CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICARE & MEDICAID INNOVATION

Findings at a Glance

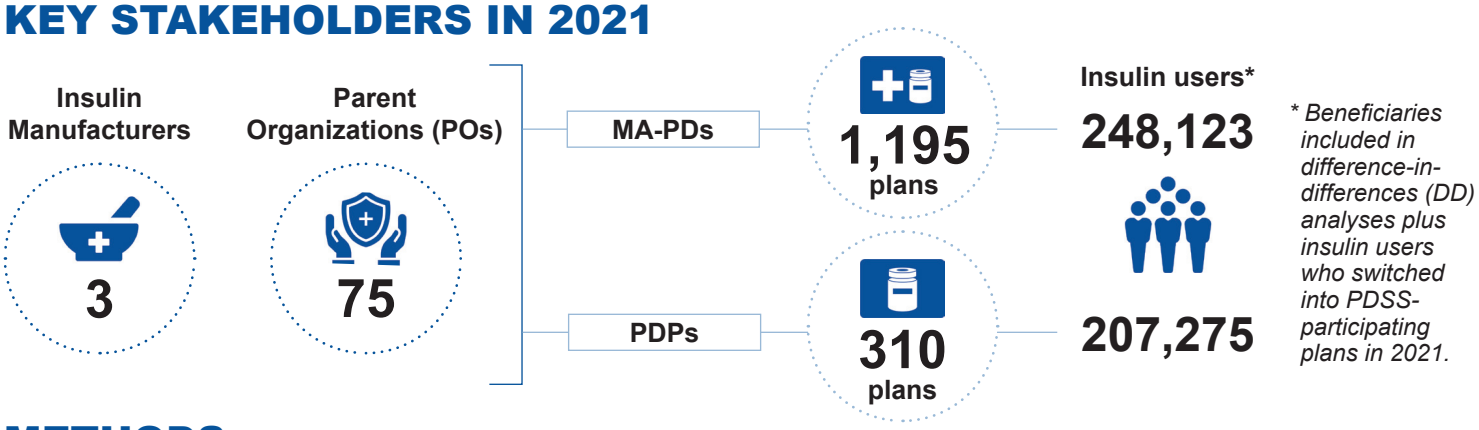
Part D Senior Savings (PDSS) Model

First Year of the Model Test (2021)

OVERVIEW

In 2021, CMS began testing the Part D Senior Savings (PDSS) Model to determine whether lower out-of-pocket (OOP) costs for insulin, as a supplemental benefit, would reduce beneficiary costs and improve medication adherence. The Model test set copayments at a maximum of $35 per one-month supply for selected insulins through the first three Part D benefit phases (deductible, initial coverage, and coverage gap). It also removed a disincentive for plans to offer supplemental coverage in the gap phase to encourage participation among eligible enhanced alternative Medicare Advantage plans with Part D benefits (MA-PDs) and stand-alone Prescription Drug Plans (PDPs). A prior report provides more detail on the reach and scope of the PDSS Model. This document summarizes the 2021 outcomes of an evaluation of the Model test.

KEY STAKEHOLDERS IN 2021



METHODS

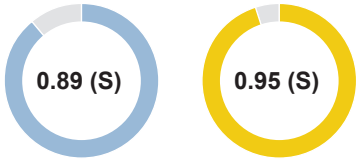
The PDSS Model outcomes were evaluated using DD regression modeling, integrated with primary data collected from the stakeholder groups above. Modeling results were classified into four categories of strength of evidence (strong [S], moderate [M], limited [L], and no or weak [N]) using an approach that looks at the statistical significance of results and whether the regression model assumptions have been met. The findings in this document reflect the average effects of PDSS Model implementation, with strength of evidence indicated by the letter abbreviation.

FINDINGS

ACCESS

Plans selected the insulins covered for maximum copay of $35 under the Model test. They did not substantially change the number of insulins they covered and said this was to ensure continuity of care for their enrollees. Manufacturers did not observe large changes in the volume of insulins sold after the start of the Model test.

