

# Rural Policy Brief

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## Medicare Part D: Early Findings on Enrollment and Choices for Rural Beneficiaries

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### Introduction

On January 1, 2006, the Medicare program began offering prescription drug coverage (Medicare Part D) to over 42 million Medicare beneficiaries. This policy brief provides a first snapshot of enrollment in rural and urban areas across the United States and outlines the early findings from an analysis of plans available to rural persons under Medicare's Part D program. The data in this brief will be updated as new data are available from the Centers for Medicare and Medicaid Services (CMS).

### Key Findings

As of March 18, 2006 (date of release by CMS),

- 59% of rural beneficiaries and 67% of urban beneficiaries have creditable<sup>1</sup> drug coverage.
- 21% of rural beneficiaries were enrolled in stand-alone prescription drug plans (PDPs), compared to 13% of urban beneficiaries.
- 3% of rural beneficiaries were enrolled in Medicare Advantage prescription drug (MA-PD) plans, compared to 16% of urban beneficiaries.
- In non-adjacent rural areas, 22% of rural beneficiaries were enrolled in stand-alone PDPs, and 2% were enrolled in MA-PD plans.
- All beneficiaries, including those in rural areas, can choose a PDP option that covers 91% of the top 100 formulary drugs.
- Average monthly premiums and other plan characteristics for MA-PD plans vary significantly across states—for example (excluding Maine),<sup>2</sup> premiums vary from \$6 in urban New Hampshire to \$53 in rural Hawaii.

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## **Outline of Part D Program**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173) (MMA) added prescription drug coverage to the Medicare program, beginning in January 2006. To become enrolled in Medicare Part D, beneficiaries not already covered for drugs by other means must enroll in a private plan. There are two types of private plans: (1) prescription drug plans (PDPs) and (2) Medicare Advantage prescription drug (MA-PD) plans. MA-PD plans cover both drugs and other Medicare benefits. PDPs exist as either national plans that cover every region or regional plans covering only one of the regions at a time (34 regions) whereas MA-PD plans can be local if certified by CMS prior to December 31, 2005, or regional (26 regions); no new local plans will be allowed until after December 31, 2007.

The MMA legislation set standards as follows:

- Annual deductible in 2006 is \$250, adjusted in subsequent years to the annual growth in average per capita spending by Medicare beneficiaries for Part D drugs.
- Beneficiary coinsurance is 25% for spending above the deductible and up to the initial coverage limit (\$2,250 in 2006).
- Beneficiaries pay 100% of their drug expenses out-of-pocket from \$2,250 in total drug costs until they reach the out-of-pocket threshold (\$3,600 in 2006).
- Above the threshold, beneficiaries pay the greater of \$2 and \$5 copayments or 5% coinsurance.

Companies offering Part D coverage are allowed to vary the parameters of their plans, and many do.

In almost every area of the country beneficiaries were given the choice of more than 40 PDP options (each PDP can have multiple options or levels of coverage), and in many counties, perhaps many more MA-PD plans (Kaiser Family Foundation, 2006).

### **Early Enrollment in Part D (March 2006): An Urban/Rural Differential?**

As of March 18, 2006, about 3.4 million rural persons<sup>3</sup> had Medicare Part D coverage (excludes employer-based and federal retiree coverage (Table 1) (CMS, 2006b). This figure represents about 39% of all rural Medicare beneficiaries. More than half of these persons (roughly 1.8 million) enrolled voluntarily in a stand-alone national or regional PDP, while about 1.3 million are “dual eligibles” (enrolled in both Medicare and Medicaid) who were automatically enrolled in PDPs. A small number of rural persons (less than 300,000) have prescription drug coverage through an MA plan.

The percent of rural persons covered by stand-alone PDPs is higher (20.8%) than the percent of urban persons covered (13.4%). This difference likely reflects the fact that rural persons are much less likely than urban persons to have other coverage, namely MA-PD, employer, or federal coverage. In particular, rural persons are much less likely to have comparable choices of MA plans (as will be shown later in this brief), leading to a much lower MA coverage rate of 3.2%, compared to 16% in urban areas. Rural persons are also less likely to have employer or federal drug coverage (compare 20.1% to 23.9%). These lower rates of coverage are somewhat offset by a higher rate of dual enrollees who were automatically enrolled into PDPs.

