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Part D Plans Generally Include Drugs Commonly Used by Dual Eligibles: 2019

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What OIG Found

Overall, we found that the rate of Part D plan formularies' inclusion of the 196 drugs commonly used by dual eligibles (i.e., individuals who are eligible for both Medicare and Medicaid) is high, with some variation. On average, Part D plan formularies include 97 percent of the 196 commonly used drugs. In addition, 72 percent of the commonly used drugs are included by all Part D plan formularies. These results are largely unchanged from OIG's findings for formularies reported in the mandated annual report from 2018, as well as from the findings in our reports from 2011 through 2017.

Key Takeaway
Overall, we found that the rate of Part D plan formularies' inclusion of the drugs commonly used by dual eligibles is high, with some variation. Because some variation exists in formularies' inclusion and utilization management of these drugs, some dual eligibles may need to make additional efforts (e.g., appeal coverage decisions) to access the drugs they take.

We also found that the percentage of drugs to which plan formularies applied utilization management tools decreased slightly between 2018 and 2019. On average, formularies applied utilization management tools to 28 percent of the unique drugs we reviewed in 2019, a decrease of 1 percentage point from 2018.

What OIG Concludes

Inclusion rates for the 196 drugs commonly used by dual eligibles are largely unchanged from the inclusion rates listed in our previous reports. Part D formularies include roughly the same high percentage of these commonly used drugs in 2019 as they did in 2018.

As mandated by the Patient Protection and Affordable Care Act (ACA), OIG will continue to monitor and produce annual reports on the extent to which Part D plan formularies cover drugs that dual eligibles commonly use. In addition, OIG will continue to monitor Part D plan formularies' application of utilization management tools to these drugs. OIG has no recommendations at this time.

Full report can be found at oig.hhs.gov/oei/reports/oei-05-19-00220.asp

Why OIG Did This Review

The ACA requires OIG to conduct a study of the extent to which formularies used by Medicare Part D plans include drugs commonly used by full-benefit dual eligible individuals (i.e., individuals who are eligible for both Medicare and full Medicaid benefits). These individuals generally get drug coverage through Medicare Part D. Pursuant to the ACA, OIG must annually issue a report with recommendations as appropriate. This is the ninth report that OIG has produced to meet this mandate.

How OIG Did This Review

For this report, we determined whether the 401 unique formularies used by the 4,073 Part D plans operating in 2019 cover the 200 drugs most commonly used by dual eligibles. We also determined the extent to which plan formularies applied utilization management tools to those commonly used drugs. To create the list of the 200 drugs most commonly used by dual eligibles, we used data from the 2016 Medicare Current Beneficiary Survey—the most recent data available at the time of our study. Of the top 200 drugs, 196 are eligible for Part D prescription drug coverage, 2 are excluded from coverage, and 1 is a medical supply item covered by Part D. One additional drug is eligible for Part D prescription drug coverage. However, we did not include it in our analysis because we could not confidently project the use of this drug to the entire dual-eligible population.

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BACKGROUND

Objectives

1. To determine the extent to which Part D plan formularies cover the drugs commonly used by dual eligibles.
2. To determine the extent to which Part D plan formularies applied utilization management tools to the drugs commonly used by dual eligibles.

Pursuant to the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), comprehensive prescription drug coverage under Medicare Part D is available to all Medicare beneficiaries through prescription drug plans (PDPs) and Medicare Advantage prescription drug plans (MA-PDs), hereinafter referred to collectively as Part D plans.[1]

For beneficiaries who are eligible for both Medicare and Medicaid (hereinafter referred to as dual eligibles), Medicare subsidizes Part D plan premiums, deductibles, and other cost-sharing up to a determined premium benchmark that varies by region. If dual eligibles enroll in Part D plans with premiums higher than the regional benchmark, they are responsible for paying the premium amounts above that benchmark.

To control costs and ensure the safe use of drugs, Part D plans are allowed to establish formularies from which they may omit certain drugs from prescription coverage and are allowed to control drug utilization through utilization management tools.[2] These tools include prior authorization, quantity limits, and step therapy.[3]

The Centers for Medicare & Medicaid Services (CMS) annually reviews Part D plan formularies to ensure that they include a range of drugs in a broad distribution of therapeutic categories or classes. CMS also assesses the utilization management tools present in each formulary.

[1] MMA, P.L. No. 108-173 § 101, Social Security Act, § 1860D-1(a).

[2] A formulary is a list of drugs covered by a Part D plan. Part D plans can exclude certain drugs from their formularies and can control utilization for formulary-included drugs within certain parameters. Social Security Act § 1860D-4(b) and (c).

[3] Prior authorization—often required for very expensive drugs—requires that physicians obtain approval from Part D plans to prescribe a specific drug. Quantity limits are intended to ensure that beneficiaries receive the proper dose and recommended duration of drug therapy. Step therapy is the practice of beginning drug therapy for a medical condition with the drug therapy that is the most cost-effective or safest and progressing if necessary to more costly or risky drug therapy.

The Medicare Prescription Drug Benefit

Beginning in 2006, the MMA made comprehensive prescription drug coverage under Medicare Part D available to all Medicare beneficiaries.[4] Medicare beneficiaries generally have the option to enroll in a PDP and receive all other Medicare benefits on a fee-for-service basis, or to enroll in an MA-PD and receive all of their Medicare benefits, including prescription drug coverage, through managed care.[5] As of January 2019, approximately 45.4 million of the 60.6 million Medicare beneficiaries were enrolled in a Part D plan.

