A demographic profile of Medicare Part D beneficiaries

Who enrolls in prescription drug coverage?

Samantha D'Anna, PhD
Nolan Kurtz, PhD, FSA, MAAA

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This report highlights the demographic characteristics of Medicare beneficiaries with prescription drug coverage. We evaluated multiple metrics with a focus on ethnicity, income, and education levels across the standalone Prescription Drug Plan (PDP) and Medicare Advantage Prescription Drug (MAPD) plan populations.

Understanding beneficiary characteristics helps key entities in the Part D program (e.g., plan sponsors, legislators, pharmaceutical manufacturers) provide services that maximize value for the population they serve. However, certain demographic metrics of Part D beneficiaries are not readily summarized in the public domain.

Background

Individuals are eligible for Medicare if they are aged 65 years or older, disabled, or have end-stage renal disease (ESRD). Medicare Part D is voluntary prescription drug coverage offered by private plan sponsors for Medicare-eligible beneficiaries. Approximately 48 million people are enrolled in a Part D plan.[1]
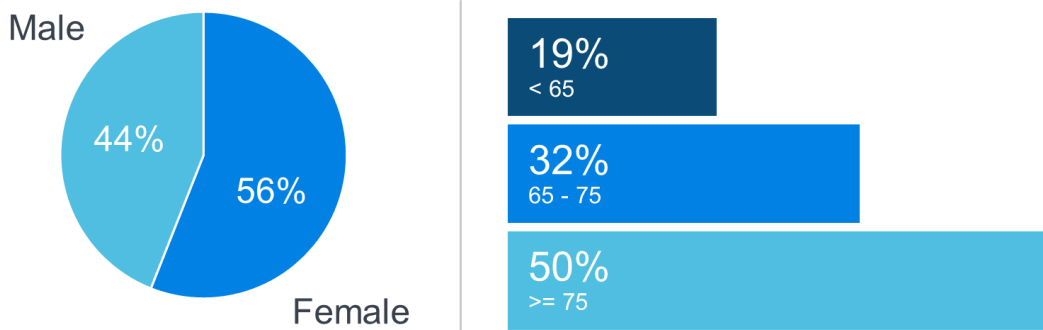
Part D beneficiaries have the option to choose between a standalone PDP and an MAPD plan. Standalone PDPs offer drug coverage only and are typically paired with a traditional Medicare fee-for-service (FFS) plan or Medicare Supplement plan for medical coverage. MAPD plans combine medical and prescription drug coverage under one policy.

We analyzed demographic information for Part D beneficiaries from the 2018 Medicare Current Beneficiary Survey (MCBS). MCBS is a nationally representative sample of the Medicare population produced by the Centers for Medicare and Medicaid Services (CMS).[2] The MCBS data shows that approximately 80% of the Medicare population reported having annual prescription drug coverage, with a similar proportion of beneficiaries selecting PDP and MAPD plans.

Our analysis shows that more than half of the Part D beneficiaries are female over eight out of 10 Part D beneficiaries are age 65 or older and (Figure 1).

FIGURE 1: MEDICARE PART D ENROLLMENT BY GENDER AND AGE

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[1] Henry J Kaiser Family Foundation (June 8, 2021). Key Facts about Medicare Part D Enrollment, Premiums, and Cost Sharing in 2021. Retrieved August 26, 2021, from: https://www.kff.org/medicare/issue-brief/key-facts-about-medicare-part-d-enrollment-premiums-and-cost-sharing-in-2021/.

[2] Centers for Medicare & Medicaid Services. (2020). 2018 Medicare Current Beneficiary Survey Public Use File [2018MCBSPUFUserGuide.PDF, MCBSPUF18.txt, MCBSPUF_2018_1_Fall.txt, puf2018_1_fall.csv, puf2018_1_fall.xpt]. Retrieved August 30, 2021, from /Research-Statistics-Data-and-Systems/Downloadable-Public-Use-Files/MCBS-Public-Use-File/index.

Results

INCOME POVERTY RATIO, MARITAL STATUS, AND EDUCATION

Our analysis shows that approximately one in three Part D beneficiaries are full subsidy (pay no premium and minimal cost sharing) low-income (LI) beneficiaries. These beneficiaries must have an income poverty ratio of less than or equal to 135% of the federal poverty level (FPL).

The MCBS provides four options for reporting marital status which we use throughout the remainder of this report: married, widowed, divorced/separated, never married. Almost half of Part D beneficiaries reported being married. These beneficiaries generally reported a higher income poverty ratio than nonmarried beneficiaries (Figure 2).