Overall, the coverage rates for Medicare Part D in rural areas (38.8%) are almost as high as the enrollment rates in urban areas (43.2%), and the percent of persons with creditable prescription drug coverage is lower in rural areas (59.1%) than in urban areas (67%). It is important to point out, however, that persons without creditable coverage may still have prescription drug coverage. Some employer plans will not have not been deemed creditable by Medicare and thus would not be included in these statistics. In addition, Medicare recipients may retain their Medigap plans covering prescription drugs until the policy period ends. Therefore, it is not possible to tell at this point what percent of Medicare beneficiaries actually have some sort of prescription drug coverage (Kaiser Family Foundation 2006a), and Table 1 likely underestimates total drug coverage.

**Table 1. Enrollment in Medicare Part D and Other Prescription Drug Coverage, as of March 18, 2006, by Location of Residence of Medicare Beneficiary**

	Number in Part D				Number with employer, federal	Number with creditable coverage	Medicare eligibles
	Total in Part D	Number in PDPs	Number in MA-PD	Number with dual			
(Numbers in thousands)							
<b>Rural total</b>	<b>3,441</b>	<b>1,839</b>	<b>291</b>	<b>1,328</b>	<b>1,788</b>	<b>5,246</b>	<b>8,884</b>
Rural adjacent total	2,636	1,387	245	1,016	1,391	4,040	6,845
Rural non-adjacent total	805	452	46	312	397	1,206	2,040
<b>Urban total</b>	<b>14,448</b>	<b>4,483</b>	<b>5,344</b>	<b>4,621</b>	<b>7,997</b>	<b>22,446</b>	<b>33,479</b>
<b>U.S. total</b>	<b>17,890</b>	<b>6,321*</b>	<b>5,636</b>	<b>5,949</b>	<b>9,785</b>	<b>27,692</b>	<b>42,363</b>

	Percent in Part D				Percent with employer, federal	Percent with creditable coverage
	Total in Part D	Percent in PDPs	Percent in MA-PD	Percent with dual		
<b>Rural total</b>	<b>38.8%</b>	<b>20.8%</b>	<b>3.2%</b>	<b>15.0%</b>	<b>20.1%</b>	<b>59.1%</b>
Rural adjacent total	38.5%	20.3%	3.6%	14.8%	20.3%	59.0%
Rural non-adjacent total	39.5%	22.1%	2.2%	15.3%	19.5%	59.1%
<b>Urban total</b>	<b>43.2%</b>	<b>13.4%</b>	<b>16.0%</b>	<b>13.8%</b>	<b>23.9%</b>	<b>67.0%</b>
<b>U.S. total</b>	<b>41.3%</b>	<b>14.6%</b>	<b>12.9%</b>	<b>13.7%</b>	<b>22.5%</b>	<b>63.9%</b>

Source: RUPRI Center for Rural Health Policy Analysis. Analysis of CMS enrollment data released on March 18, 2006, and available at <http://www.hhs.gov/news/press/2006pres/20060323.html>. CMS data combined with data from USDA/Economic Research Service on county classifications.

\*As of April 18, 2006, this number is 8.1 million (CMS release on April 20, 2006, available at <http://www.hhs.gov/news/press/2006pres/20060420.html>).

Notes: Part D and employer/federal totals may not equal total with creditable coverage due to some beneficiaries not being classified by residence. Some MA-PD enrollees are also dual eligibles. Some Medicare recipients may have prescription drug coverage that is not classified as creditable coverage, either employer coverage or Medigap coverage, and that is not counted here.

Table 2 shows that the enrollment rates of rural persons in Medicare Part D and other creditable drug plans varies considerably by state. In particular, while several states have rural rates of enrollment in stand-alone PDPs that are above the national average of 20.8%, these states are likely to have very low enrollment rates for MA-PD plans, dual eligibles, and employer or other federal coverage. A map displaying state rates of enrollment is available at [www.rupri.org/healthpolicy](http://www.rupri.org/healthpolicy).

**Table 2. Percent of Rural Persons Covered by Medicare Part D or Other Creditable Prescription Drug Coverage, March 2006**

