

# METHODOLOGY APPENDIX TO THE MEDICARE PART D 2008 DATA SPOTLIGHTS

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## Introduction

This series of Medicare Part D 2008 Data Spotlights that focuses on Medicare prescription drug plans in 2008 and trends in coverage since 2006, builds on two previous reports commissioned by the Kaiser Family Foundation which provided an in-depth look at Medicare drug plans in 2006 and 2007.<sup>2</sup> The 2008 Data Spotlights focus on plans which are offered nationwide, representing 88 percent of all PDPs nationwide. Due to data constraints, the analysis examines a subset of drugs, which represent about 60 percent of the total prescription volume for Medicare beneficiaries, as reported in the 2001 Medicare Current Beneficiary Survey. This appendix provides a detailed description of the Medicare drug plans selected for this analysis, the methodology for selecting the specific drugs that were analyzed, and the procedures used for data collection and analysis.

## Prescription Drug Plans in This Analysis

Our analysis focuses on the set of unique stand-alone prescription drug plans (PDPs) offered by national organizations that offer plans in all 34 regions established by the Centers for Medicare and Medicaid Services (CMS) (excluding the territories).<sup>3</sup> The list of organizations and plans included in this analysis appears in **Table 1** below.

The organizations that sponsor stand-alone prescription drug plans nationally in 2008 account for 1,598 plans – 88 percent of the 1,824 PDPs offered nationwide. Our analysis excludes the remaining 285 plans (12 percent), which are mainly local or regional plans offered in 30 or fewer regions. We also excluded from this analysis prescription drug plans offered through Medicare Advantage (MA-PD plans).

The national organizations each offer between one and five different plan designs for a total of 47 unique plan options.<sup>4</sup> CMS guidelines permit each organization to submit three different bids for plan options, as long as those bids represent meaningful variations and “one of the bids is an enhanced alternative plan that provides coverage in the coverage

<sup>1</sup> The series of Medicare Part D 2008 Data Spotlights, based on the authors' analysis of CMS data, are available at <http://www.kff.org/medicare/med102507pkg.cfm>.

<sup>2</sup> Hoadley et al, “An In-Depth Examination of Formularies and Other Features of Medicare Drug Plans,” Kaiser Family Foundation, April 2006, available at <http://www.kff.org/medicare/7489.cfm>; Hoadley et al, “Benefit Design and Formularies of Medicare Drug Plans: A Comparison of 2006 and 2007 Offerings,” Kaiser Family Foundation, November 2006, available at <http://www.kff.org/medicare/7589.cfm>.

<sup>3</sup> In 2006 and 2007, we also included plans offered on a near-national basis, meaning that they sponsored PDPs in at least 31 of the 34 regions.

<sup>4</sup> In 2006 and 2007, our database covered 35 and 47 national and near-national plan options, respectively.

gap.”<sup>5</sup> The exception to this rule results from organizational mergers. When one organization acquires another, CMS will approve the offering of additional plans for up to three years. United HealthCare is taking advantage of this option to offer five plan options as a result of its acquisition of Pacificare, completed in December 2005. As a result of its pending acquisition of Sierra Health, United may offer additional plan options in future years. Coventry offers five options (through its AdvantraRx and First Health brands) as a result of its 2005 acquisition of First Health. Most recently, Universal American (the parent company of Pennsylvania Life and American Progressive) acquired MemberHealth, the company operating the Community Care Rx plans. This merger was not final at the time that bids were submitted for the 2008 year. Finally, we exclude from our analysis additional plan options offered on a more limited basis by two of the organizations in our study. Specifically, we exclude a third offering by First Health (Premier), offered in 26 regions, and additional plans offered by local Blue Cross affiliates of Wellpoint (operator of the MedicareRx Rewards plans nationally). We also exclude the Basic plan by SierraRx, which is only offered in 24 regions.

Although the cost sharing features change from one plan option to another, formularies only change for about one-third of the organizations that offer more than one plan option. However, even if an organization offering multiple plan options uses the same formulary in each plan option, it may apply different tier assignments and different cost sharing policies to on-formulary drugs.

Data on the characteristics of plan benefits were collected primarily from the CMS “landscape file” released in October 2007 and the CMS Medicare Prescription Drug Plan Finder website.<sup>6</sup> In a few cases, these data were supplemented or verified by more detailed information collected directly from plan benefit summary materials and other documents on each sponsoring organization’s website.

## **Sample of Drugs in This Analysis**

### *Selecting the Drug Sample*

Each year, CMS releases complete formulary files for all Part D drug plans (excluding drug price information). These data files are not generally available at the time that information becomes available on the Medicare Prescription Drug Plan Finder. Complete formulary, cost-sharing, and pricing data for drugs are available to the public on the Plan Finder, but the time demands in collecting information from the website made it impossible to collect data on all FDA-approved drugs.

To reduce the requirements for data collection, we generated the sample of drugs for our analysis with several goals in mind: 1) including drugs that are among the most frequently prescribed drugs used by Medicare beneficiaries; 2) including drugs that belong to certain commonly prescribed drug classes; and 3) including a sub-sample of high-cost drugs. In total, our original sample in 2006 consisted of 152 drugs, including 73 generic drugs and 79 brand-name drugs.<sup>7</sup> Together, these drugs included nearly 60 percent of the total prescription volume for Medicare beneficiaries, as reported in the 2001 Medicare Current

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<sup>5</sup> CMS, “2008 Call Letter,” <http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/CallLetter.pdf> (April 19, 2007).

<sup>6</sup> <http://www.medicare.gov/MPDPF/Public/Include/DataSection/Questions/MPDPFIntro.asp>

<sup>7</sup> For a list of the 152 drugs included in the 2006 sample, see Hoadley et al, “An In-Depth Examination of Formularies and Other Features of Medicare Drug Plans”, Kaiser Family Foundation (April 2006), available at <http://www.kff.org/medicare/7489.cfm>.

