The Part D Senior Savings (PDSS) Model is testing whether lower, fixed beneficiary out-of-pocket spending (maximum $35 monthly copayments) for selected drugs through the first three Part D benefit phases (deductible, initial coverage, and gap) reduces beneficiary costs for those drugs and improves medication adherence. To encourage eligible enhanced alternative stand-alone Prescription Drug Plans (PDPs) and Medicare Advantage plans with Part D (MA-PDs) benefits to participate, the Model implements a change to the Medicare Coverage Gap Discount Program to remove an existing disincentive for plans to offer supplemental coverage in the gap. Insulins, which help patients with diabetes regulate their blood sugar, are the focus of PDSS for the first two Model test years (2021 and 2022). The maximum $35 monthly copayments are only applicable to beneficiaries who are not eligible for the Low Income Subsidy (LIS) because LIS-eligible beneficiaries generally pay much lower copayments. This document describes the Model and its key stakeholders, the scope of PDSS participation, and the Model elements offered by participants in 2021 and 2022.

Who are the key stakeholders?

Insulin MANUFACTURERS
- Enter all of their currently labeled and marketed insulins into the Model test
- Apply the 70 percent coverage gap discount prior to the plan supplemental benefits

PARENT ORGANIZATIONS (POs), private insurers that enter eligible plans into the Model:
- Set a maximum $35 copayment per one-month supply through the first three Part D benefit phases for Model insulins included on their participating plans’ drug lists
- Include at least one vial and one pen version of each clinical type of insulin (rapid-, short-, intermediate-, and long-acting)

Plan ENROLLEES who take insulin and who are not eligible for LIS
- Pay a maximum $35 copayment through the first three Part D benefit phases for a one-month supply of insulins included in their plan’s Model drug list

What do they do?

Optional Components

A NARROWER FIRST RISK CORRIDOR offers protection for participating POs and qualifying plans against unforeseen financial losses in the first two years of Model test participation, via changes to the financial risk-sharing arrangements between CMS and POs

REWARDS & INCENTIVES (R&I) programs give POs flexibility to offer rewards (e.g., gift cards) to beneficiaries with diabetes or prediabetes who complete specific medication management activities

Participants

Manufacturer and plan participation in the Model started strong in 2021, growing to most eligible plans by 2022.

<table>
<thead>
<tr>
<th>Year</th>
<th>Insulin Manufacturers</th>
<th>POs</th>
<th>MA-PDs</th>
<th>PDPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>3 of 5 eligible</td>
<td>75</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td></td>
<td>1,195 of 2,905 eligible</td>
<td></td>
<td>310 of 522 eligible</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>5 of 5 eligible</td>
<td>106</td>
<td>53%</td>
<td>56%</td>
</tr>
<tr>
<td></td>
<td>1,730 of 3,263 eligible</td>
<td></td>
<td>258 of 464 eligible</td>
<td></td>
</tr>
</tbody>
</table>

Note: No participating PDPs left the Model test in 2022; lower participation reflects plan consolidation.
Findings

Reach: What were the characteristics of eligible plans and enrollees?

Average ENROLLMENT in 2021 was higher among participating MA-PDs but similar across participating and nonparticipating PDPs.

- Enrollees of all MA-PDs and PDPs were of a similar average age (about 74 YEARS old).
- Relative to nonparticipants, participating PDPs' enrollee racial/ethnic distributions were similar, but a higher proportion of participating MA-PD enrollees were non-Hispanic White.

More enrollees in participating plans than nonparticipating plans filled at least one Model insulin prescription in the first 6 months of 2021.

- Enrollees who filled an insulin prescription were largely similar in terms of characteristics, across participating and nonparticipating plans, though a higher proportion of MA-PD participating plan enrollees were non-Hispanic White.

2022 Plan Benefit Design

Participating and eligible nonparticipating plans placed most insulins on Tier 3 (preferred brand name) of their formulary.

- For nonparticipants, median COST SHARING (before the gap) for insulins in Tier 3 was similar across plans: about $46 for MA-PDs and $43 for PDPs.
- Cost sharing for participants was lower: beneficiaries paid no more than $35 per one-month supply of insulin.

Scope: What did participating plans offer?

PLAN-SELECTED MODEL DRUGS varied across MA-PDs and PDPs and by manufacturer and insulin type. Two manufacturers dominated the market. Right: Percent of formularies with rapid-acting insulins, 2022.

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>Percent of Formularies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novo Nordisk</td>
<td>65.1%</td>
</tr>
<tr>
<td>Eli Lilly</td>
<td>40.4%</td>
</tr>
</tbody>
</table>

Participating MA-PDs and PDPs both had median COPAYMENTS of $35 for a one-month supply of a Model insulin.

- MA-PD copays were as low as $0 for a one-month supply of one or more insulins on their Model drug list.
- The lowest copay among PDPs was $5.00.

Optional Components

- Eligible enrollees received rewards for achieving activity requirements, such as completing a comprehensive medication review, maintaining minimum adherence criteria, or participating in disease management programs.
- POs usually provided rewards in the form of gift cards to gas stations or grocery stores.

Key Takeaways

- By 2022, all U.S. insulin manufacturers and most eligible plans participated in the Model.
- Participating MA-PDs had higher average enrollment than eligible nonparticipants, while average enrollment for participating and nonparticipating PDPs was similar.
- Enrollees who filled at least one Model insulin in early 2021 were largely similar across participating and nonparticipating plans, but insulin-using enrollees of participating MA-PDs were more likely to be White, compared with eligible nonparticipants.
- Most participating plans charged enrollees the maximum $35 copayment for insulins.
- A substantial proportion of plans adopted the narrower first risk corridor component, but very few opted for the R&I program.

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