State	Percent in Part D				Percent with employer, federal	Percent with creditable coverage
	TOTAL in Part D	Percent in PDPs	Percent in MA-PD	Percent with dual		
<b>OVERALL U.S.</b>	<b>38.8%</b>	<b>20.8%</b>	<b>3.2%</b>	<b>15.0%</b>	<b>20.1%</b>	<b>59.1%</b>
	(sorted by percent with PDP coverage)					
NE	46.4%	33.7%	1.1%	12.3%	11.3%	57.7%
ND	42.4%	32.8%	0.8%	9.9%	9.5%	53.0%
IA	45.9%	32.6%	2.0%	11.2%	10.4%	56.2%
SD	42.3%	32.1%	0.8%	9.7%	11.5%	54.1%
MN	46.7%	29.7%	9.1%	7.9%	12.3%	59.1%
IL	43.9%	27.8%	1.4%	14.6%	21.8%	65.7%
GA	46.1%	27.3%	1.9%	16.9%	15.1%	61.2%
WY	34.0%	25.7%	0.9%	7.4%	16.6%	50.6%
DE	31.7%	25.5%	0.4%	5.8%	32.4%	64.1%
KS	35.0%	25.4%	0.7%	10.5%	12.8%	49.2%
OK	41.2%	25.2%	0.8%	15.7%	16.3%	58.0%
VA	40.5%	24.9%	2.7%	12.8%	17.4%	57.8%
MD	32.3%	24.4%	0.2%	7.7%	32.5%	64.8%
AR	40.0%	24.0%	1.8%	14.6%	17.1%	57.4%
VT	39.5%	23.8%	0.1%	16.4%	19.3%	59.6%
OR	36.2%	23.7%	6.4%	6.0%	17.1%	53.2%
ME	44.9%	23.5%	0.3%	21.0%	21.3%	66.3%
UT	38.6%	23.2%	5.0%	10.3%	19.4%	58.0%
IN	34.7%	22.4%	1.2%	11.1%	21.4%	56.1%
AL	39.1%	22.4%	3.3%	13.4%	22.2%	61.3%
TX	36.5%	21.9%	1.3%	13.8%	23.9%	61.0%
KY	39.5%	21.6%	1.8%	16.1%	19.2%	58.7%
NC	45.3%	21.1%	4.6%	19.6%	21.8%	67.1%
ID	32.5%	20.9%	2.1%	9.5%	17.8%	50.3%
MT	31.8%	20.8%	1.6%	9.8%	17.8%	50.1%
MA	31.1%	20.8%	0.4%	9.9%	26.4%	57.5%
MO	43.3%	20.3%	2.9%	20.5%	16.6%	60.3%
WV	33.2%	19.9%	0.7%	12.7%	27.7%	60.9%
MI	33.3%	19.8%	1.4%	12.1%	27.0%	60.2%
FL	35.8%	18.9%	3.8%	13.2%	28.3%	64.2%
MS	51.0%	18.7%	0.9%	31.7%	12.0%	63.3%
WA	31.1%	18.2%	2.4%	10.6%	24.2%	55.4%
CO	35.1%	18.0%	5.8%	11.3%	21.6%	56.6%
SC	40.0%	17.1%	2.2%	20.7%	23.9%	63.9%
CT	29.6%	16.5%	1.0%	12.1%	23.3%	52.8%
NH	26.6%	16.3%	0.2%	10.1%	23.6%	50.2%
TN	49.7%	16.2%	5.1%	28.4%	15.7%	65.4%
OH	30.0%	15.7%	3.1%	11.2%	29.8%	59.8%
NM	32.1%	15.3%	2.4%	14.4%	24.6%	56.7%
CA	37.1%	15.0%	3.9%	18.2%	22.5%	59.6%
NV	34.1%	14.8%	14.4%	4.9%	25.5%	59.6%
LA	35.8%	13.8%	1.0%	21.0%	18.5%	54.3%
AZ	35.4%	12.8%	9.6%	13.0%	22.8%	58.1%
PA	33.8%	12.4%	10.1%	11.2%	18.7%	52.5%
WI	30.8%	11.8%	5.6%	13.3%	15.3%	46.1%
NY	25.8%	6.9%	4.0%	14.9%	23.7%	49.5%
HI	41.5%	3.9%	25.2%	12.4%	26.0%	67.5%

Source: RUPRI Center for Rural Health Policy Analysis. Analysis of CMS enrollment data, released on March 18, 2006, and available at <http://www.hhs.gov/news/press/2006pres/20060323.html>. CMS data combined with data from USDA/Economic Research Service on county classifications.

Notes: New Jersey and District of Columbia not shown as they have no rural counties. Data also not shown for United States territories and Alaska, the latter due to difficulties with rural county classifications. Part D and employer/federal totals may not equal total with creditable coverage due to some beneficiaries not being classified by residence. Some MA-PD enrollees also are dual eligibles. Some Medicare recipients may have prescription drug coverage that is not classified as creditable, either employer coverage or Medigap coverage, and that is not counted here.

## National and Regional PDPs: Rural/Urban Differences

In nearly every region of the country, rural and urban residents have the choice of approximately 40 PDPs, including 7 national PDPs (with multiple options) (Kaiser Family Foundation, 2006b). Every person in a region has access to the same PDPs. However, across regions and across the United States, the choices individuals have may vary. Table 3 shows this variation in choice for rural persons compared to urban persons, as summarized by the characteristics of the plans.

