

# Reden & Anders

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## Medicare Part D Reporting

### Executive Summary

Reden & Anders can provide a comprehensive analysis of your Medicare Part D experience and provide you a Medicare Part D Management Report that is extracted from the Reden & Anders' Medicare Part D Reporting Tool.

#### Value

The Medicare Part D Reporting Package enables you to:

- Identify macro reconciliation issues between PBM claims to PDE claims
- Project catastrophic reinsurance, low income cost sharing (LICS), and risk corridor settlement amounts
- Review a dashboard snapshot of Medicare Part D performance on a monthly basis
- Evaluate performance of Medicare Part D products
- Facilitate comparison of current year bid assumptions to actual performance
- Support development of subsequent year's bids

The Part D Reporting Package enables you to review results by contract, Plan ID, certain population types, and region. The following summarizes each of the exhibits included in the report output.

#### Membership Exhibit

Using data from the MMRs, this exhibit summarizes monthly enrollment in the various Low Income Subsidy (LIS) membership segments and identifies new additions, terminations, and total enrollment by plan and contract type. The LIS membership categories identified include non-LIS, institutional, copay LIS, and coinsurance LIS.

#### Demographic Exhibit

This exhibit summarizes the distribution of membership by age cohort and gender for each LIS-eligible cohort. This information enables you to compare bid assumptions to actual enrollment and to monitor and evaluate the enrollment population and how it is changing over time.

#### Risk Score Exhibit

This exhibit summarizes the distribution of membership by risk score range cohorts. Reden & Anders has defined 12 risk cohorts ranging from less than 0.50 to more than 2.00. This information will help you compare actual enrollment to bid assumptions and monitor and evaluate the relative severity of the enrolled population and how it is changing over time.

### Revenue Exhibit

This exhibit provide a revenue statement that tabulates total revenue from all sources, including CMS, member premiums, LICS payments, federal, reinsurance, and employers. This report shows:

- Total membership
- Average risk score and the adjusted average risk score based on the mid-year risk score updates.
- CMS direct subsidy payments based on updated adjusted risk scores prior to payment in the MMRs
- Member basic premiums from the Medicare bids
- Part D basic rebate (A/B savings allocated to Part D basic benefit; does not apply to PDPs)
- Basic Revenue reflecting actual revenue in the MMRs including retroactive mid-year risk adjustment
- Supplemental individual and group premium revenues
- Medicare Part D supplemental individual rebate (A/B savings allocated to supplemental Medicare Part D benefit; does not apply to PDPs)
- Federal reinsurance subsidy and LICS prospective payments Coding guidance and coding scenarios illustrate when and how the temporary codes are to be used.

### PDE Claims Summary Exhibit

This exhibit provides a summary of the monthly PDE claims expense based on CMS-accepted PDE data, as opposed to pharmacy claims data paid by you or your PBM. Total allowed PDE claims expense includes the ingredient cost, dispensing fee, and discounts. The total allowed expenses will not include savings for rebates received subsequent to the point of sale.

Claims expenses are separated into the following amounts:

- Members out-of-pocket payments toward the deductible and coinsurance
- Expenses in the coverage gap
- Amount accumulating toward the members' TrOOP paid by others
- Patient liability reduction (non-TrOOP)

A key feature of this report is the projection of remaining months' claims expense and total claims expenses for the contract year. The PMPM amounts by claim category are projected based on actuarial estimates of drug spend by month. The projection is based on the Reden & Anders Medicare Prescription Drug database that we use to produce Medicare Part D bids for submission to CMS.

### Loss Ratio Exhibit

This report shows actual year-to-date revenues and expenses and projected full year revenues and expenses. Basic benefit claims and reinsurance expenses

are reduced by estimated rebates. The total loss ratio is compared to the target loss ratio to determine the overall pharmacy benefit performance with respect to the loss ratio assumed in the bid. We also compare the low income subsidy claims and reinsurance (catastrophic) claims to interim CMS payments based on bid submissions.

#### **Settlement Exhibit**

The report shows actual YTD and projected annual settlement amounts for federal reinsurance, LICs, and risk sharing. The risk sharing settlement calculates the projected federal share of profits or losses based on CMS risk sharing calculations and risk corridors.

#### **Claims Summary Exhibit**

This report details drug spend by brand and generic drugs, benefit tier, and therapeutic class. For each category we show total allowed claims expense, number of scripts, allowed claims expense per script, utilization per 1,000 members, and PMPM cost. It also compares results to bid assumptions regarding cost and utilization.

#### **Continuance Table Exhibit**

The YTD allowed drug spend by member is shown in a continuance table. These results can be compared to bid assumptions from prior year.

#### **PDE and Claims Data Reconciliation Exhibit**

In this exhibit, the monthly allowed claims reported by the PBM are compared to the allowed claim amounts from the PDE. This information can provide an indication of whether there are significant differences in the claims data and PDE data, which can ultimately indicate potential data problems and impact settlement calculations.

## **Summary**

The ability to keep track of the items that could impact settlements is going to be crucial to avoid any negative surprises during the reconciliation period. We can also prepare a summary of the records that were rejected in the CMS acceptance file to give you a handle on how many claims and claim dollars you have paid, but were not accepted in CMS' system. A summary of these claims by reason for rejection category will give you information about what may be needed to correct and resubmit these claims.

**For more information contact Ingenix by phone at 888-445-8745 or by e-mail at [info@ingenix.com](mailto:info@ingenix.com) or visit our website at [ingenix.com](http://ingenix.com).**

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