Beneficiary Survey.<sup>8</sup> As a result, this analysis encompasses a substantial amount of all drug utilization by beneficiaries.

As the project moved forward from 2006 to 2007 and 2008, we have supplemented our list of drugs in two ways. First, we added to our sample the generic versions of drugs that have gone off patent since the time our initial list was determined. That addition includes three new drugs for 2007 and nine new drugs for 2008. Second, we reviewed the drug classes for which we collected data on all drugs in 2006. In 2007, we added to our sample five newly approved drugs that were in these classes or were reclassified into these classes in the annual review of the classification system by United States Pharmacopoeia (USP). No such drugs were added in 2008. The classification of drugs in this analysis appears in **Table 2** below, while the full list of 169 drugs in our sample appears in **Table 3**.

#### Most Prescribed Drugs for Medicare Beneficiaries

Our original sample of drugs for 2006 includes the 10 most commonly prescribed brand-name drugs and the 10 most commonly prescribed generic drugs used by beneficiaries as determined by volume of prescriptions from the Medicare-approved prescription drug discount card program.<sup>9</sup> We compared this list of commonly used drugs to another list of most prescribed drugs for the total U.S. population (compiled by Verispan) to confirm no unusual characteristics associated with purchases through the discount card program. Because Part D claims data have not been made available to researchers, we cannot verify whether the drugs selected represent the most commonly prescribed drugs under Medicare Part D. We have reviewed more recent lists from Verispan to confirm that there have not been dramatic changes since we established our original list, other than the newly approved generic drugs mentioned above.<sup>10</sup>

We included in our original sample another 15 drugs that appear on one of several lists of the most commonly prescribed drugs, but were not in one of the common drug classes described below. These include drugs that are among the 25 most prescribed drugs in the Medicare-endorsed discount card program, but not included among the top 10 brands or top 10 generics. Other added drugs were those ranked among the top 10 brands and generics for the general population on the Verispan list (measured by either volume of prescriptions or dollars) but not in the discount card program. These additional 15 drugs include several commonly prescribed drugs from the following drug categories: anti-bacterials, respiratory tract agents prescribed for asthma, sedatives, analgesics, and certain cardiovascular medications. Because these are commonly prescribed drugs, they represent a significant share of total prescription volume.

#### Common Drug Groups

We included drugs in our sample that comprised several complete drug groups because sponsoring organizations often make coverage decisions in the context of entire therapeutic categories and classes of drugs. In selecting drug groups, we relied on the drug classification system developed by the United States Pharmacopoeia (USP) and adopted by

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<sup>8</sup> There is a key methodological issue involved in using the 2001 Medicare Current Beneficiary Survey as a proxy for estimating current prescription volume, and that is the real potential for changes in the availability of prescription drugs in the intervening years. At the drug class level, this may be a relatively minor issue, but it could be a larger concern at the individual drug level, as brand-name drugs lose patent protection and generics are introduced, drugs are withdrawn from the market for safety reasons, and new drugs are given FDA approval and brought to market.

<sup>9</sup> The list of most commonly prescribed drugs in the discount card program was provided by CMS to congressional staff, but is not posted on the CMS website.

<sup>10</sup> Listings compiled by Verispan of the most popular drugs (both by number of prescriptions and retail sales) are published in *Drug Topics* each year. See <http://www.drugtopics.com/Pharmacy+ Facts+ And+ Figures>.

CMS as the model drug classification system.<sup>11</sup> According to CMS, a large majority of drug plans chose to use this system. The structure of the USP system (including some category and class names) has changed somewhat each year. Version 3.0, which is in use for 2008, involves 50 therapeutic categories (up from 41 in Version 1.0 used for 2006), most of which are further divided into pharmacologic classes. There are a total of 138 unique categories and classes (down from 146 in Version 1.0) in the USP system. In addition, many of the categories or classes are further divided by USP into a total of 193 formulary key drug types (up from 118 in Version 1.0). Although these are not part of the official classification system, they are used by CMS in its formulary guidelines.

Our sample includes all drugs from four of the 10 classes of the largest category in the USP system, cardiovascular drugs:

- Beta-adrenergic Blocking Agents (treatments for hypertension, known as beta blockers)<sup>12</sup>
- Calcium Channel Blocking Agents (treatments for hypertension)
- Dyslipidemics (treatments for high cholesterol)
- Renin-angiotensin-aldosterone System Inhibitors (treatments for hypertension, including ACE inhibitors and angiotensin receptor blockers or ARBs).

Our sample includes all of the drugs in several therapeutic categories, as defined by USP:

- Antidepressants (including all three classes in this category)<sup>13</sup>
- Anti-dementia Agents (including all three classes in this category, several of which are used to treat Alzheimer's Disease)
- Metabolic Bone Disease Agents (including all five key drug types in the category, several of which are used to treat osteoporosis)

Finally, our sample includes drugs in particular classes or key drug types in the following areas:

- Antidiabetic Agents class of Blood Glucose Regulators (drugs used to treat diabetes)<sup>14</sup>
- Proton Pump Inhibitors class of Gastrointestinal Agents (drugs used to treat ulcers and gastroesophageal reflux disease or GERD)
- Tumor Necrosis Factor (TNF) Inhibitors, a key drug type in the Immune Suppressants class of Immunological Agents category (drugs used to treat rheumatoid arthritis)<sup>15</sup>

Most of these drug classes were selected based on the volume of drugs prescribed from them. Others (e.g., drugs to treat osteoporosis or rheumatoid arthritis) were selected to ensure that the sample included some of very high-cost drugs and some specialty drugs (e.g., biotechnology drugs and self-injected drugs).