In general, the differences among PDPs are small. For instance, while the average premium for rural persons is \$37.37 per month, the average premium for urban persons is \$36.68, a difference of less than 2%. There is almost no difference in the percent of top 100 drugs covered by the formularies—beneficiaries living in either area have choices of plans covering approximately 91% of the top 100 drugs. Plans offered to rural beneficiaries are slightly more likely to offer tiered copayments (compare 90.3% to 89.9%). However, the choices available to rural residents across the United States are generally the same as those available to urban persons.

## Medicare Advantage PDPs: Rural/Urban Differences

Tables 4-A and 4-B present analysis of all MA-PD plans offering coverage to both rural and urban persons. The variations in choices for rural persons are compared to those for urban persons, as summarized by the characteristics of these plans. The number of Medicare-eligible residents in each county (enrollment data by plan are not yet available) was used to compute a weighted average in each state and nationally for rural and urban areas, to represent the typical or average choice for rural and urban persons.

On average, the MA-PD plans available to rural persons are less generous than those available to urban persons. For example, MA-PD plans in rural areas have higher premiums than those in urban areas (compare \$23.04 in Table 4-A to \$19.63 in Table 4-B). In addition, the average MA-PD plan deductible for rural persons is \$75.19, compared to \$53.20 for urban persons. While MA-PD plans available to rural persons average 96.5% of the top 100 drugs in the formulary (compared to 93.3% for urban plans), only 58.7% of the top 100 drugs have less than a \$20 copayment, compared to 61.4% of the top 100 drugs in urban MA-PD plans. Among urban plans, 18.8% offer gap coverage, compared to only 7.4% of the rural plans. Almost all rural MA-PD plans (98.7%) offer mail order, compared to 95% of urban MA-PD plans.

**Table 3. Characteristics of National and Stand-Alone Prescription Drug Plans Summarized by Their Impact on Rural and Urban Medicare Beneficiaries**

Beneficiary residence	Average premium	Percent offered zero deductible	Percent offered reduced deductible	Percent offered standard deductible	Percent offered coverage in the gap	Average percent of top 100 formulary drugs covered	Percent offered mail order	Percent offered tiered copayments
Rural area	\$37.37	58.1%	8.3%	33.7%	19.3%	90.9%	91.8%	90.3%
Urban area	\$36.68	58.2%	8.0%	33.9%	18.3%	90.8%	91.7%	89.9%
All areas	\$36.84	58.1%	8.1%	33.9%	18.6%	90.8%	91.7%	90.0%

Source: RUPRI Center for Rural Health Policy Analysis, based on CMS data on Medicare PDPs released in November 2005 and available at <http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/>.

Note: Averages are weighted averages across Medicare Part D national PDP regions, weighted by the populations of rural, urban, and total persons living in these regions.

