

2006 Health Plan Participation in Medicare

Janet Newport

Vice President, Public Policy

PacifiCare Health Systems

November 1, 2005

Discussion Topics

- Factors Influencing Plan Participation
- Private Plan Participation in Medicare
- Ultimate Value for Beneficiaries

Factors Leading to Private Sector Growth in Medicare

- Stabilized funding for Medicare Advantage plans in MMA
- Increased line of sight and government commitment to private sector partnerships
- Demographic changes
- Retiree benefit changes

Counties with One or More Medicare Advantage Plans (December 2003)



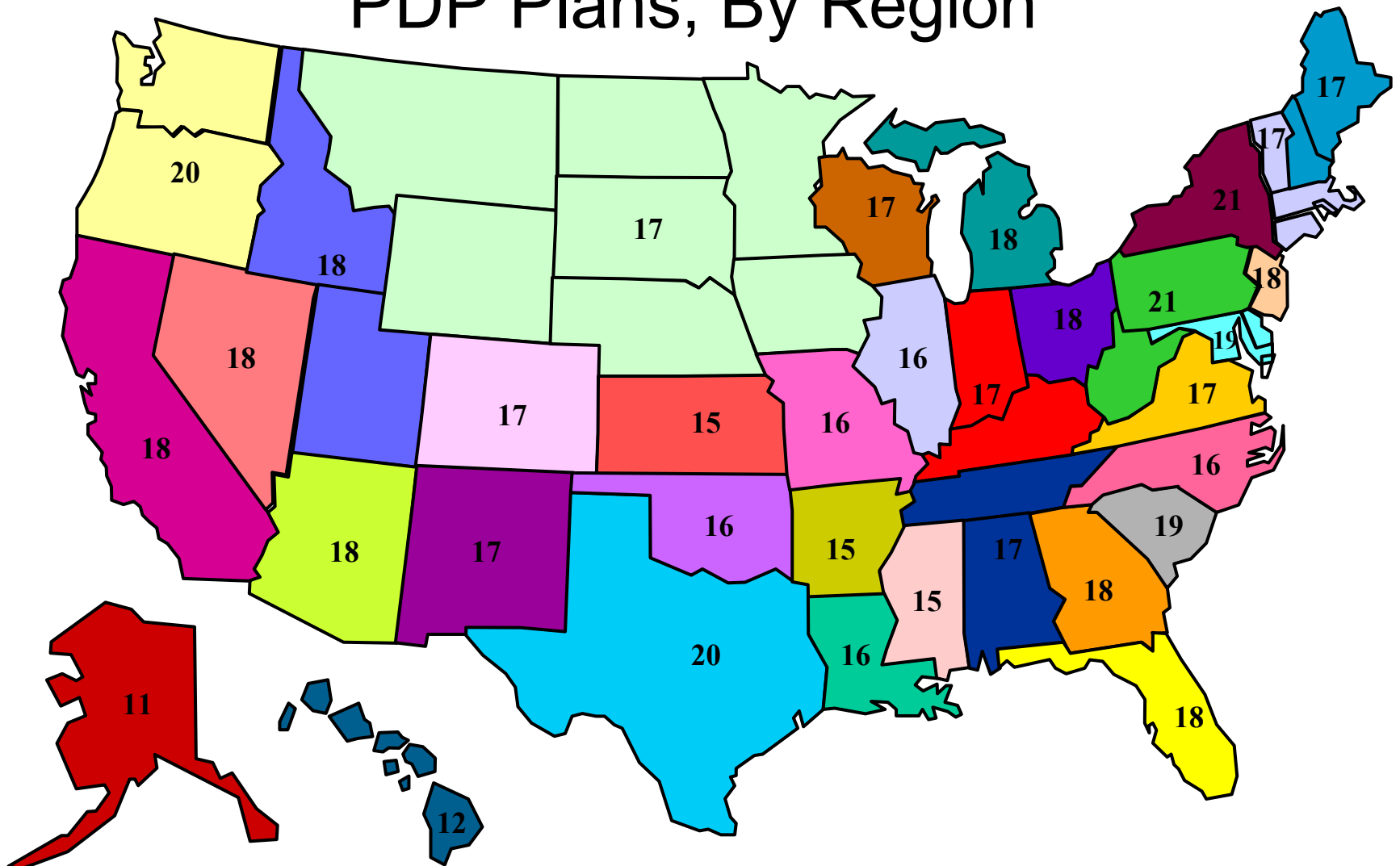
Source: AHIP map using CMS data

Medicare Advantage Enrollment Trends Since Enactment of MMA

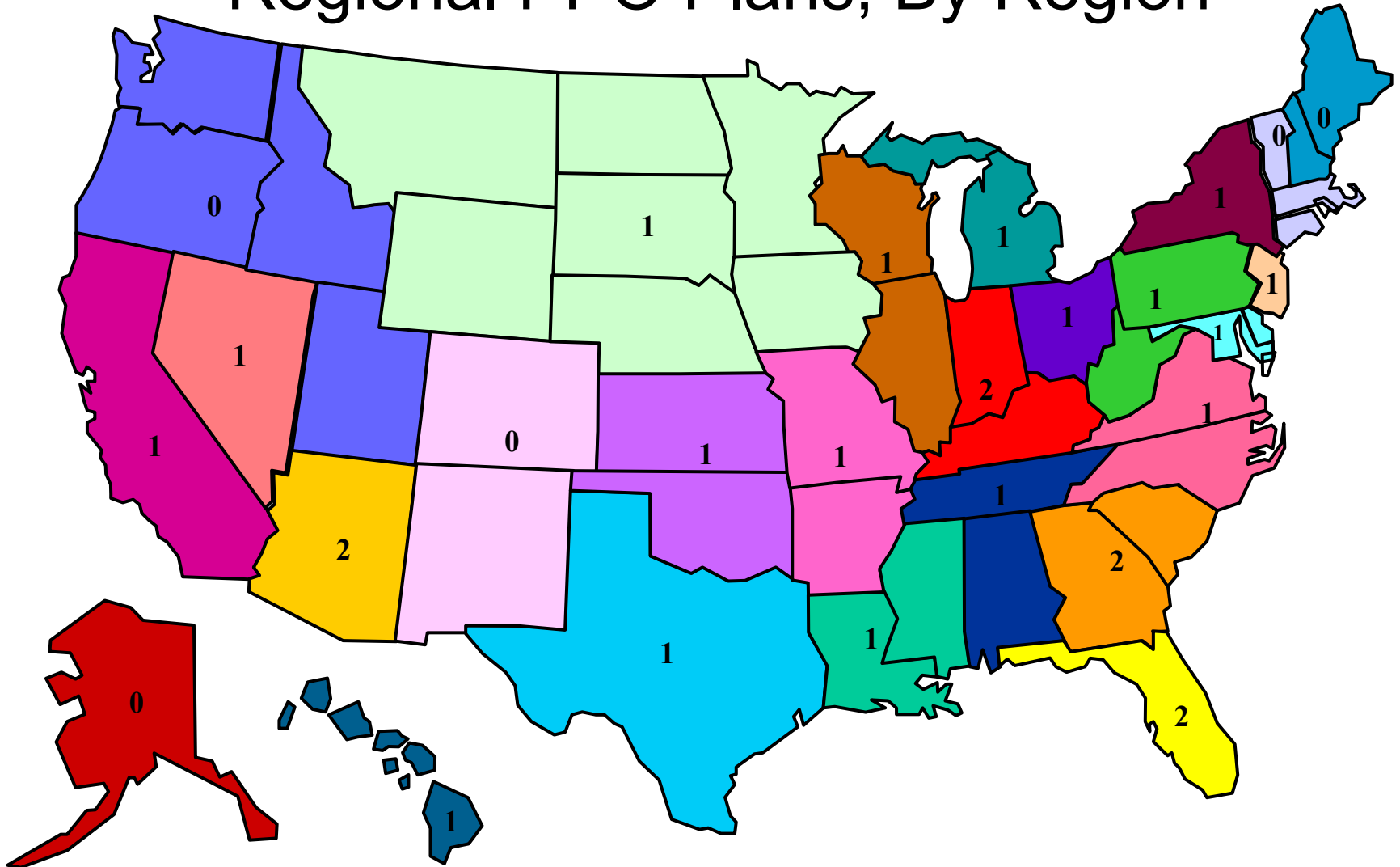
Plan Type	Enrollment			21 Month Enrollment Change (12/2003 – 9/2005)	
	December 2003	May 2005	September 2005	Difference in Number of Enrollees	% Change
HMO	4,557,799	4,802,698	4,921,137	363,338	8%
PFFS	21,018	92,642	141,986	120,968	576%
PPO Demo	102,344	120,615	124,558	22,214	22%
Local PPO	2,954	33,359	48,559	45,605	1544%
PSO	20,181	32,212	43,919	23,738	118%
TOTAL	4,704,296	5,081,526	5,280,159	575,863	12%

Source: CMS data

Number of Organizations Offering PDP Plans, By Region



Number of Organizations Offering Regional PPO Plans, By Region



Value for Medicare Beneficiaries

- Choices Allow Customization
 - Improved Medicare Advantage Plan Benefits for Coordinated Care
 - New Regional PPO, PDP Options for Individual Solutions
- Retiree Plan Participation
- Low-Income Assistance