Part D plans are administered by private companies—known as plan sponsors—that contract with CMS to offer prescription drug coverage in one or more PDP or MA-PD regions. CMS has designated 34 PDP regions and 26 MA-PD regions. In 2019, plan sponsors offer 4,073 unique Part D plans, with many plan sponsors offering multiple Part D plans.

Dual Eligibles Under Medicare Part D

Approximately 12 million Medicare beneficiaries are dual eligibles. For about 8.5 million dual eligibles, referred to as "full benefit dual eligibles," Medicaid provides full Medicaid benefits, including Medicaid-covered services, and may also assist beneficiaries with premiums and cost-sharing for Medicare fee-for-service or Medicare managed care. For other dual eligibles, Medicaid does not provide Medicaid-covered services, but provides assistance with beneficiaries' Medicare premiums or cost-sharing, depending on their level of income and assets.[6]

Dual eligibles are a particularly vulnerable population. Overall, most dual eligibles have very low incomes—86 percent have annual incomes below 150 percent of the Federal poverty level, compared with 22 percent of all other Medicare beneficiaries. Additionally, dual eligibles are in worse health than the average Medicare beneficiary—half are in fair or poor health, more than twice the rate of others in Medicare.[7] Because of their self-reported health needs, dual eligibles may use more prescription drugs and health care services in general than other Medicare beneficiaries.

[4] MMA, P.L. No. 108-173 § 101, Social Security Act, § 1860D-1(a).

[5] CMS, *PDBM*, ch. 1, § 10.1.

[6] Medicare Payment Advisory Commission (MEDPAC) and Medicaid and CHIP Payment and Access Commission, *Data Book: Beneficiaries Dually Eligible for Medicare and Medicaid—January 2018*. Accessed at https://www.macpac.gov/wp-content/uploads/2017/01/Jan18_MedPAC_MACPAC_DualsDataBook.pdf on April 9, 2019.

[7] Kaiser Family Foundation, *Medicare's Role for Dual Eligible Beneficiaries*. Accessed at http://www.kff.org/medicare/upload/8138-02.pdf on March 19, 2019.

Until December 31, 2005, dual eligibles received outpatient prescription drug benefits through Medicaid. In January 2006, Medicare began covering outpatient prescription drugs for dual eligibles through Part D plans.[8]

Medicare covers Part D plan premiums for dual eligibles up to a set benchmark. The benchmark is a statutorily defined amount that is based on the average premium amounts for Part D plans for each region.[9, 10] If dual eligibles enroll in Part D plans that have premiums higher than the regional benchmark, they are responsible for paying the premium amounts above that benchmark.[11]

Dual eligibles' assignment to Part D plans

When individuals become eligible for both Medicare and Medicaid, CMS randomly assigns those individuals to PDPs unless they have elected a specific Part D plan or have opted out of Part D prescription drug coverage.[12] The PDPs to which CMS assigns dual eligibles must meet certain requirements, such as having a premium at or below the regional benchmark amount and offering basic prescription drug coverage (or equivalent).[13] Basic prescription drug coverage is defined in terms of benefit structure (initial coverage, coverage gap, and catastrophic coverage) and costs (initial deductible and coinsurance).

Some dual eligibles may be randomly assigned to PDPs that do not cover the specific drugs they use. However, unlike the general Medicare population, dual eligibles can switch Part D plans once per calendar quarter during the first 9 months of the year to find plans that cover the prescription drugs they require.[14] When dual eligibles change plans, their prescription drug coverage under the new Part D plan becomes effective at the beginning of the following month.

CMS annually reassigns some dual eligibles to new PDPs if their current PDPs will have premiums above the regional benchmark premium for the

[8] MMA, P.L. No. 108-173 § 101, Social Security Act, § 1860D-1(a).

[9] Social Security Act, § 1860D-14(b); 42 CFR § 423.780(b)(2)(i).

[10] Dual eligibles residing in territories are not eligible to receive cost-sharing assistance from Medicare. Consequently, there are no benchmarks for Part D plans offered in the territories. Social Security Act, § 1860D-14(a)(3)(F).

[11] The ACA established a "de minimis" premium policy, whereby a Part D plan may elect to charge dual eligibles the benchmark premium amount if the Part D plan's basic premium exceeds the regional benchmark by a de minimis amount. Patient Protection and Affordable Care Act (ACA), P.L. No. 111-148 § 3303, Social Security Act, § 1860D 14(a)(5). For 2019, CMS set the de minimis amount at $2 above the regional benchmark.

[12] CMS, *PDBM*, ch. 3, § 40.1.4.

[13] Ibid.

[14] 83 Fed. Reg. 16440, 16514-19 (Apr. 16, 2018). In general, Medicare beneficiaries can switch Part D plans only once a year during a defined enrollment period. In previous years, dual eligibles could switch Part D plans monthly to find plans that covered the drugs they required.

following year.[15] For dual eligibles who were randomly assigned to their current PDPs, CMS chooses new PDPs that will have premiums at or below the regional benchmark premium.[16] For dual eligibles who elected their current Part D plans, CMS notifies them that their plans will have premiums above the regional benchmark premium. For 2019, CMS reported reassigning approximately 73,000 Medicare beneficiaries—including, but not exclusively, dual eligibles—because of premium increases.

Part D Prescription Drug Coverage

Under Part D, plans can establish formularies from which they may exclude drugs and control drug utilization within certain parameters. These parameters are intended to balance Medicare beneficiaries' needs for adequate prescription drug coverage with Part D plan sponsors' needs to contain costs. Generally, a formulary must include at least two drugs in each therapeutic category or class.[17, 18] In addition, Part D plans must include all Part-D-eligible drugs in certain categories and classes.[19]

Part D plans may also control drug utilization by applying utilization management tools. These tools include the following: requiring prior authorization to obtain drugs that are on plan formularies; establishing quantity limits; and requiring step therapy. Utilization management tools can help Part D plans and the Part D program limit the cost of prescription drug coverage by placing restrictions on the use of certain drugs.

