT DRUGS: SPENDING

Between 2019 and 2021, drug spending in Medicare Part D rose twice as fast as drug spending in Part B.

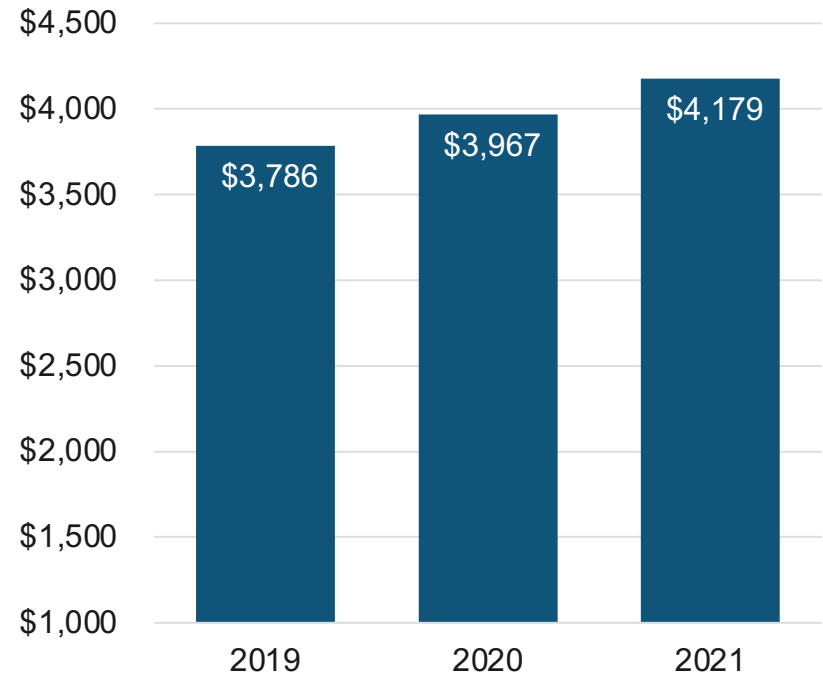
Part B Drug Spending Per Capita

Change,
2019–2021:
+5%



Part D Drug Spending Per Capita

Change,
2019–2021:
+10%

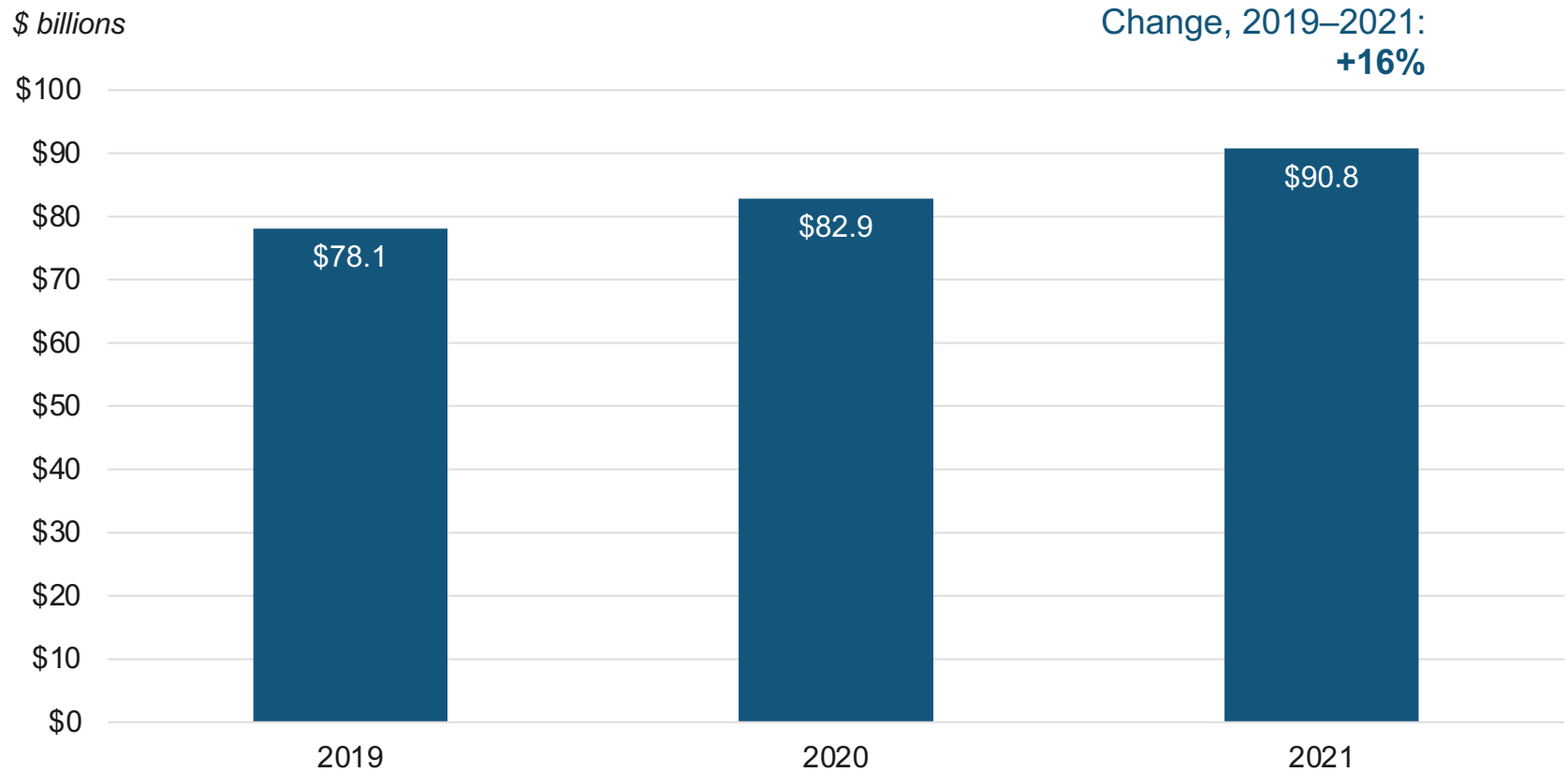


Data: Analysis of Medicare claims data for 2019 to 2021.

Note: Part B spending (for drugs provided in doctors' offices and hospital outpatient departments) only includes beneficiaries in traditional Medicare. Part D spending (for retail