**Table 4a. Prescription Drug Coverage Available Through Medicare Advantage Plans for RURAL Beneficiaries**

State	Average drug premium	Average deductible	Percent top 100 drugs in formulary	Percent top 100 drugs need prior auth.	Percent top 100 drugs <\$20 copay	Gap coverage: generics	Gap coverage: or brand	Tiered copay	Mail order
<b>ALL AREAS</b>	<b>\$23.04</b>	<b>\$75.19</b>	<b>96.5%</b>	<b>8.9%</b>	<b>58.7%</b>	<b>7.4%</b>	<b>2.3%</b>	<b>79.0%</b>	<b>98.7%</b>
AL	\$23.20	\$94.72	96.9%	10.9%	57.4%	10.6%	0.0%	63.6%	98.5%
AR	\$18.75	\$84.90	98.8%	8.2%	56.1%	0.9%	0.0%	66.5%	100.0%
AZ	\$12.62	\$48.71	98.4%	15.5%	55.8%	7.9%	0.0%	80.5%	100.0%
CA	\$14.36	\$1.26	90.6%	5.0%	56.2%	0.0%	0.0%	99.5%	95.6%
CO	\$34.38	\$31.13	98.4%	3.3%	57.4%	0.0%	19.6%	87.5%	100.0%
CT	\$17.69	\$0.00	100.0%	41.0%	55.0%	0.0%	0.0%	100.0%	100.0%
DE	\$43.44	\$83.33	90.7%	16.0%	62.0%	66.7%	0.0%	100.0%	100.0%
FL	\$12.58	\$54.21	98.3%	5.7%	57.6%	0.0%	2.5%	79.0%	100.0%
GA	\$29.53	\$63.57	98.3%	11.6%	57.2%	18.7%	0.7%	81.5%	100.0%
HI	\$53.11	\$76.47	95.9%	9.5%	75.6%	0.0%	40.8%	89.8%	83.5%
IA	\$27.98	\$97.20	96.7%	8.5%	70.3%	0.0%	0.0%	100.0%	100.0%
ID	\$10.27	\$85.71	98.4%	7.8%	61.2%	0.0%	0.0%	81.3%	90.1%
IL	\$27.50	\$78.82	97.2%	7.7%	57.5%	0.0%	12.3%	80.0%	100.0%
IN	\$11.14	\$59.53	96.2%	6.5%	56.1%	35.5%	0.0%	81.8%	100.0%
KS	\$14.77	\$83.10	99.0%	8.0%	56.0%	0.3%	0.0%	66.8%	100.0%
KY	\$12.65	\$49.53	96.0%	6.8%	56.0%	39.8%	0.0%	81.0%	100.0%
LA	\$24.24	\$82.57	98.9%	8.0%	56.0%	0.9%	0.0%	67.0%	100.0%
MD	\$42.50	\$82.00	91.0%	15.8%	61.8%	64.5%	0.0%	99.5%	100.0%
ME	\$0.00	\$0.00	100.0%	2.0%	58.0%	0.0%	0.0%	100.0%	100.0%
MI	\$26.46	\$52.92	99.3%	9.8%	57.1%	1.0%	0.2%	81.0%	100.0%
MN	\$32.56	\$72.79	91.8%	11.3%	58.4%	0.1%	18.9%	89.1%	99.8%
MO	\$20.28	\$88.41	98.6%	7.5%	56.2%	2.1%	0.6%	67.3%	100.0%
MS	\$23.47	\$83.81	98.6%	8.7%	56.7%	1.9%	0.0%	67.3%	100.0%
MT	\$31.94	\$106.82	96.1%	5.3%	64.3%	13.7%	0.0%	99.1%	100.0%
NC	\$20.57	\$89.96	98.0%	6.9%	56.3%	0.4%	0.0%	68.2%	99.9%
ND	\$31.86	\$118.39	95.2%	7.3%	64.8%	0.0%	0.4%	95.8%	100.0%
NE	\$24.80	\$116.34	96.2%	5.6%	62.9%	0.9%	0.4%	95.2%	100.0%
NM	\$24.91	\$53.38	95.1%	10.0%	68.6%	0.0%	0.9%	93.7%	100.0%
NV	\$15.89	\$56.28	90.0%	8.3%	56.4%	2.8%	6.4%	81.3%	100.0%
NY	\$25.54	\$61.36	93.5%	5.5%	60.9%	4.3%	0.2%	88.9%	85.3%
OH	\$11.16	\$43.86	95.6%	6.2%	58.2%	39.1%	1.1%	86.3%	99.9%
OK	\$17.94	\$108.90	98.4%	8.9%	57.0%	2.8%	0.2%	58.5%	100.0%
OR	\$34.02	\$194.13	91.2%	20.6%	56.9%	4.8%	2.4%	43.7%	97.6%
PA	\$24.75	\$83.02	89.3%	7.9%	59.2%	3.6%	0.1%	78.4%	94.3%
SC	\$29.28	\$54.92	98.6%	11.9%	57.2%	18.2%	0.0%	79.6%	100.0%
SD	\$28.63	\$104.35	96.1%	6.2%	63.8%	0.1%	0.5%	96.2%	100.0%
TN	\$25.50	\$69.16	97.1%	8.8%	60.0%	6.8%	0.4%	76.9%	99.5%
TX	\$21.93	\$82.23	97.9%	8.5%	56.7%	3.6%	0.5%	70.7%	100.0%
UT	\$9.65	\$73.19	97.1%	6.8%	58.7%	6.7%	1.0%	96.5%	100.0%
VA	\$19.30	\$81.82	97.8%	8.8%	60.4%	3.7%	0.1%	77.8%	100.0%
WA	\$49.01	\$138.97	86.7%	11.6%	74.4%	1.6%	27.8%	72.2%	100.0%
WI	\$17.85	\$77.22	97.2%	8.4%	57.0%	1.8%	0.0%	82.5%	97.0%
WV	\$22.64	\$59.92	97.4%	6.6%	58.6%	17.1%	1.0%	80.4%	98.9%
WY	\$33.13	\$92.67	96.1%	5.8%	64.6%	1.8%	4.7%	95.4%	99.7%

Source: RUPRI Center for Rural Health Policy Analysis, based on CMS data on MA-PD plans released in November 2005 and available at <http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/>.

Note: Weighted averages shown, and weighted averages computed using population in county as weight.