In addition to these drug coverage decisions that Part D plans make regarding individual formularies, certain categories of drugs are excluded from Medicare Part D prescription drug coverage as mandated by the MMA.[20] For example, prescription vitamins, prescription mineral products, and nonprescription drugs are excluded from Part D prescription drug coverage.[21]

Until 2013, barbiturates and benzodiazepines were excluded from Part D prescription drug coverage. However, the ACA reversed this exclusion,

[15] CMS, *PDBM*, ch. 3, § 40.1.5.

[16] Ibid.

[17] CMS, *PDBM*, ch. 6, § 30.2.1.

[18] Therapeutic categories or classes classify drugs according to their most common intended uses. For example, cardiovascular agents compose a therapeutic class intended to affect the rate or intensity of cardiac contraction, blood vessel diameter, or blood volume.

[19] Social Security Act, § 1860D-4(b)(3)(G). Current Part D policy requires sponsors to include in their formularies all drugs in six categories or classes: (1) antidepressants; (2) antipsychotics; (3) anticonvulsants; (4) immunosuppressants for treatment of transplant rejection; (5) antiretrovirals; and (6) antineoplastics; except in limited circumstances. CMS, *PDBM*, ch. 6, § 30.2.5.

[20] MMA, P.L. No. 108-173 § 101, Social Security Act, § 1860D-2(e).

[21] Social Security Act § 1860D-2(e)(2), 1927(d)(2).

removing these two drug types from the list of drug classes ineligible for such coverage.[22, 23]

CMS Efforts To Ensure Prescription Drug Coverage

Formulary review

CMS annually reviews Part D plan formularies to ensure that they include a range of drugs in a broad distribution of therapeutic categories or classes, as well as all drugs in specified therapeutic categories or classes.[24] During this review, CMS analyzes formularies' coverage of the drug classes most commonly prescribed for the Medicare population. CMS intends for Part D plans to cover the most widely used medications, or therapeutically alternative medications (i.e., drugs from the same therapeutic category or class), for the most common conditions. CMS uses Part D prescription drug data to identify the most commonly prescribed classes of drugs.[25]

CMS also assesses each formulary's utilization management tools to ensure consistency with current industry standards and with standards that are widely used with drugs for the elderly and people with disabilities.[26, 27]

Exceptions and appeals process

CMS has implemented an exceptions and appeals process whereby beneficiaries can request coverage of nonformulary drugs or exceptions to utilization management tools that apply to formulary drugs. When a Part D plan receives a prescriber's statement supporting an exception request, the plan must notify the beneficiary of its determination within 72 hours or, for expedited requests, within 24 hours.[28] If the beneficiary's plan makes an adverse determination, the beneficiary has the right to appeal.[29] If the plan continues to deny the beneficiary's request, the beneficiary has additional appeal rights and may continue to appeal until those rights are exhausted. Alternatively, the beneficiary can work with his or her prescriber to determine whether there is an appropriate therapeutically equivalent alternative drug on the plan's formulary.

[22] ACA, P.L. No. 111-148 § 2502, Social Security Act, § 1927(d).

[23] CMS, *Transition to Part D Coverage of Benzodiazepines and Barbiturates Beginning in 2013*. Accessed at http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Downloads/BenzoandBarbituratesin2013.pdf on March 20, 2019.

[24] CMS, *PDBM*, ch. 6, § 30.2.7.

[25] Ibid.

[26] Ibid., § 30.2.2.

[27] Ibid., § 30.2.7.

[28] CMS, *Parts C & D Enrollee Grievances, Organization/Coverage Determinations, and Appeals Guidance*, ch. 18, § 40.5.3.

[29] Ibid., § 50.

Transitioning new enrollees to Part D

CMS requires that Part D plans establish a transition process for new enrollees (including dual eligibles) who are transitioning to their respective Part D plans either from different Part D plans or from other prescription drug coverage. During a Medicare beneficiary's first 90 days under a new Part D plan, the new plan must provide one temporary fill of a prescription when the beneficiary requests either a drug that is not in the plan's formulary or a drug that requires prior authorization or step therapy under the formulary's utilization management tools.[30] The temporary fill accommodates the beneficiary's immediate drug needs the first time the beneficiary attempts to fill a prescription. The transition period also allows the beneficiary time to work with his or her prescribing physician(s) to obtain prescriptions for therapeutically alternative drugs or to request a formulary exception from the Part D plan.

Related OIG Work

In 2006, OIG published a report assessing the extent to which PDP formularies included drugs commonly used by dual eligibles under Medicaid. The study found that PDP formularies included between 76 and 100 percent of the 178 drugs commonly used by dual eligibles under Medicaid prior to the implementation of Part D. Approximately half of the 178 commonly used drugs were covered by all formularies.[31]

In 2011, OIG issued the first annual mandated report examining dual eligibles' access to drugs under Medicare Part D. (See Appendix A for the statutory mandate.) We have released an annual mandated report each year since then. (See Appendix B for a list of these reports.) The current report is the ninth report released.

Methodology

As mandated in the ACA, this study assessed the extent to which drugs commonly used by dual eligibles are included by Part D plan formularies. To make this assessment, we evaluated formularies for Part D plans operating in 2019. As part of our assessment, we included dual eligibles' enrollment data from January 2019, the most recent enrollment data available from CMS at the time of our study. We also compared the results of our 2019 study with those of our 2018 study.[32]

The ACA did not define which drugs commonly used by dual eligibles we should review. We defined drugs commonly used by dual eligibles as the 200 drugs with the highest utilization by dual eligibles as reported in the Medicare Current Beneficiary Survey (MCBS)—i.e., the 2016 MCBS. We used

[30] CMS, *PDBM*, ch. 6, § 30.4.4.