prescription drugs) includes all Medicare beneficiaries enrolled in Part D, including those in Medicare Advantage plans.

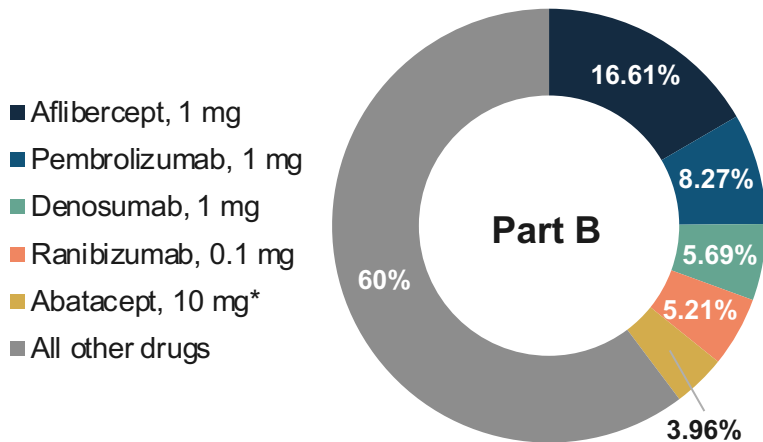
PRESCRIPTION & OUTPATIENT DRUGS: SPENDING

Medicare Part D drug spending among people dually eligible for Medicare and Medicaid increased by 16 percent from 2019 to 2021.

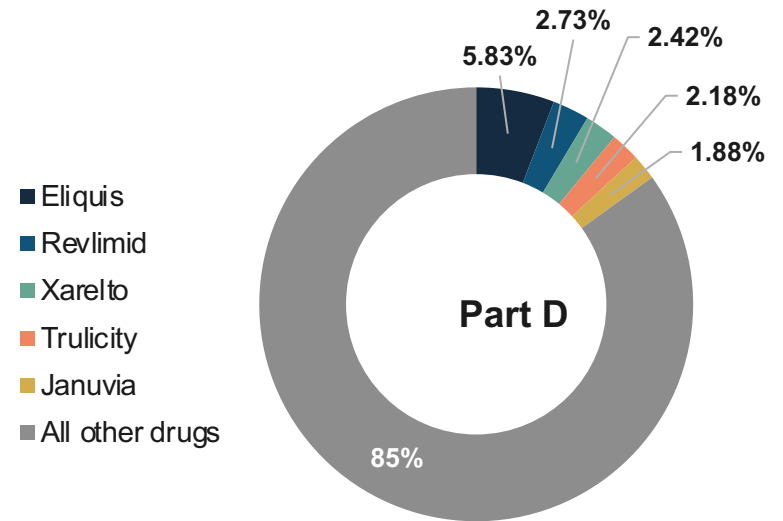


PRESCRIPTION & OUTPATIENT DRUGS: SPENDING

Five drugs accounted for 40 percent of Part B drug spending in 2021, while the top five drugs comprised only 15 percent of Part D spending.