Drugs omitted from this analysis generally fall into two categories. There are many drugs in clinically important but less commonly prescribed classes of drugs (e.g., HIV/AIDS drugs and cancer agents) that we did not select for study. In addition, there are many alternative

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<sup>11</sup> United States Pharmacopeia, "Medicare Prescription Drug Benefit: Summary of USP Approach and Methodology to the Model Guidelines Version 3.0," submitted to CMS, February 5, 2007, <http://www.usp.org/pdf/EN/mmg/modelGuidelinesApproachMethodology.pdf>.

<sup>12</sup> One drug in this class (Sotalol) has been reclassified by USP, but we have retained it in our sample for continuity.

<sup>13</sup> One drug (selegiline) has been added to the MAO Inhibitor class, but has not been added to our sample.

<sup>14</sup> Two drugs (Amylin and Byetta) have been added to this category, but not to our sample.

<sup>15</sup> One drug in this formulary key drug type (Remicade) is no longer on the USP list for this group, apparently because it is primarily paid under Medicare Part B (not Part D). We have retained it in our sample for continuity.

drugs in classes where we selected a commonly prescribed drug but have not studied the entire class (e.g., antibacterials, analgesics, hormonal agents, and respiratory tract agents).

The placement of the different drug groups in our sample within the USP classification system is further outlined in Table 2. The full listing of drugs in Table 3 shows which drugs are in which category, class, and key drug type (where applicable).

### Specifying Drug Products for Data Collection

The drug sample selection process as described above identified the chemical entities that we studied. We then determined which version of a drug to include. This requires more specificity at the level of trade name, form, strength, and dosage.

*Brand vs. Generic Versions.* Generally, we chose to study only the generic version where both a generic and brand-name alternative are available. In order to study how plans make decisions when both versions are available, we did include both the brand-name and generic version of a few drugs (and have accumulated additional cases of this type as we added newly approved generic drugs). In addition, we chose to include a few drugs that are variants of another drug, such as the weekly version of Prozac or the continuous-release version of Paxil.

*Form and Strength.* The formulary data available from the Medicare Prescription Drug Plan Finder that relate to coverage, pricing, and utilization management are specified at a more detailed level than drug name to include both the form and strength of a medication. For example, the Plan Finder lists multiple dosages and forms of potassium chloride, including a liquid as well as tablets. Likewise, there are four different strengths of hydrocodone with acetaminophen, each having a different combination of dosages for the two drugs.

In at least some cases, plans apply different tier placement or utilization restrictions depending on the form or strength of a drug. Therefore, we established a standard form, strength, and monthly dose for each drug. Because we did not have the resources to collect data on every form and strength of all 169 sample drugs, we started from the default form and strength offered to consumers in the Plan Finder. Thus, our findings reflect only plan coverage information for this specific version of each drug on our list.

Plans can cover some, all, or none of the different forms and strengths of certain drugs and their variants. The table below, prepared by the authors under a separate contract for the Medicare Payment Advisory Commission, illustrates the variations for one chemical entity, paroxetine, sold under the brand names Paxil and Pexeva.<sup>16</sup> In this example, we include two versions in our drug sample: the 20mg generic oral solid and the 25mg continuous-release Paxil CR (shown in bold in the table below).

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<sup>16</sup> [http://www.medpac.gov/transcripts/MedPAC%20Formulary%20Presentation%20-%20Hoadley\\_corrected.pdf](http://www.medpac.gov/transcripts/MedPAC%20Formulary%20Presentation%20-%20Hoadley_corrected.pdf)

### Formulary Treatment of Paroxetine, All PDPs, 2007

GENERIC NAME	TRADE NAME	FORM	STRENGTH	NDC CODE	PDPs	
					# Plans	% Plans
Paroxetine Hydrochloride	Paroxetine HCL	oral solid	40 mg	00093712156	3463	100%
			30 mg	00093711656	3463	100%
			<b>20 mg</b>	<b>49884087701</b>	<b>3455</b>	<b>99.7%</b>
			10 mg	00093711456	3450	99.6%
	Paxil	oral solid	10 mg	00029321013	1250	36.1%
			40 mg	00029321313	1242	35.9%
			20 mg	00029321113	1250	36.1%
			30 mg	00029321213	1238	35.7%
			suspension	10 mg/5ml	00029321548	3464
	Paxil CR	oral solid	<b>25 mg</b>	<b>00029320713</b>	<b>2473</b>	<b>71.4%</b>
12.5 mg			00029320613	2473	71.4%	
37.5 mg			00029320813	2473	71.4%	
Paroxetine Mesylate	Pexeva	oral solid	10 mg	63672201001	1904	55.0%

There are nine plans that do not list 20mg paroxetine on their formularies but do list both the 30mg and 40mg versions. There are also five fewer plans that cover the 10mg version compared to the 20mg version. If we had chosen to include in our sample the brand-name version of the Paxil oral solid, we would have seen only about one-third of plans listing that drug on formulary. But the suspension form of Paxil is listed by 100 percent of plans, since it has no generic version. In the analysis for MedPAC, which was based on the full CMS formulary files for 2007, we chose to consider a drug listed on formulary if any version of the chemical entity was listed. While this approach offers a more complete analysis, it was not feasible prior to the availability of the full CMS formulary files, which were not made available for the Kaiser Family Foundation Part D Data Spotlights.