[31] OIG, *Dual Eligibles' Transition: Part D Formularies' Inclusion of Commonly Used Drugs*, OEI-05-06-00090, January 2006.

[32] OIG, *Part D Plans Generally Include Drugs Commonly Used by Dual Eligibles: 2018*, OEI-05-18-00240, June 2018.

the MCBS because it contains drugs that dual eligibles received through multiple sources (e.g., Part D, Medicaid, and the Department of Veterans Affairs) and, as such, it provides a comprehensive picture of drug utilization. Of the 200 highest utilization drugs that we identified using the MCBS, 196 are eligible for coverage under Part D. In this report, we refer to these 196 Part-D-eligible high-utilization drugs as "commonly used drugs."

For each study, OIG has gone beyond the ACA's mandate by reviewing drug coverage for all dual eligibles under Medicare Part D, rather than only for full-benefit dual eligibles. With the data available for this study, we could not confidently identify and segregate full-benefit dual eligibles—and thus the drugs they used—from the total population of dual eligibles.

In the current (2019) report and the previous six reports, we have also gone beyond the ACA's mandate by examining the utilization management tools that Part D plan formularies apply to the drugs commonly used by dual eligibles. These tools may affect dual eligibles' access even in cases in which formularies include the commonly used drugs. Analyzing the extent to which Part D plan formularies apply these tools to drugs commonly used by dual eligibles allows us to provide a comprehensive picture of Part D plan formularies' coverage of, and dual eligibles' access to, those drugs.

Data sources

MCBS. We used the 2016 MCBS Cost and Use data to create a list of the 200 drugs with the highest utilization by dual eligibles. The MCBS Cost and Use data contain information on hospitals, physicians, prescription drug costs, and prescription drug utilization. The 2016 MCBS Cost and Use data were the most recent data available at the time of our study. Historically, the list of the 200 drugs with the highest utilization by dual eligibles has remained largely unchanged from year to year. The list for 2019 overlapped by 88 percent with the list for 2018, which in turn overlapped by 91 percent with the list for 2017.[33]

The MCBS is a continuous, multipurpose survey that CMS conducts of a representative national sample of the Medicare population, including dual eligibles. Sampled Medicare beneficiaries were interviewed three times per year and asked what drugs they were taking and whether they had started taking any new drugs since the previous interview. The MCBS also includes Part D prescription drug events for surveyed Medicare beneficiaries. In 2016, the MCBS surveyed 14,778 Medicare beneficiaries, of whom 2,057 were dual eligibles who had used prescription drugs during the year (out of 3,668 dual-eligible survey respondents).

First DataBank National Drug Data File. We used the February 2019 First DataBank National Drug Data File to identify the drug product information for the 200 drugs with the highest utilization by dual eligibles. The National

[33] In 2019, we used 2016 data. In 2018, we used 2013 data. In 2017, we used 2012 data.

Drug Data File is a database that contains information—such as drug name, therapeutic category or class, and the unique combination of active ingredients—for each drug as defined by a National Drug Code (NDC).[34]

Part D plan data. In January 2019, we collected from CMS the formulary data and the plan data for Part D plans operating in 2019. The formulary data includes Part D plans' formularies and utilization management tools for plans operating in 2019. In 2019, there are 401 unique formularies offered by 4,073 Part D plans. The plan data provides information such as the State in which a Part D plan is offered, whether the Part D plan is a PDP or an MA-PD, and whether the Part D plan premium is below the regional benchmark.

We also collected 2019 enrollment data for Part D plans. These data provide the number of dual eligibles enrolled in each Part D plan as of January 2019.

Determining the most commonly used drugs

To determine the drugs most commonly used by dual eligibles, we took the following steps:

1. We created a list of all drugs reported by dual eligibles surveyed in the 2016 MCBS. We excluded respondents from territories because they are not eligible to receive cost-sharing assistance under Part D. The MCBS listed 143,913 drug events for 2,057 dual eligibles who did not reside in territories.[35]
2. We collapsed this list to a list of drugs based on their active ingredients, using the Ingredient List Identifier located in First DataBank's National Drug Data File. For example, a multiple source drug such as fluoxetine hydrochloride (the active ingredient for the brand-name drug Prozac) has only one entry on our list, covering all strengths of both the brand-name drug Prozac and the available generic versions of fluoxetine hydrochloride. From this point forward, unless otherwise stated, we will use the term "drug" to refer to any drug in the same Ingredient List Identifier category, and the term "unique drug" to refer to an NDC corresponding to a drug, as a given drug can have multiple NDCs. This process left 143,913 drug events associated with 829 drugs.
3. We ranked the 829 drugs by frequency of utilization, weighting the drug-event information from MCBS by sample weight.

[34] An NDC is a three-part universal identifier that specifies the drug manufacturer's name, the drug form and strength, and the package size.
[35] For the purposes of this report, a drug event is an MCBS survey response indicating that the responding beneficiary took a specific drug at least once in 2016. For example, one MCBS survey respondent reported taking omeprazole six times in 2016. We counted this beneficiary/drug combination as six drug events.

