



Part D Enhanced Medication Therapy Management Model First Year Performance Based Payment Results Fact Sheet

On November 30, 2018, the Centers for Medicare & Medicaid Services (CMS) released performance-based results for 2017, the first performance year of the CMS Innovation Center's Part D Enhanced Medication Therapy Management (MTM) Model. For performance year 2017, participants in the model spent approximately \$325 million less than the anticipated spending benchmark¹ across the 1.7 million beneficiaries enrolled in participating plans.² The reduced spending is net of prospective payments made to the participants. Both enrollment and savings are projected to increase during 2018, the second performance year of the model.

The Enhanced MTM Model offers an opportunity and financial incentives for basic stand-alone Part D Prescription Drug Plans (PDPs) in selected regions to offer innovative MTM programs in lieu of the standard Part D MTM Model, aimed at improving the quality of care while also reducing costs. CMS is testing changes to the Part D program that aim to achieve better alignment of PDP sponsor and government financial interests, while also creating incentives for robust investment and innovation in MTM targeting and interventions. The objectives for this model are for stand-alone PDP sponsors to identify and implement innovative strategies to optimize medication use, improve care coordination, and strengthen system linkages.

The Enhanced MTM Model offers a performance-based payment to participating prescription drug plans (PDPs) in a Part D region if their enrolled members' medical (Part A and B) expenses are reduced by at least 2 percent in a given plan year compared to a benchmark that simulated their performance if they were not in the model. This 2 percent reduction is net of all funding paid to a participant. The incentive is calculated at the plan benefit package (PBP) level. Each PBP covers a single region, although PDPs covering multiple regions operate multiple participating PBPs. There are six Part D sponsors operating 22 PBPs in the model.

Plan-specific results show that:

- Eleven out of 22 participating plans are eligible to receive the performance-based payment because their medical spending was reduced by 2 percent or more;

¹ 2017 Expenditures for Medicare Parts A and B are not yet available. Aggregate inpatient and outpatient spending in 2016 was \$215 billion. (Source: A Data Book: Health Care Spending and the Medicare Program, MePAC, June 2018, p. 61, http://medpac.gov/docs/default-source/data-book/jun18_databookentirereport_sec.pdf?sfvrsn=0)

² 58.4 million participants enrolled in Medicare Parts A and B in CY 2017. (Source: CMS Fast Facts Sheet, July 2018, p. 13, <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/CMS-Fast-Facts/index.html>)

- Seven participating plans show reductions in medical spending, but the reductions are less than 2 percent and therefore the plans are ineligible to receive the performance-based payment; and
- Four plans have shown increases in spending and are therefore ineligible to receive the performance-based payment.

These results are based on a comparison of PBP's spending compared to a benchmark, and are not results from the independent evaluation of the model. Evaluation results will be released separately in the first half of 2019, which will not include impact estimates. Impact estimates will be included in subsequent evaluation reports.

The Enhanced MTM Model began on January 1, 2017 with a five-year performance period. CMS is testing the model across 5 Part D regions: Region 7 (Virginia), Region 11 (Florida), Region 21 (Louisiana), Region 25 (Iowa, Minnesota, Montana, Nebraska, North Dakota, South Dakota, Wyoming), and Region 28 (Arizona). Regions were evaluated for participation based on variation in market competition; the range of geographic, population, and market characteristics; and the range of Parts A and B spending variance. This set of regions was selected to allow for a sufficiently powered model test with comparison regions and to (in aggregate) be broadly representative of national market characteristics.

Upon approval from CMS, the selected basic PBPs in these regions can vary the intensity and types of MTM interventions they provide based on beneficiary risk level and seek out a range of strategies to individualize beneficiary and prescriber outreach and engagement. The selected PDPs can accomplish these goals by leveraging the core competencies of their own organizations, their network pharmacy providers, and prescribers to accurately identify and effectively intervene with beneficiaries whose issues with medication management have caused, or are likely to cause, adverse outcomes and/or significant non-drug program utilization and costs.

The Enhanced MTM Model is authorized under section 1115A of the Social Security Act, which allows the CMS Innovation Center to test innovative health care payment and service delivery models that have the potential to lower Medicare, Medicaid, and Children's Health Insurance Program (CHIP) expenditures while maintaining or enhancing the quality of beneficiaries' care. CMS is testing this model in the Medicare program through a limited waiver of certain Part D requirements, including current CMS MTM program requirements, for participants in the test regions during the performance period.

For more information on the Part D Enhanced MTM Model, please visit the model webpage at: <https://innovation.cms.gov/initiatives/enhancedmtm/>.

Enhanced MTM Model Participants

PDP Sponsor	Contract #	Part D Region
Blue Cross and Blue Shield of Florida, Inc.	S5904	Florida
Blue Cross and Blue Shield Northern Plains Alliance	S5743	Great Plains Region*
CVS Health	S5601	Arizona, Florida, Louisiana, Virginia, Great Plains Region*
Humana Insurance Company	S5884	Arizona, Florida, Louisiana, Virginia, Great Plains Region*
UnitedHealthcare	S5921	Arizona, Florida, Louisiana, Virginia, Great Plains Region*
WellCare Prescription Insurance Co.	S4802	Arizona, Florida, Louisiana, Virginia, Great Plains Region*

*Great Plains Region is comprised of Iowa, Minnesota, North Dakota, South Dakota, Nebraska, Wyoming, and Montana

Estimated Enrollment across all participating plans in 2017: 1.7 million beneficiaries