*Dosage.* We sought to collect information on an appropriate 30-day supply of each drug. The Plan Finder includes a default monthly amount of 30 units for drugs in tablet or capsule form, without regard to whether this is a common dosage (defaults are also provided for drugs not in pill form). In fact, there are several cases where the default quantity was inaccurate or inappropriate. These include drugs that are taken less frequently than on a daily basis (e.g., Fosamax, Actonel, Prozac Weekly, Enbrel and Remicade) or drugs that are taken several times a day. For all sample drugs, we determined a standard dosage from sources such as rxlist.com and relied on this information to modify the number of pills obtained per month for over one-third of all the drugs on our list. This information is essential in the Plan Finder for determining the drug's negotiated price for a monthly supply.

Most of the medications on our list are maintenance drugs that would be taken for conditions such as hypertension, high cholesterol, or diabetes for the full 12 months of a year. However, our list of commonly prescribed drugs does include a few antibiotics and pain medications where patient use does not necessarily follow this pattern. Since dosing for these types of drugs varies considerably according to the type of infection being treated or the degree of pain experienced by the patient, we generally settled on a 30-pill supply for a month's prescription. In some cases, this would represent a two-week course of an antibiotic taken two times a day or pain medication taken four times a day for one week.

### Methodology for Collecting Data on Tier, Price, and Usage Restrictions

Each year, data for this study were collected from the CMS website using the Medicare Prescription Drug Plan Finder shortly after the Plan Finder became active for the new year.

In 2006 and 2007, data were collected by students directly from the website onto a spreadsheet. In 2008, we received the generous assistance of Kosali Simon, Ph.D., at Cornell University, who made available to us data collected through a web-crawler program. In a few cases where we became aware of systematic errors on the website prior to the completion of our analysis, the erroneous data we had already collected were replaced with new, accurate information. This was not a frequent occurrence.

We collected four types of data for each drug from the Medicare Prescription Drug Plan Finder from the Medicare.gov website:

- whether a drug was on plan formularies,
- the cost-sharing tier for each covered drug,
- whether utilization management tools (prior authorization, quantity limits, or step therapy) were applied, and
- the price for purchases at retail pharmacies.

For each drug, we used the form, strength, and dosage, as described above. We chose the state of Maryland (zip code 21201) as the point of entry for the website. We have confirmed with the CMS public use files that national plans do not vary their formularies from region to region.

*Formulary Status and Cost-Sharing Tier.* Tier information on the website is based on the nominal tiers (Tier 1, Tier 2, Tier 3) that are listed by the plans. However, these tier labels can mean different things for different plans. We chose to establish a standardized tier designation across plans rather than use the nominal designations on the Plan Finder.

We labeled plans that use the defined standard benefit as having just one tier. For plans not using the defined standard benefit, we labeled tiers as generic (G) and brand (B) for two-tier benefit designs and generic (G), preferred brand (PB), and non-preferred brand (NPB) for three-tier benefit designs.

Neither the plans nor the Medicare Plan Finder have a systematic means of designating specialty tiers, despite the distinctive nature of specialty drugs and certain rules regarding appeals and exceptions that apply only to this tier. We chose to label tiers as specialty tiers if they had coinsurance amounts of between 25 percent and 33 percent, were listed separately from other tiers, and contained drugs that were generally characterized as specialty drugs.

Some plans display more tiers than the effective number of tiers with different cost-sharing characteristics. For example, Wellcare in 2006 displayed two generic tiers: one for preferred generic drugs and one for non-preferred generic drugs. In each case, however, the same copayment applied, so that distinction appeared to be irrelevant from the beneficiary's perspective. Similarly, some plans that follow the standard benefit design organize their formulary drug list into multiple tiers even though the standard 25 percent coinsurance applies to each tier. In our analysis, we collapsed multiple tiers into one if the same cost-sharing amount applied to drugs that the plan itself designated in separate tiers.

*Utilization Management.* Information on the various utilization management designations was obtained along with tier information from the Plan Finder. Designations included prior authorization, step therapy, and quantity limits. The Plan Finder provides only a yes/no flag for each of these measures. Information such as the step therapy protocol or the amount specified in quantity limits is not available on the Plan Finder, and we did not make an attempt to collect them through other means such as plan websites.

*Retail Prices.* Drugs were entered in the Plan Finder in large enough groups to ensure that a hypothetical enrollee would incur expenses in the coverage gap so that we could retrieve the plan's full negotiated prices (the prices that enrollees would pay in the coverage gap or before a plan deductible is met). We did not enter a specific pharmacy, but used the general price that was displayed when no pharmacy was selected. We verified through spot-checking that negotiated prices do not appear to differ across plan options when a single organization offers plans with different formularies. Instead, it appears that sponsoring organizations use a single negotiated price list for each of their plan options. Prices do change regularly over time, so to the extent possible, we collected all data at or near a single point in time.

*Analytical Files.* We then combined data on cost-sharing tiers, utilization management practices, and negotiated prices into one data file for analysis. In 2006, cost sharing for each drug was calculated based on plan benefit designs and negotiated prices. Flat dollar copayments for specific drugs reflect either the cost sharing amount for the drug's tier or the actual negotiated price of the drug, whichever was lower.<sup>17</sup> Cost sharing for specific drugs where a coinsurance rate was charged was calculated by multiplying the applicable percentage times the plan's negotiated price for the drug. Again, the lower of the calculated coinsurance amount or the actual negotiated price was used in the analysis. In 2007 and 2008, our more automated approach to data collection allowed us to use the series of prices displayed on the website: full price, price in the deductible (where applicable), price in the initial coverage period, price in the coverage gap, and price in the catastrophic coverage period.

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<sup>17</sup> Medicare Part D rules do not require that beneficiaries pay the lesser of the copayment or the negotiated price of the drug. But website displays seem to apply this rule in all cases. Although we have not found this payment rule stated explicitly in plan benefit summaries, we assumed for the purposes of our analysis that it applies in all cases.