4. We selected the 200 drugs with the highest utilization by dual eligibles. For a full list of the top 200 drugs, see Appendix C.
5. We removed all drugs not covered under Part D. Of the 200 drugs with the highest utilization, 196 are eligible under Part D. Two fall into a drug category excluded under Part D. (For details on the two drugs excluded under Part D, see Appendix D.) Two additional drugs are eligible for Part D prescription drug coverage. However, we did not include one of these two in our analysis because—although it is eligible under Part D—Medicare considers it to be a medical supply item. We did not include the other drug in our analysis because we could not confidently project the use of this drug to the entire dual-eligible population.

Formulary analysis

We analyzed the 401 unique Part D plan formularies to determine their rates of inclusion of the 196 drugs commonly used by dual eligibles. We counted a drug as included in a Part D plan's formulary if the formulary included the active ingredient.

Low rates of inclusion by formularies. We determined which of the 196 commonly used drugs had low rates of inclusion by formularies by counting how many of the 401 formularies covered each drug. We considered a drug to have a low rate of inclusion if it was included by 75 percent or less of formularies. For such drugs, we counted the number of drugs (if any) that each formulary covered in the same therapeutic category or class.

We conducted this analysis to ensure that dual eligibles have access to therapeutically similar drugs. We also conducted additional research to identify potential reasons why some of the 196 commonly used drugs were included by 75 percent or less of formularies.

Utilization management tools. We determined the extent to which Part D plans apply utilization management tools to the 196 drugs that we reviewed. The tools that we reviewed are prior authorization, quantity limits, and step therapy.

To determine the extent to which Part D plan formularies applied utilization management tools to the 196 commonly used drugs, we conducted an analysis of the NDCs that correspond to the commonly used drugs. Part D plan formularies do not apply utilization management tools at the active ingredient level. Rather, Part D plan formularies apply utilization management tools at a more specific level that identifies whether a drug is brand-name or generic and its dosage form, strength, and route of administration, irrespective of package size. To conduct this analysis, we determined the NDCs (unique drugs) associated with each of the 196 commonly used drugs that are on each Part D formulary. We then

calculated the percentage of unique drugs to which each Part D plan formulary applies utilization management tools.

Enrollment analysis

We weighted the formulary analysis by dual-eligible enrollment and weighted the analysis of utilization management tools by both dual-eligible enrollment and Medicare enrollment. To do this, we applied enrollment data from January 2019 to Part D plans available in 2019.

Data limitations

We did not assess individual dual eligibles' prescription drug use or whether individual dual eligibles are enrolled in Part D plans that include the specific drugs that each individual uses. Because we developed our list of commonly used drugs by using a sample of dual eligibles who responded to the MCBS, a particular dual eligible might not use any of the drugs on our list. However, the drugs most commonly used by dual-eligible MCBS survey participants in 2016 account for 89 percent of all prescriptions dispensed to the dual-eligible respondents in the 2016 MCBS.

Standards

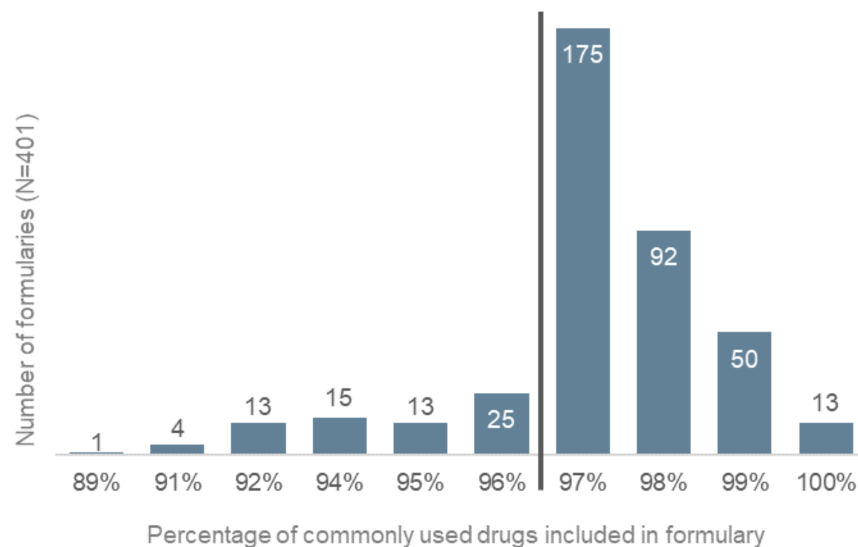
We conducted this study in accordance with the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.

FINDINGS

Part D plan formularies include between 89 and 100 percent of the drugs commonly used by dual eligibles

On average, Part D plan formularies include 97 percent of the drugs commonly used by dual eligibles. Of the 401 unique formularies used by Part D plans in 2019, 13 formularies include 100 percent of the commonly used drugs. At the other end of the inclusion range, one formulary includes 89 percent of the commonly used drugs. Exhibit 1 provides a breakdown of the formularies' inclusion rates for the drugs most commonly used by dual eligibles. CMS generally requires Part D plan formularies to include at least two drugs—rather than all drugs—in each therapeutic category or class. Therefore, Part D plan formularies may still meet CMS's formulary requirements even if they do not include all of the drugs we identified as commonly used by dual eligibles.

Exhibit 1: About 80 percent of Part D plan formularies cover at least 97 percent of the drugs commonly used by dual eligibles.



Source: OIG analysis of formulary inclusion of drugs commonly used by dual eligibles, 2019.

Part D plan formularies' rates of inclusion of the drugs commonly used by dual eligibles in 2019 increased slightly from the rates in 2018. The average rate of inclusion increased slightly between 2018 and 2019, from 96 percent to 97 percent. The range of rates of inclusion decreased between 2018 and 2019; rates of inclusion ranged from 85 to 100 percent in 2018, and from 89 to 100 percent in 2019.