**Table 4b. Prescription Drug Coverage Available Through Medicare Advantage Plans for URBAN Beneficiaries**

State	Average drug premium	Average deductible	Percent top 100 drugs in formulary	Percent top 100 drugs need prior auth.	Percent top 100 drugs <\$20 copay	Gap coverage: generics	Gap coverage: generics or brand	Tiered copay	Mail order
<b>ALL AREAS</b>	<b>\$19.63</b>	<b>\$53.20</b>	<b>93.3%</b>	<b>9.4%</b>	<b>61.4%</b>	<b>18.8%</b>	<b>4.5%</b>	<b>87.8%</b>	<b>95.0%</b>
AL	\$19.66	\$70.61	95.1%	9.0%	57.4%	18.2%	0.0%	73.1%	98.7%
AR	\$19.19	\$83.73	98.6%	8.4%	56.0%	8.7%	0.0%	71.1%	100.0%
AZ	\$14.29	\$35.13	94.7%	17.9%	58.8%	27.1%	0.0%	93.0%	96.8%
CA	\$10.44	\$24.71	87.0%	10.1%	58.4%	21.2%	10.5%	94.3%	82.4%
CO	\$24.64	\$28.78	89.5%	4.8%	60.6%	14.2%	9.6%	94.7%	76.4%
CT	\$14.29	\$0.00	97.9%	27.9%	55.8%	0.0%	0.0%	100.0%	100.0%
DC	\$27.49	\$33.33	88.4%	11.6%	59.4%	46.7%	0.0%	100.0%	100.0%
DE	\$43.44	\$83.33	90.7%	16.0%	62.0%	66.7%	0.0%	100.0%	100.0%
FL	\$6.98	\$33.35	95.7%	5.4%	68.7%	12.9%	14.0%	91.0%	97.6%
GA	\$26.18	\$44.78	95.3%	9.8%	58.6%	19.0%	0.0%	86.6%	89.5%
HI	\$47.68	\$68.18	95.5%	8.6%	73.2%	0.0%	36.4%	90.9%	81.8%
IA	\$28.45	\$78.78	97.5%	10.4%	73.4%	0.0%	0.0%	100.0%	100.0%
ID	\$16.55	\$147.21	97.0%	6.0%	72.8%	0.0%	0.0%	92.1%	66.3%
IL	\$22.53	\$50.16	95.7%	9.4%	57.9%	29.1%	0.8%	86.7%	100.0%
IN	\$11.87	\$66.86	95.8%	6.6%	57.0%	37.8%	0.0%	84.0%	100.0%
KS	\$11.15	\$58.68	99.2%	8.2%	56.6%	0.0%	0.0%	76.8%	100.0%
KY	\$11.29	\$41.85	95.6%	6.6%	56.2%	42.2%	1.6%	85.4%	99.7%
LA	\$18.95	\$56.41	97.3%	8.0%	57.4%	4.6%	4.7%	77.4%	100.0%
MA	\$32.90	\$45.38	93.3%	6.0%	64.8%	32.3%	0.0%	100.0%	100.0%
MD	\$30.26	\$37.96	88.9%	11.7%	59.6%	47.9%	0.0%	100.0%	100.0%
ME	\$0.00	\$0.00	100.0%	2.0%	58.0%	0.0%	0.0%	100.0%	100.0%
MI	\$30.10	\$50.66	98.2%	12.7%	61.2%	0.1%	0.0%	89.1%	99.8%
MN	\$33.58	\$89.03	91.9%	10.6%	58.4%	0.1%	16.0%	76.1%	95.5%
MO	\$18.49	\$49.60	96.4%	7.7%	56.8%	2.7%	2.2%	84.0%	95.8%
MS	\$21.32	\$86.30	97.4%	9.7%	56.3%	8.9%	0.0%	66.3%	100.0%
MT	\$32.79	\$100.00	96.4%	5.2%	63.0%	17.5%	0.0%	100.0%	100.0%
NC	\$20.50	\$92.16	96.5%	5.3%	56.7%	1.0%	0.0%	70.8%	99.7%
ND	\$32.77	\$107.87	95.2%	7.4%	64.5%	0.0%	0.0%	100.0%	100.0%
NE	\$24.07	\$89.64	96.4%	5.5%	62.5%	0.5%	1.5%	95.9%	99.5%
NH	\$5.68	\$21.85	96.8%	5.2%	73.7%	4.9%	14.7%	95.1%	100.0%
NJ	\$26.87	\$114.70	93.7%	8.8%	68.4%	27.1%	0.0%	100.0%	100.0%
NM	\$23.91	\$35.64	91.8%	9.1%	66.3%	0.0%	12.7%	98.3%	100.0%
NV	\$19.01	\$30.30	87.4%	7.6%	55.9%	0.0%	42.9%	87.9%	100.0%
NY	\$18.52	\$39.48	94.6%	10.4%	63.4%	20.3%	1.6%	89.3%	97.1%
OH	\$12.81	\$39.54	94.6%	6.5%	61.5%	37.9%	1.0%	91.4%	93.0%
OK	\$19.09	\$100.73	96.2%	12.2%	62.0%	5.6%	0.0%	70.4%	100.0%
OR	\$24.79	\$134.24	90.0%	9.8%	60.4%	10.3%	4.5%	65.4%	100.0%
PA	\$28.83	\$72.64	91.0%	7.6%	66.2%	13.9%	0.0%	83.9%	92.5%
RI	\$21.80	\$12.01	98.2%	5.4%	62.6%	22.5%	0.0%	98.5%	100.0%
SC	\$29.49	\$78.68	97.1%	10.1%	59.3%	13.9%	0.0%	80.9%	100.0%
SD	\$30.92	\$96.78	95.2%	8.1%	63.5%	1.8%	0.0%	99.1%	100.0%
TN	\$24.88	\$52.86	96.5%	9.3%	63.3%	17.6%	0.1%	81.9%	99.5%
TX	\$19.95	\$53.10	95.4%	9.2%	60.3%	25.9%	0.5%	81.2%	99.9%
UT	\$11.84	\$82.92	94.4%	6.9%	59.5%	16.7%	0.0%	99.9%	99.8%
VA	\$20.82	\$60.34	92.7%	7.4%	57.0%	19.6%	0.0%	84.2%	99.8%
WA	\$43.89	\$121.26	85.7%	12.0%	71.8%	12.5%	23.7%	74.0%	99.9%
WI	\$15.65	\$67.80	98.0%	6.8%	57.1%	7.9%	1.2%	82.5%	99.1%
WV	\$22.26	\$49.73	98.0%	6.8%	57.7%	19.8%	0.8%	82.2%	99.7%
WY	\$30.62	\$77.69	95.1%	5.9%	63.6%	8.0%	8.2%	96.4%	98.2%