**Table 1: Overview of Medicare Drug Plans in This Analysis**

Sponsor Organization	Plan Name	Contract ID	Plan Offered <sup>1</sup>		# of Regions Eligible for LIS	Enrollment 2007	Standard (S), Alternative (A), or Enhanced (E) Benefit	Weighted Average Premium <sup>2</sup>	Deductible	Cost Sharing			Specialty Tier	Other Tier	Gap Coverage <sup>3</sup>
			2006	2007						Tier G	Tier PB	Tier NPB			
Aetna	Aetna Medicare Rx Essentials	S5810	Y	Y	25	141,584	A	\$26.63	\$275	\$3 <sup>^</sup>	\$39 <sup>^</sup>	\$80	25%		None
	Aetna Medicare Rx Plus	S5810	Y	Y		24,222	E	\$42.44	\$0	\$4	\$35	\$65	33%		None
	Aetna Medicare Rx Premier	S5810	Y	Y		78,673	E	\$83.60	\$0	\$4	\$40	\$70 <sup>^</sup>	33%		G
Caremark	SilverScript	S5601	Y	Y	30	348,723	A	\$20.71	\$275	\$7	\$23.88 <sup>^</sup>	\$93 <sup>^</sup>	25%		None
	SilverScript Plus	S5601	Y	Y		10,066	E	\$38.76	\$0	\$9	\$26	\$85	33%	\$4	G
	SilverScript Complete	S5601	N	Y		8,528	E	\$43.35	\$0	\$7	\$30	\$90	33%	\$2	G
Cigna	Cigna Plan One	S5617	Y	Y	22	207,801	A	\$29.04	\$275	\$2	\$25 <sup>^</sup>	\$70.50 <sup>^</sup>	25%		None
	Cigna Plan Two	S5617	Y	Y		39,818	A	\$36.22	\$0	\$6 <sup>^</sup>	\$35 <sup>^</sup>	\$75 <sup>^</sup>	33%		None
	Cigna Plan Three	S5617	Y	Y		18,335	E	\$68.35	\$0	\$6	\$35	\$60 <sup>^</sup>	33%		SG
Coventry	AdvantraRx Value	S5670, S5674, S0197	Y	Y		99,627	E	\$22.97	\$0	\$8	\$24 <sup>^</sup>	\$55 <sup>^</sup>	33%		None
	AdvantraRx Premier		Y	Y		178,205	A	\$36.73	\$0	\$5 <sup>^</sup>	\$25 <sup>^</sup>	\$62.50 <sup>^</sup>	33%		None
	AdvantraRx Premier Plus		Y	Y		160,630	E	\$48.94	\$0	\$2	\$22 <sup>^</sup>	\$70 <sup>^</sup>	33%		PG
	First Health Secure	S5768, S5569	N	N		258,002	E	\$15.76	\$175	\$4	\$20 <sup>^</sup>	\$48 <sup>^</sup>	30%		None
	First Health Select	S5768, S5569	N	Y		3,167	E	\$45.04	\$0	\$5 <sup>^</sup>	\$21 <sup>^</sup>	\$55 <sup>^</sup>	33%		PG
Envision Rx	EnvisionRx Plus Standard	S7694	N	Y		1,183	S	\$66.24	\$275	25%				None	
	EnvisionRx Plus Gold	S7694	N	Y		15,848	E	\$98.30	\$0	\$0	\$30	\$45 <sup>^</sup>	25%	\$40	PG
HealthNet	HealthNet Orange Option 1	S5678	**	Y	32	237,197	A	\$19.20	\$275	\$1 <sup>^</sup>	\$42 <sup>^</sup>		25%		None
	HealthNet Orange Option 2	S5678	N	Y	1	88,696	E	\$34.17	\$0	\$0 <sup>^</sup>	\$39 <sup>^</sup>	\$75 <sup>^</sup>	33%		None
HealthSpring	HealthSpring PDP	S5932	**	Y	31	118,116	S	\$20.24	\$275	25%				None	
Humana	Humana PDP Standard	S5884, S5552	*	Y	26	2,133,252	S	\$25.82	\$275	25%				None	
	Humana PDP Enhanced	S5884, S5552	*	Y		1,076,078	E	\$23.95	\$0	\$4	\$25	\$54	25%		None
	Humana PDP Complete	S5884, S5552	*	Y		235,069	E	\$91.26	\$0	\$4	\$25	\$54	25%		PG
Medco	Value	S5660, S5983	N	N	26	--	A	\$26.26	\$275	23%	23%	58%	25%		None
	Choice	S5660, S5983	Y	Y		139,856	E	\$33.89	\$0	\$6 <sup>^</sup>	\$35	75%	33%		None
	Access	S5660, S5983	N	N		--	E	\$70.20	\$0	\$6	\$35	75%	33%		G

NOTES:  
 1: In some cases, the plan name offered under a particular contract number has changed compared to previous years.  
 2: For plans not offered in 2007, average is not weighted by enrollment.  
 3: G = generics. PG = preferred generics. B/G = brands and generics. NONE = no coverage.  
 NOTE: \* indicates that plans were offered by the organization on a near-national basis in at least 30 regions that year  
 \*\* indicates that plans were offered by the organization in fewer than 30 regions that year  
 ^ indicates median cost sharing amount for plans that use different tiered cost sharing arrangements across regions  
 ^^ indicates median cost sharing amount for plans in different regions (but not all regions have a third tier)

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**Table 1: Overview of Medicare Drug Plans in This Analysis (continued)**