Nationally, PDP and MA-PD formularies have similar rates of inclusion of the drugs commonly used by dual eligibles, averaging 96 percent and 97 percent, respectively. For PDP formularies, the rates of inclusion range from 89 to 99 percent. For MA-PD formularies, the rates of inclusion range from 91 to 100 percent. Seven formularies—2 percent of the 401 unique

formularies used by Part D plans in 2019—are offered by both PDPs and MA-PDs.

Regionally, all dual eligibles have the choice of a Part D plan that includes at least 99 percent of the commonly used drugs. Every PDP region has a plan that includes at least 99 percent of the commonly used drugs, as does every MA-PD region. Appendix E provides a breakdown of formularies' rates of inclusion of the drugs by PDP and MA-PD region.

On average, formularies for Part D plans with premiums below the regional benchmark include 97 percent of the drugs commonly used by dual eligibles

The percentage of drugs included by Part D plans with premiums below the regional benchmark is important because dual eligibles are automatically enrolled in—or annually reassigned to—such plans. For drugs commonly used by dual eligibles, formularies for such plans have rates of inclusion that range from 89 percent to 100 percent. Approximately 83 percent of dual eligibles are enrolled in Part D plans with premiums below the regional benchmark.

Most dual eligibles are enrolled in Part D plans that include at least 90 percent of the drugs commonly used by dual eligibles

Of the approximately 10.9 million dual eligibles enrolled in Part D plans, approximately 94 percent are enrolled in Part D plans that use formularies that include at least 90 percent of the commonly used drugs. Six percent of dual eligibles are enrolled in Part D plans that use formularies that include less than 90 percent of these drugs. Exhibit 2 provides a breakdown of dual eligibles' enrollment in Part D plans by the rates at which the plans' formularies include the commonly used drugs.

Exhibit 2: Most dual eligibles are enrolled in Part D plans that include at least 90 percent of the drugs commonly used by dual eligibles.

Part D Plans With Formularies That Include:	Number of Dual Eligibles Enrolled	Percentage of Dual Eligibles Enrolled
100% of commonly used drugs	171,841	2%
95% to 99% of commonly used drugs	9,578,805	88%
90% to 94% of commonly used drugs	504,582	5%
85% to 89% of commonly used drugs	625,878	6%
Total	**10,881,106**	**100%***

Source: OIG analysis of formulary inclusion of drugs commonly used by dual eligibles and dual eligibles' enrollment, 2019.
* Because of rounding, percentages do not sum to 100 percent.

The percentage of dual eligibles enrolled in Part D plans that include at least 90 percent of the drugs commonly used by dual eligibles increased slightly, from 93 percent in 2018 to 94 percent in 2019.

Seventy-two percent of the drugs commonly used by dual eligibles are included in all Part D plan formularies

Because most of the commonly used drugs are included in a large percentage of formularies, dual eligibles can be confident that regardless of the Part D plan in which they are enrolled, the plan's formulary will include many of these drugs. By drug, inclusion in formularies ranges from 45 percent to 100 percent. At one end of the range, there is a drug that is included in 45 percent of Part D plan formularies, and at the other end, 142 drugs are included in all plan formularies. The average rate of inclusion in formularies is 97 percent. Exhibit 3 shows the rates at which formularies include the 196 drugs. Appendix C lists the 196 drugs and the rates at which formularies include them.

Exhibit 3: Nearly three-quarters of the drugs commonly used by dual eligibles are included in all Part D plan formularies.

Percentage of the 401 Formularies	Percentage of the 196 Commonly Used Drugs Included in Formularies
100%	72% (142 drugs)
85% to 99%	21% (41 drugs)
76% to 84%	3% (5 drugs)
45% to 75%	4% (8 drugs)
Total	**100% (196 drugs)**

Source: OIG analysis of formulary inclusion of drugs commonly used by dual eligibles, 2019.

The rates at which formularies include the drugs commonly used by dual eligibles in 2019 are similar to those in 2018. The percentage of commonly used drugs included in all formularies increased slightly between 2018 and 2019, from 68 percent to 72 percent.

Part D plan formularies include certain drugs less frequently than others

Of the commonly used drugs, 4 percent (eight drugs) are included by 75 percent or less of Part D plan formularies. Exhibit 4 provides the percentage of formularies covering each of these eight drugs.

The drugs that make up this group include both brand-name and generic drugs and are used to treat a variety of primary indications. Six of the eight drugs are brand-name drugs, which are typically more costly than generic drugs. As for the primary indications, three of the eight drugs are used for diabetes therapy, two are used for gastrointestinal conditions, and the remaining three drugs treat a variety of conditions.

Exhibit 4: Drugs included by 75 percent or less of Part D plan formularies were most frequently used for diabetes therapy and gastrointestinal conditions.

Generic Name of Drug	Primary Indication(s)	Rate of Inclusion by Formularies
Tiotropium bromide*	Chronic obstructive pulmonary disease	75%
Omega-3 acid ethyl esters	Hypertriglyceridemia	75%
Esomeprazole magnesium*	Dyspepsia, peptic ulcer disease, gastroesophageal reflux disease, Zollinger-Ellison syndrome	73%
Insulin aspart*	Diabetes	72%
Canagliflozin	Diabetes	58%
Dexlansoprazole*	Gastroesophageal reflux disease	53%
Solifenacin succinate*	Overactive bladder, incontinence	49%
Insulin lispro*	Diabetes	45%

Source: OIG analysis of formulary inclusion of drugs commonly used by dual eligibles, 2019.
* These drugs also had low rates of formulary inclusion in 2018.

Although Part D formularies frequently omit these eight drugs, they all cover other drugs in the same respective therapeutic classes. For each of these 8 drugs, 100 percent of formularies cover at least 1 drug in the same therapeutic class that is also on the list of 196 drugs commonly used by dual eligibles.