Source: RUPRI Center for Rural Health Policy Analysis, based on CMS data on MA-PD plans released in November 2005 and available at <http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/>.

Note: Weighted averages shown, and weighted averages computed using population in county as weight.

## Conclusions and Policy Implications

These early findings show mixed results for the Medicare prescription drug plan in rural areas. Enrollment in the Medicare stand-alone PDPs is higher in rural areas (21%) than in urban areas (13%). Also, rural persons have choices of national and regional PDPs that are comparable to the choices available to urban persons on almost all dimensions of the plan characteristics (e.g., premiums, deductibles, copayments, formularies). On the other hand, the relatively high enrollment in PDPs is balanced by low enrollment in MA-PD plans in rural areas (3%). MA-PD plans offer relatively less generous plan choices to rural persons. In addition, enrollment in employer and federal plans is lower in rural areas (20%) than in urban areas (24%). Finally, the relatively high enrollment in Part D in rural areas reflects the high enrollment of Medicaid dual eligibles also covered by Medicare, who were not enrolled in Part D voluntarily.

### Note

<sup>1</sup>“Drug coverage is creditable if the actuarial value of the coverage equals or exceeds the actuarial value of standard Medicare prescription drug coverage, as demonstrated through the use of generally accepted actuarial principles and in accordance with CMS actuarial guidelines. In general, this actuarial determination measures whether the expected amount of paid claims under the entity’s prescription drug coverage is at least as much as the expected amount of paid claims under the standard Medicare prescription drug benefit” (CMS, 2006a, p. 1).

<sup>2</sup>Maine is excluded because the small number of plans available in rural Maine all have zero premiums.

<sup>3</sup>To classify areas into rural (adjacent and nonadjacent) and urban, the Urban Influence Codes (UICs) were used, available from the Economic Research Service at <http://www.ers.usda.gov/Briefing/Rurality/UrbanInf/>