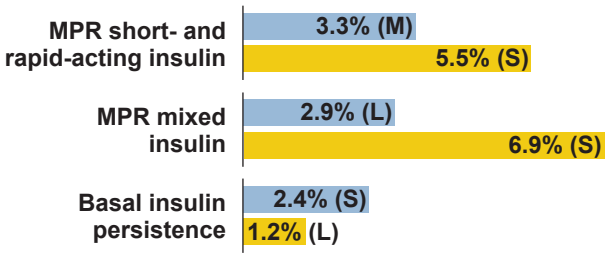
Insulin users in participating plans filled nearly one additional **30-DAY INSULIN PRESCRIPTION** per year.



Additional 30-day insulin fill

Plan Type	Strength of Evidence
MA-PD	Strong (S); Moderate (M); Limited (L); and No or weak (N)
PDP	

Participating plan **insulin users'** **ADHERENCE** increased, relative to that expected without the Model test. Adherence measures include the Medication Possession Ratio (MPR) and basal insulin persistence.



However, most interviewed **insulin users** in participating plans did not feel the PDSS Model affected their ability to fill an insulin prescription. Only about 10 percent reported that, under the Model test, they no longer needed to delay an insulin fill or curb spending on food or other necessities to pay for their prescription.

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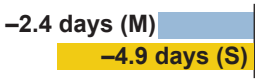
ENROLLMENT AND BENEFITS

TOTAL PLAN ENROLLMENT increased in participating **MA-PDs** but decreased in **PDPs**.

Enrollment among **insulin users** in participating MA-PD plans increased but decreased among those in PDPs. Some **PO representatives** reported seeing insulin users switch into PDSS-participating MA-PDs from their other MA plans.

Enrollment of beneficiaries eligible for the **PART D LOW-INCOME SUBSIDY (LIS)**, all of whom were not eligible for the Model test, increased in **MA-PDs** but declined in **PDPs**.

Insulin users spent less time in the **CATASTROPHIC PHASE** in 2021.



PO representatives stressed that progression to the catastrophic phase likely depends on the other drugs insulin users take. **Manufacturers** cited paying more to plans (in rebates and manufacturer discounts) due to the prolonged periods insulin users were in the coverage gap.

COSTS

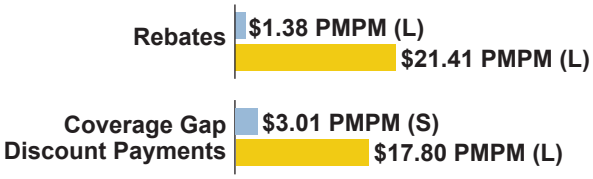
TOTAL OOP COSTS among **insulin users** in participating plans decreased, but there was no or weak evidence of PDSS Model effects on monthly premiums. Interviewed insulin users did notice and generally appreciated that their copays went down.

For **noninsulin users**, **TOTAL PART D COSTS** (OOP plus premiums) in participating **PDPs** increased by $34 (L). (No effect was observed in **MA-PDs**.)

GROSS DRUG COSTS (i.e., prices paid at the pharmacy for both insulins and noninsulin drugs) increased among **insulin users**.

PART D BIDS (per member per month [PMPM]) increased for **MA-PDs** but decreased for **PDPs**.

REBATES and **COVERAGE GAP DISCOUNT PAYMENTS** to plans by **manufacturers** increased, supporting manufacturers' concerns that the Model test would increase their financial obligations.



There was no or weak evidence that the PDSS Model affected **PART D COSTS TO CMS** or reinsurance payments made by **CMS**.

KEY TAKEAWAYS

- Insulin users experienced increased access to insulins, fewer days in the catastrophic phase, and lower total OOP spending. Although they appreciated lower, more predictable insulin copays, interviewed insulin users generally did not feel the PDSS Model affected their insulin adherence.
- Total Part D costs among noninsulin users in PDPs rose by $34. (There was no or weak evidence of effect in MA-PDs).
- Total enrollment and enrollment of LIS-eligible beneficiaries increased in participating MA-PDs but fell in PDPs. Enrollment of insulin users grew in MA-PDs and declined in PDPs.
- Manufacturers' rebates to plans increased, consistent with their concerns about Model test's effect on their costs.
- There was no or weak evidence that the PDSS Model affected premiums or costs to CMS.
- The results of plan-level analyses were more robust for MA-PDs than for PDPs.

This document summarizes the evaluation report prepared by an independent contractor. To learn more about the PDSS Model and to download the full report, visit https://innovation.cms.gov/innovation-models/part-d-savings-model.