The number of drugs included by 75 percent or less of formularies decreased from 12 in 2018 to 8 in 2019. There are six drugs with low inclusion rates in 2019 that were also on the list of commonly used drugs with low inclusion rates in our 2018 report; we note these six drugs with asterisks in Exhibit 4 (above). Five of these six drugs were also on the list of drugs with low inclusion rates in our 2017 report.

There are multiple potential reasons why a commonly used drug might be included by 75 percent or less of formularies:

- In the case of two of the eight drugs—insulin lispro and insulin aspart—FDA has issued MedWatch Safety Alerts because of the drugs' delivery systems, which can vary and sometimes result in

situations in which patients do not get the insulin they think they injected.[36, 37]

- The American Geriatrics Society cautions against certain uses of proton pump inhibitor drugs (PPIs) and drugs with strong anticholinergic properties. Dexlansoprazole and esomeprazole magnesium are PPIs, and solifenacin succinate has strong anticholinergic properties.[38]

If a formulary does not include a particular drug, a dual eligible has three options, all of which require taking additional action:

- Obtaining a therapeutically equivalent alternative drug that *is* included by the plan's formulary. (This option necessitates getting a new prescription from the dual eligible's doctor.)
- Going through an appeals process to obtain coverage of a nonformulary drug by submitting a statement of medical necessity from the dual eligible's physician.[39]
- Switching to a Part D plan with a formulary that *does* include the drug. Dual eligibles can make such a switch once per calendar quarter during the first 9 months of the year, with the new coverage becoming effective the following month.[40]

The percentage of commonly used drugs to which plan formularies applied utilization management tools decreased slightly between 2018 and 2019

For the unique drugs that compose the list of commonly used drugs, the percentage to which Part D plan formularies applied utilization management tools decreased slightly, from 29 percent in 2018 to 28 percent in 2019. There is little difference between plans with premiums below the regional benchmarks and those with premiums above those benchmarks; formularies for the two groups of plans use utilization management tools for 24 percent and 29 percent, respectively, of their drugs. See Exhibit 5 for a breakdown of the percentage of unique drugs to which Part D plan formularies apply utilization management tools in 2018 and 2019.

[36] FDA, *Insulin aspart MedWatch Safety Alert*, September 27, 2018. Accessed at https://www.drugs.com/fda-alerts/1341-0.html on April 2, 2019.
[37] FDA, *Insulin lispro MedWatch Safety Alert*, September 27, 2018. Accessed at https://www.drugs.com/fda-alerts/1349-0.html on April 2, 2019.
[38] The American Geriatrics Society, *American Geriatrics Society 2015 Updated Beers Criteria for Potentially Inappropriate Medication Use in Older Adults*, 2015.
[39] CMS, *Parts C & D Enrollee Grievances, Organization/Coverage Determinations, and Appeals Guidance*, ch. 18, § 40.5.
[40] 83 Fed. Reg. 16519 (April 16, 2018).

Exhibit 5: Part D plan formularies' application of utilization management tools decreased slightly between 2018 and 2019 for drugs commonly used by dual eligibles.

Percentage of Unique Drugs to Which Utilization Management Tools Are Applied	Number of 2018 Part D Plan Formularies	Percentage of 2018 Part D Plan Formularies	Number of 2019 Part D Plan Formularies	Percentage of 2019 Part D Plan Formularies
Greater than 40%	78	20%	68	17%
30% to 39%	130	34%	94	23%
20% to 29%	90	23%	137	34%
10% to 19%	66	17%	82	20%
Less than 10%	22	6%	20	5%
Totals	**386**	**100%**	**401**	**100%***

Source: OIG analysis of formulary inclusion of drugs commonly used by dual eligibles, 2019.
* Because of rounding, percentages do not sum to 100 percent.

Although utilization management tools can restrict beneficiaries' access to drugs, they are important tools for managing costs in Medicare and ensuring appropriate utilization of drugs. For example, in 2013, CMS set forth expectations for reviews of opioid overutilization to help ensure that opioids are appropriately prescribed and used.[41]

The percentage of unique drugs for which formularies applied the utilization management tools of quantity limits, prior authorization, or step therapy[42] changed slightly between 2018 and 2019. Formularies apply quantity limits to 25 percent of drugs in 2019—a decrease of 1 percentage point from 2018—required prior authorization for 4 percent of drugs, and required step therapy for 1 percent of unique drugs.

The rate at which plan formularies apply specific utilization management tools varies widely. In 2019, some formularies apply utilization management tools to very few of the unique drugs, whereas at the other end of the range, some apply tools to 51 percent of the unique drugs. More specifically, formularies apply quantity limits to between 0 and 50 percent of unique drugs; require prior authorization for between less than 1 percent and 12 percent of unique drugs; and require step therapy for between 0 and 8 percent.

Looking at enrollment across plans provides a slightly different picture than looking only at plans themselves. On average, plan formularies in 2019 apply utilization management tools to 28 percent of unique drugs.

[41] CMS, *Improving Drug Utilization Review Controls in Part D (Excerpt from Final 2013 Call Letter 04-02-2012)*. Accessed at https://www.cms.gov/medicare/prescription-drug-coverage/prescriptiondrugcovcontra/downloads/improving-dur-controls-in-part-d.pdf on April 8, 2019.

[42] See footnote 3 for explanations of quantity limits, prior authorization, and step therapy.