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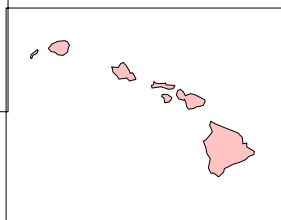
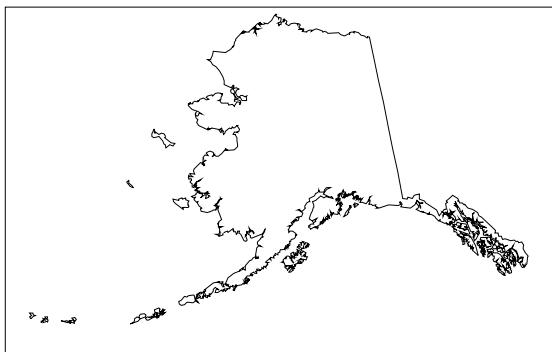
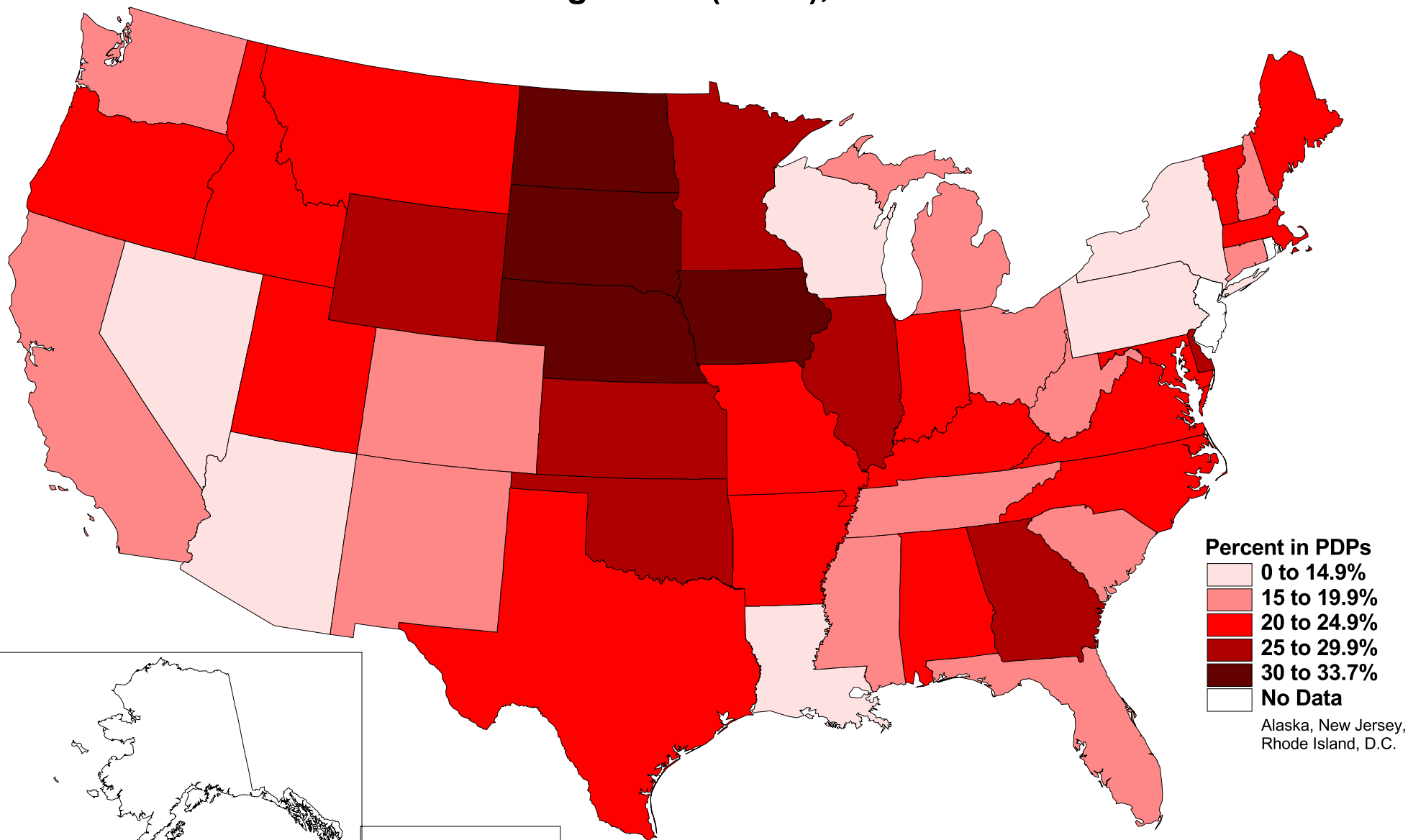
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## Percent of Rural Persons Enrolled in Medicare Prescription Drug Plans\* (PDPs), March 2006



Note: Alaska and Hawaii not to scale.

Original Data Source: CMS, 2006

Processed Data: RUPRI Center for Rural Health Policy Analysis, 2006.

\*Shown are the percent of persons in PDPs only, and not those in the rest of Part D or those with other creditable coverage.