Total Medicare Part B drug spending in traditional Medicare, 2021: **\$20 billion**

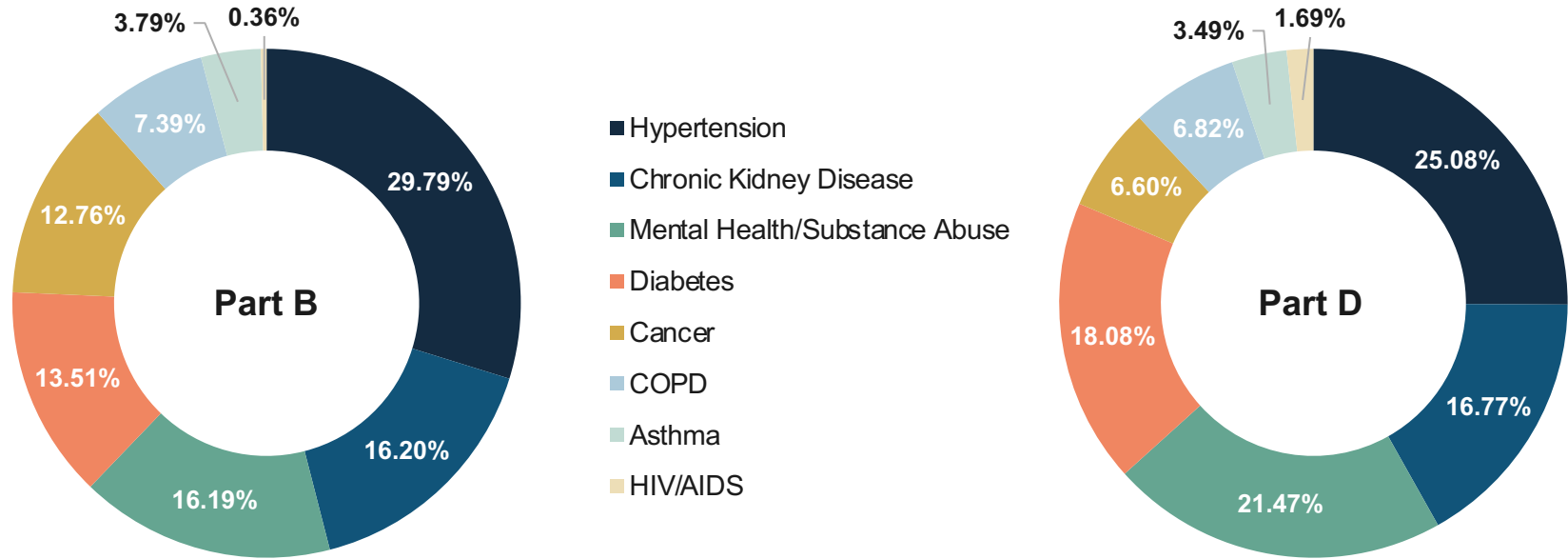


Total Medicare Part D drug spending, 2021: **\$216 billion**

PRESCRIPTION & OUTPATIENT DRUGS: SPENDING

Treatments for hypertension and mental health conditions accounted for nearly half of Medicare Part B and Part D drug spending in 2021.

Distribution of Medicare Part B and Part D Drug Spending, by Condition, 2021



Total Medicare Part B drug spending in traditional Medicare, 2021:
\$20 billion

Total Medicare Part D drug spending, 2021:
\$216 billion

Data: Analysis of Medicare claims data.

Note: Part B drug spending amount is calculated from the total amount of allowed charges for the line-item service on a noninstitutional claim in traditional Medicare. This charge is used to compute pay to providers or reimbursement to beneficiaries. Data on Part B drug spending by Medicare Advantage enrollees is not available. Part D drug spending is calculated from the total cost of a prescription drug event, the sum of the ingredient cost, dispensing fee, sales tax (if any), and vaccine administration fee (if any); it includes spending for beneficiaries in traditional Medicare and Medicare Advantage enrollees.

Five pharmacy chains accounted for 45 percent of all Medicare Part D spending in 2021.