Sponsor Organization	Plan Name	Contract ID	Plan Offered <sup>1</sup>		# of Regions Eligible for LIS	Enrollment 2007	Standard (S), Alternative (A), or Enhanced (E) Benefit	Weighted Average Premium <sup>2</sup>	Deductible	Cost Sharing				Specialty Tier	Other Tier	Gap Coverage <sup>3</sup>
			2006	2007						Tier G	Tier PB	Tier NPB	Tier			
MemberHealth	Community Care Rx Basic	S5803	Y	Y	30	934,242	A	\$25.39	\$275	\$0	30% <sup>^</sup>	55% <sup>^</sup>	None		None	
	Community Care Rx Choice	S5803	Y	Y		96,198	E	\$42.04	\$0	\$0	\$20	\$45	25%		None	
	Community Care Rx Gold	S5803	Y	Y		70,653	E	\$49.14	\$0	\$5	\$25	\$60	25%		G	
Pennsylvania Life (Amer. Progressive)	Prescription Pathway Bronze	S5597, S5825	*	*	30	396,300	S	\$24.11	\$275	25%					None	
	Prescription Pathway Gold	S5597, S5825	*	*		49,993	E	\$29.72	\$0	\$6	\$44		33%		None	
	Prescription Pathway Platinum	S5597, S5825	*	*		17,309	E	\$62.09	\$0	\$6	\$44		33%		G	
Rx America	Advantage Star	S5644	**	Y	32	145,176	A	\$22.70	\$275	\$5 <sup>^</sup>	25%	35% <sup>^</sup>	25% <sup>^</sup>		None	
	Advantage Freedom	S5644	**	Y		82,973	E	\$28.69	\$0	\$5	35%	45% <sup>^</sup>	25% <sup>^</sup>		None	
	Advantage Allegiance	S5644	**	N		--	E	\$44.89	\$0	\$5	35%	45% <sup>^</sup>	25% <sup>^</sup>		PG	
Sterling	Sterling Rx	S4802	*	*	17	6,756	A	\$30.94	\$275	\$5 <sup>^</sup>	\$30	40%	25%		None	
	Sterling Rx Plus	S4802	N	*		4,611	E	\$77.76	\$100	\$0	\$25	25%	25%		G	
Unicare-Wellpoint	MedicareRx Rewards Standard	S5960	N	N	34	--	S	\$22.63	\$275	25%					None	
	MedicareRx Rewards Value	S5960	Y	Y	26	544,754	A	\$25.18	\$0	\$10 <sup>^</sup>	\$43 <sup>^</sup>	\$80	33%		None	
United American (First UA)	United American Silver	S5755, S5580	N	Y	1	14,188	A	\$40.06	\$125 <sup>^</sup>	\$4 <sup>^</sup>	\$40	\$80	25%		None	
	United American	S5755, S5580	*	Y		147,173	E	\$44.27	\$0	\$9	\$37 <sup>^</sup>	\$74 <sup>^</sup>	33%		None	
United HealthCare	AARP MedicareRx Saver	S5921	Y	Y	16	900,830	A	\$23.85	\$275	\$5	\$20	\$49.68 <sup>^</sup>	25%		None	
	AARP MedicareRx Preferred	S5820, S5805	Y	Y	3	3,069,090	A	\$32.33	\$0	\$7	\$30 <sup>^</sup>	\$74.85 <sup>^</sup>	33%		None	
	AARP MedicareRx Enhanced	S5921	Y	Y		104,889	E	\$64.25	\$0	\$7	\$30	\$74.85 <sup>^</sup>	33%		PG	
	United Medicare Rx Value	S5820, S5805	N	Y		62,164	E	\$22.58	\$275	\$6	\$27.75	25%	25%		None	
WellCare	United Medicare Rx Basic	S5921	Y	Y		468,056	A	\$40.36	\$0	\$7	\$28	\$65.93 <sup>^</sup>	33%		None	
	Wellcare Classic	S5967	N	Y	28	43,827	A	\$24.93	\$250	\$0	\$35	\$87 <sup>^</sup>	26% <sup>^</sup>		None	
	WellCare Signature	S5967	Y	Y	5	890,711	A	\$29.49	\$0	\$0	\$45	\$107 <sup>^</sup>	33%		None	

**NOTES:**

1: In some cases, the plan name offered under a particular contract number has changed compared to previous years.

2: For plans not offered in 2007, average is not weighted by enrollment.

3: G = generics. PG = preferred generics. B/G = brands and generics. NONE = no coverage.

NOTE: \* indicates that plans were offered by the organization on a near-national basis in at least 30 regions that year

\*\* indicates that plans were offered by the organization in fewer than 30 regions that year

<sup>^</sup> indicates median cost sharing amount for plans that use different tiered cost sharing arrangements across regions

<sup>^ ^</sup> indicates median cost sharing amount for plans in different regions (but not all regions have a third tier)

**Table 2: Classification of Drugs in This Analysis**

<b>Drug Group</b>	<b>USP Category</b>	<b>USP Class/ Formulary Key Drug Type</b>	<b>Position in USP Classification System</b>	<b>Number of Unique Chemicals</b>	<b>Number of Drugs</b>	<b>Estimated Share of Total Prescriptions</b>
Anti-dementia drugs	Anti-dementia	All	Category	6	6	0.3%
Antidepressants	Antidepressants	All	Category	24	33	4.2%
Beta blockers	Cardiovascular agents	Beta-adrenergic blocking agents	Class	14	15	5.5%
Calcium channel blockers	Cardiovascular agents	Calcium channel blocking agents	Class	9	10	5.1%
Dyslipidemics	Cardiovascular agents	Dyslipidemics	Class	14	19	6.0%
Renin-angiotensin-aldosterone system inhibitors	Cardiovascular agents	Renin-angiotensin-aldosterone system inhibitors	Class	18	19	7.4%
Antidiabetic agents	Blood glucose regulators	Antidiabetic agents	Class	14	17	4.3%
Proton pump inhibitors	Gastrointestinal agents	Proton pump inhibitors	Class	5	6	2.6%
Metabolic bone disease agents (Osteoporosis)	Metabolic bone disease agents	All	Category	11	12	1.5%
Tumor necrosis factor inhibitors (Rheumatoid arthritis)	Immunological agents	Immune suppressants/Tumor necrosis factor inhibitors	Formulary Key Drug Type	3	3	0.2%
"Top 10" drugs not in another group	NA	NA	Various	7	9	11.9%
Other commonly prescribed drugs not in another group	NA	NA	Various	15	20	10.7%
<b>TOTAL</b>				<b>140</b>	<b>169</b>	<b>59.7%</b>

NOTE: Estimated share of total prescriptions based on 2001 Medicare Current Beneficiary Survey and does not incorporate newer drugs.