FIGURE 2: INCOME POVERTY RATIO REPORTED BY MEDICARE PART D BENEFICIARIES BY MARITAL STATUS

INCOME POVERTY RATIO	MARRIED	WIDOWED	DIVORCED/ SEPARATED	NEVER MARRIED
<= 100% of the FPL	10%	20%	35%	55%
>100% and <=200% of the FPL	25%	35%	35%	30%
>200% of the FPL	65%	45%	30%	15%

Approximately 80% of Part D beneficiaries reported having at least a high school education. Beneficiaries reporting a higher grade completed generally reported a higher income poverty ratio than beneficiaries with a lower grade completed (Figure 3).
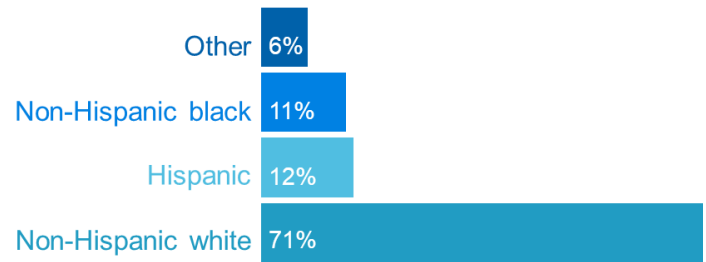
FIGURE 3: INCOME POVERTY RATIO REPORTED BY MEDICARE PART D BENEFICIARIES BY HIGHEST GRADE COMPLETED

INCOME POVERTY RATIO	< HIGH SCHOOL	HIGH SCHOOL/ EQUIV	> HIGH SCHOOL
<= 100% of the FPL	45%	25%	10%
>100% and <=200% of the FPL	40%	35%	20%
>200% of the FPL	15%	40%	70%

RACE/ETHNICITY GROUP

The MCBS provides four options for reporting race/ethnicity, which we use throughout the remainder of this report: Non-Hispanic white, Non-Hispanic Black, Hispanic, and Other. Our analysis shows that more than seven out of 10 Part D beneficiaries are Non-Hispanic white (Figure 4).

FIGURE 4: MEDICARE PART D ENROLLMENT BY RACE/ETHNICITY GROUP

Reported marital status, income poverty ratio, and education differed by race/ethnicity group, as follows:

- More Non-Hispanic white beneficiaries (50%) reported being married than Non-Hispanic Black (30%), Hispanic (40%), and Other (45%) beneficiaries.

- Compared to Non-Hispanic white beneficiaries, more Non-Hispanic Black and Hispanic beneficiaries reported an income poverty ratio less than 200% of the FPL (Figure 5).

FIGURE 5: INCOME POVERTY RATIO REPORTED BY MEDICARE PART D BENEFICIARIES BY RACE/ETHNICITY GROUP

INCOME POVERTY RATIO	NON-HISPANIC WHITE	NON-HISPANIC BLACK	HISPANIC	OTHER
<= 100% of the FPL	15%	45%	45%	35%
>100% and <=200% of the FPL	25%	35%	30%	30%
>200% of the FPL	60%	20%	25%	35%

- More Non-Hispanic white beneficiaries reported more than high school as their highest grade completed than Non-Hispanic Black and Hispanic beneficiaries (Figure 6).

FIGURE 6: HIGHEST GRADE COMPLETED REPORTED BY MEDICARE PART D BENEFICIARIES BY RACE/ETHNICITY GROUP

HIGHEST GRADE COMPLETED	NON-HISPANIC WHITE	NON-HISPANIC BLACK	HISPANIC	OTHER
Less than high school	15%	30%	50%	20%
High school or equivalent	35%	40%	25%	35%
More than high school	50%	30%	25%	45%

Methodology

We relied on publicly available data for this analysis. The MCBS is produced annually by CMS with three separate survey rounds. We used the Fall 2018 Public Use Files (PUF), which included 13,441 responses from community-dwelling Medicare beneficiaries.[2] We limited our analysis to responses from beneficiaries that were enrolled in a PDP or MAPD plan throughout the year. We defined PDP status based on having annual Part D coverage and either (1) having no MA coverage for the year, or (2) never enrolling in MA during the year. We defined MAPD status based on having MA annual enrollment and having annual Part D enrollment. Respondents not meeting these criteria were not included in this analysis (N = 2,765).

The variables we summarized from the MCBS PUF include:

- Annual Part D coverage: ADM_PARTD
- MA coverage during year: ADM_MA_FLAG_YR
- Annual MA enrollment: INS_D_MADV
- MA plan covers Part D: INS_MADVRXHT
- Age: DEM_AGE
- Gender: DEM_SEX
- Income poverty ratio: DEM_IPR_IND
- Marital status: DEM_MARSTA
- Education: DEM_EDU
- Race/ethnicity group: DEM_RACE

Additional Directives

The MCBS includes variables that gauge beneficiaries' perceived quality and affordability of the program. Overlaying these variables with key demographic metrics may help stakeholders form more directed initiatives.

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CONTACT

Samantha D'Anna
samantha.danna@milliman.com

Nolan Kurtz
nolan.kurtz@milliman.com