

Background

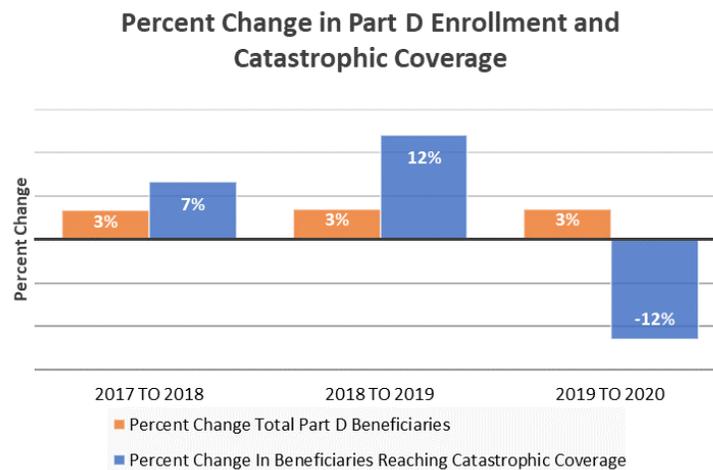
The 2020 Part D benefit year was marked by unique factors:

- The catastrophic coverage threshold increased significantly with the expiration of an Affordable Care Act provision that temporarily slowed the threshold’s rate of growth.
- Meanwhile, the COVID-19 pandemic increased concerns about prescribing patterns and medication adherence.

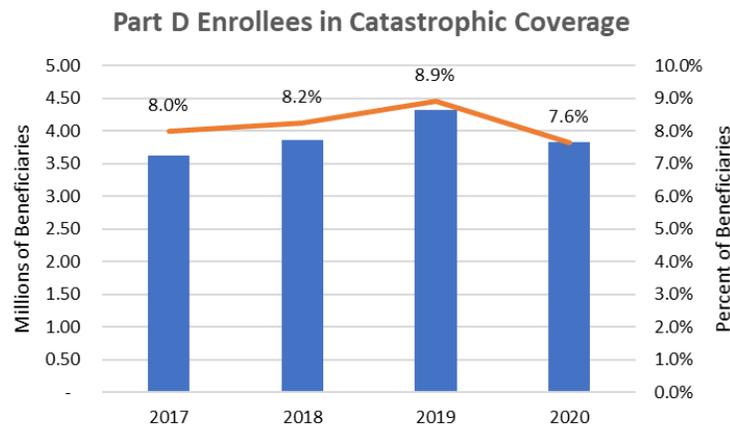
These dynamics led the **ADVI Strategic Analytics and Value Economics (SAVES)** team to ask: *who reached Part D catastrophic coverage in 2020?*

Key Findings

ADVI SAVES analyzed Part D Event (PDE) data from 2017 to 2020 and found that despite an increase in Part D enrollment, the number of beneficiaries who reached catastrophic coverage decreased by 12% in 2020. This is a departure from the previous three years, where the number of beneficiaries enrolled in Part D and reaching catastrophic steadily increased.



ADVI SAVES found that only 3.8M beneficiaries (7.6% of enrollees) reached catastrophic, proportionally the lowest in the last four years. The decrease was evenly split across low-income subsidy (LIS) and non-LIS populations.



ADVI SAVES also analyzed the Part D data by race and found the proportion of Black, Hispanic, and Asian Americans hitting the catastrophic phase was disproportionately higher than white beneficiaries. The table below shows the racial demographics of the total Medicare population compared to demographics in catastrophic coverage.

Race	Percent of Total Medicare Beneficiaries (2020)	Percent of Beneficiaries in Catastrophic Coverage (2020)
White	78.1%	71.4%
Black	11.1%	15.4%
Hispanic	3.5%	5.1%
Asian	2.7%	3.7%
Other	4.6%	4.4%

ADVI SAVES found most beneficiaries remain in catastrophic coverage for multiple years once hitting the threshold. In analyzing the 39M beneficiaries that had continuous Part D coverage from 2017 to 2020, nearly 5.5M beneficiaries (14%) had at least one year of catastrophic coverage. Of this group, nearly 70% reached catastrophic coverage for more than one year.

Number of Years of Reaching Catastrophic Coverage from 2017-2020	Beneficiary Count (Millions)	Percent of Benes Reaching Catastrophic Coverage 2017-2020
Four	1.553	28%
Three	1.012	18%
Two	1.192	22%
One	1.737	32%

Future Research

ADVI SAVES continues to evaluate Part D utilization, health equity, and treatment effectiveness. We have successfully collaborated with industry stakeholders on Part D analyses and we welcome partners that would like to engage with us for further research.

If you have questions or are interested in learning more about this data, please contact Caitlin Sheetz (Caitlin.sheetz@advi.com), Pete Kardel (Peter.kardel@advi.com) or your ADVI account manager.