**Table 3: List of Drugs in the Study Sample**

Drug Group/ Drug Name	Dosage
<b>Antidepressants</b>	
<i>Monoamine Oxidase (Type A) Inhibitors</i>	
Nardil	15mg TAB
Parnate	10mg TAB
TRANLYCPROMINE SULFATE ('08)	10mg TAB
<i>Reuptake Inhibitors (SSRIs and SNRIs)</i>	
CITALOPRAM HYDROBROMIDE	20mg TAB
Cymbalta	60mg CAP
Effexor	75mg TAB
Effexor XR	75mg TAB
FLUOXETINE HCL	20mg CAP
FLUVOXAMINE MALEATE	100mg TAB
Lexapro	10mg TAB
NEFAZADONE HCL	200mg TAB
PAROXETINE HCL	20mg TAB
Paxil CR	25mg TAB
Prozac Weekly	90mg CAP
SERTRALINE HCL ('07)	100mg TAB
VENLAFAXINE HCL ('08)	75mg TAB
Zoloft*	100mg TAB
<i>Tricyclics</i>	
AMITRIPTYLINE HCL	25mg TAB
AMOXAPINE	50mg TAB
CLOMIPRAMINE HCL	50mg CAP
DESI PRAMINE HCL	50mg TAB
DOXEPIN HCL	50mg CAP
IMI PRAMINE HCL	25mg TAB
NORTRIPTYLINE HCL	25mg CAP
Surmontil	50mg CAP
TRIMI PRAMINE MALEATE ('08)	50mg CAP
Vivactil	10mg TAB
<i>Other Antidepressants</i>	
BUPROPION HCL ER	100mg TAB
BUPROPION HCL SR	150mg TAB
MAPROTILINE HCL	50mg TAB
MIRTAZAPINE	15mg TAB
TRAZODONE HCL	100mg TAB
Wellbutrin XL	300mg TAB

Drug Group/ Drug Name	Dosage
<b>Anti-dementia Drugs (Alzheimer's disease)</b>	
<i>Cholinesterase Inhibitors</i>	
Aricept	10mg TAB
Cognex	10mg CAP
Exelon	3mg CAP
Razadyne	8mg TAB
<i>Glutamate Pathway Modifiers</i>	
Namenda	10mg TAB
<i>Other Anti-dementia Agents</i>	
ERGOLOID MESYLATES	1mg TAB ORAL

<b>Cardiovascular: Beta Blockers (Hypertension)</b>	
<i>Alpha-beta-adrenergic Blocking Agents</i>	
Coreg	25mg TAB
LABETALOL HCL	200mg TAB
<i>Cardioselective Beta-adrenergic Blocking Agents</i>	
ACEBUTOLOL HCL	200mg CAP
ATENOLOL*	50 mg TAB
BETAXOLOL HCL	10mg TAB
BISOPROLOL FUMARATE	5mg TAB
METOPROLOL TARTRATE*	50mg TAB
Toprol XL*	50mg TAB
<i>Nonselective Beta-adrenergic Blocking Agents</i>	
CARTEOLOL HCL	SOL Ophth 1%
Levatol	20mg TAB
NADOLOL	40mg TAB
PINDOLOL	5mg TAB
PROPRANOLOL HCL	20mg TAB
SOTALOL HCL	80mg TAB
TIMOLOL MALEATE	0.5% OP SOL

<b>Cardiovascular: Calcium Channel Blockers (Hypertension)</b>	
<i>Dihydropyridines</i>	
AMLODIPINE BESYLATE ('08)	10mg TAB
Dynacirc	5mg CAP
FELODIPINE ER	5mg TAB
NICARDIPINE HCL	20mg CAP
NIFEDIPINE	10mg CAP
Nimotop	30mg CAP
Norvasc*	10mg TAB
Sular CR	20mg TAB
<i>Non-dihydropyridines</i>	
DILTIAZEM HCL	360mg CAP
VERAPAMIL HCL	80mg TAB

**(CONTINUED ON NEXT PAGE)**

NOTE: Brand-name drugs in capital letters, generic drug names in lowercase. \* indicates top 10 brand or generic drug. '07 or '08 indicates that the drug was added to the sample starting in that year.

**Table 3: List of Drugs in the Study Sample (continued)**

Drug Group/ Drug Name	Dosage
<b>Cardiovascular: Dyslipidemics (Cholesterol)</b>	
<i>Bile Acid Sequestrants</i>	
CHOLESTYRAMINE	4gm POW
Colestid	1gm TAB
COLESTIPOL HCL ('08)	1gm TAB
Welchol	625mg TAB
<i>Cholesterol Absorption Inhibitors</i>	
Zetia	10mg TAB
<i>Fibrates</i>	
GEMFIBROZIL	600mg TAB
Tricor	145mg TAB
<i>HMG CoA Reductase Inhibitors (Statins)</i>	
Altoprev ER	60mg TAB
Crestor	10mg TAB
Lescol	40mg CAP
Lipitor*	10mg TAB
LOVASTATIN	40mg TAB
Mevacor	20mg TAB
Pravachol	40mg TAB
PRAVASTATIN SODIUM ('07)	40mg TAB
SIMVASTATIN ('07)	20mg TAB
Zocor*	20mg TAB
<i>Nicotinic Acid</i>	
Niaspan	500mg TAB
<i>Omega-3 Fatty Acids</i>	
Omacor ('07)	1g CAP

<b>Cardiovascular: Renin-angiotensin-aldosterone System Inhibitors (Hypertension)</b>	
<i>Aldosterone Receptor Antagonists</i>	
Inspra	25mg TAB
Spironolactone	25mg TAB
<i>Angiotensin-converting Enzyme (ACE) Inhibitors</i>	
Aceon	4mg TAB
Altace	10mg CAP
BENZAEPRIH HCL	20mg TAB
CAPTOPRIL	25mg TAB
ENALAPRIL MALEATE	10mg TAB
FOSINOPRIL SODIUM	20mg TAB
LISINOPRIL*	10mg TAB
Mavik	4mg TAB
QUINAPRIL HCL	40mg TAB
TRANDOLAPRIL ('08)	4mg TAB
<i>Angiotensin II Receptor Antagonists (ARBs)</i>	
Atacand	32mg TAB
Avapro	150mg TAB
Benicar	20mg TAB
Cozaar	50mg TAB
Diovan*	80mg TAB
Micardis	80mg TAB
Teveten	600mg TAB

Drug Group/ Drug Name	Dosage
<b>Blood Glucose Regulators: Antidiabetic Agents (Diabetes)</b>	
<i>Alpha Glucosidase Inhibitors</i>	
Glyset	25mg TAB
Precose	50mg TAB
<i>Amylinomimetics</i>	
Symlin ('07)	0.6mg/MI INJ
<i>Biguanides</i>	
METFORMIN HCL*	500mg TAB
<i>Meglitinides</i>	
Prandin	2mg TAB
Starlix	120mg TAB
<i>Sulfonylureas</i>	
Amaryl	4mg TAB
CHLORPROPAMIDE	250mg TAB
GLIMEPIRIDE ('08)	5mg TAB
GLIPIZIDE	4mg TAB
GLIPIZIDE ER	10mg TAB
GLYBURIDE	5mg TAB
GLYBURIDE MICRONIZED	6mg TAB
TOLAZAMIDE	250mg TAB
TOLBUTAMIDE	500mg TAB
<i>Thiazolidinediones</i>	
Actos	30mg TAB
Avandia	4mg TAB

<b>Metabolic Bone Disease Agents (Osteoporosis)</b>	
<i>Bisphosphonates</i>	
Actonel*	35mg TAB
Aredia	90mg INJ
Boniva ('07)	150mg TAB
Didronel	400mg TAB
Fosamax*	70mg TAB
PAMIDRONATE SODIUM	90mg INJ
Skelid	200mg TAB
Zometa	4mg/5mL INJ
<i>Calcium Regulating Hormones</i>	
Miacalcin	200iu/mL SPR
<i>Parathyroid Hormone Analogs</i>	
Forteo	750mcg/3mL SOL
<i>Vitamin D-Related Agents</i>	
Hectorol ('07)	2.5mcg CAP
Zemplar ('07)	1mcg CAP

(CONTINUED ON NEXT PAGE)

**Table 3: List of Drugs in the Study Sample (continued)**

Drug Group/ Drug Name	Dosage
<b>Gastrointestinal Agents: Proton Pump Inhibitors (Ulcers, GERD)</b>	
Aciphex	20mg TAB
Nexium*	40mg CAP
OMEPRAZOLE	20mg CAP
Prevacid DR	30mg CAP
Prilosec CR	40mg CAP
Protonix	40mg TAB

<b>Tumor Necrosis Factor Inhibitors (Rheumatoid Arthritis)</b>	
Enbrel	25mg INJ
Humira	40mg/0.8 KIT
Remicade	100mg INJ

Drug Group/ Drug Name	Dosage
<b>Top 10 Brands/ Generics and Other Commonly Prescribed Drugs Not in Other Drug Groups</b>	
Advair Diskus	250/50 MIS
ALBUTEROL	90mcg AER
Ambien	10mg TAB
AMOXICILLIN	500mg CAP
AMOXICILLIN/CLAVULANATE POT	875mg TAB
AMOXICILLIN/POT CLAVULANATE	875mg TAB
AZITHROMYCIN ('08)	200/5mL SUS
Celebrex	200mg CAP
CEPHALEXIN MONOHYDRATE	500mg CAP
CIPROFLOXACIN HCL	500mg TAB
DIGOXIN	.125mg TAB
FUROSEMIDE*	40mg TAB
GABAPENTIN	300mg TAB
HYDROCHLOROTHIAZIDE*	25mg TAB
HYDROCODONE/ACETAMINOPHEN*	5-500mg TAB
ISOSORBIDE MONONITRATE	20mg TAB
LEVOTHYROXINE SODIUM*	100mcg TAB
LevoxyI	100mcg TAB
Neurontin	300mg CAP
Plavix*	75mg TAB
POTASSIUM CHLORIDE CR*	20meq TAB
PREDNISONE	5mg TAB
PROPOXYPHENE-N/ACETAMINOPHEN	100-650 TAB
Synthroid	100mcg TAB
TRIAMTERENE/HCTZ	37.5-25 CAP
WARFARIN SODIUM*	5mg TAB
Zithromax	200/5mL SUS
Zithromax Z-Pak	Z-PAK TAB
ZOLPIDEM TARTRATE ('08)	10mg TAB



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