However, dual eligibles tend to be enrolled in plans with formularies that apply these tools at a slightly higher rate. In 2019, the median plan weighted by dual-eligible enrollment applies such tools to 32 percent of unique drugs; in 2018, the figure was 31 percent. Similarly, the median plan weighted by overall Medicare enrollment applies these tools to 32 percent of unique drugs in 2019; in 2018, the figure was also 32 percent.

Both dual eligibles and Medicare beneficiaries overall tend to be enrolled in plans with formularies that apply utilization management tools to between 20 and 39 percent of unique drugs. In 2019, 83 percent of dual eligibles and 79 percent of Medicare beneficiaries overall were enrolled in plans with formularies in this range.

In 2019, there was a substantial decrease in the percentage of Medicare beneficiaries who were enrolled in plans that apply utilization management tools to more than 40 percent of unique drugs. In 2018, 24 percent of dual eligibles and 26 percent of Medicare beneficiaries overall were enrolled in plans that apply utilization management tools to more than 40 percent of unique drugs. These figures decreased to 11 percent and 14 percent, respectively, in 2019. Exhibit 6 shows enrollment in Part D plans by dual eligibles and Medicare beneficiaries, as broken down by the percentages at which the plans' formularies apply utilization management tools.

Exhibit 6: The percentage of beneficiaries who were enrolled in plans that apply utilization management tools to more than 40 percent of unique drugs decreased substantially from 2018 to 2019.

Percentage of Unique Drugs to Which Utilization Management Tools Are Applied	Percentage of Dual Eligibles Enrolled, 2018	Percentage of Medicare Beneficiaries Enrolled, 2018	Percentage of Dual Eligibles Enrolled, 2019	Percentage of Medicare Beneficiaries Enrolled, 2019
Greater than 40%	24%	26%	11%	14%
30% to 39%	29%	37%	49%	51%
20% to 29%	41%	29%	34%	28%
10% to 19%	3%	4%	4%	4%
Less than 10%	2%	3%	2%	3%
Totals	**100%***	**100%***	**100%**	**100%**

Source: OIG analysis of formulary inclusion of drugs commonly used by Medicare beneficiaries and dual eligibles, 2019.
* Because of rounding, percentages do not sum to 100 percent.

CONCLUSION

When establishing formularies and applying utilization management tools, Part D plans need to balance Medicare beneficiaries' needs for adequate prescription drug coverage with the need to contain costs for plan sponsors and for the Part D program. By law and under CMS policy, Part D plan formularies do not generally have to include every available drug. Rather, to meet CMS's formulary requirements, they must include at least two drugs in each therapeutic category or class. For example, for each of the 8 drugs that this report identifies as being included by 75 percent or less of Part D plan formularies, all Part D plan formularies cover at least 1 therapeutically equivalent alternative drug. Part D plan formularies may also institute utilization management tools to ensure appropriate utilization as well as to control costs.

For the drugs commonly used by dual eligibles, we found that the rate of formulary inclusion is high with some variation. On average, Part D plan formularies include 97 percent of the commonly used drugs. Part D plan formularies' inclusion of the commonly used drugs ranges from 89 percent to 100 percent. Formulary inclusion rates are similar for PDPs and MA-PDs. Further, formularies for Part D plans with premiums below the regional benchmark include the commonly used drugs at a rate similar to that of Part D plan formularies overall.

Inclusion rates for the 196 drugs commonly used by dual eligibles are largely unchanged from those listed in OIG's 2018 report. Part D plan formularies include roughly the same percentage of these commonly used drugs in 2019 as they did in 2018. Enrollment in plans that cover at least 90 percent of unique drugs increased slightly, with 94 percent of dual eligibles enrolled in such plans in 2019 compared to 93 percent of dual eligibles in 2018.

Because some variation exists in Part D plan formularies' inclusion of the commonly used drugs and in their application of utilization management tools to these drugs, some dual eligibles may need to make additional efforts to access the drugs they take. They could appeal prescription drug coverage decisions, switch prescription drugs, or switch Part D plans. Because these scenarios require additional effort by dual eligibles, they may result in administrative barriers to accessing certain prescription drugs.

As mandated by the ACA, OIG will continue to monitor and produce annual reports on the extent to which Part D plan formularies cover drugs that dual eligibles commonly use. In addition, OIG will continue to monitor Part D plan formularies' application of utilization management tools to these drugs. OIG has no recommendations at this time.

APPENDIX A: Section 3313 of the Patient Protection and Affordable Care Act of 2010

SEC. 3313. OFFICE OF THE INSPECTOR GENERAL STUDIES AND REPORTS.

(a) STUDY AND ANNUAL REPORT ON PART D FORMULARIES' INCLUSION OF DRUGS COMMONLY USED BY DUAL ELIGIBLES.—

(1) STUDY.—The Inspector General of the Department of Health and Human Services shall conduct a study of the extent to which formularies used by prescription drug plans and MA-PD plans under Part D include drugs commonly used by full benefit dual eligible individuals (as defined in section 1935(c)(6) of the Social Security Act (42 U.S.C. 1396u–5(c)(6)).

(2) ANNUAL REPORTS.—Not later than July 1 of each year (beginning with 2011), the Inspector General shall submit to Congress a report on the study conducted under paragraph (1), together with such recommendations as the Inspector General determines appropriate.

APPENDIX B: List of mandated OIG reports examining dual eligibles' access to drugs under Part D

OIG, *Part D Plans Generally Include Drugs Commonly Used by Dual Eligibles: 2011*, OEI-05-10-00390, April 2011

OIG, *Part D Plans Generally Include Drugs Commonly Used by Dual Eligibles: 2012*, OEI-05-12-00060, June 2012

OIG, *Part D Plans Generally Include Drugs Commonly Used by Dual Eligibles: 2013*, OEI-05-13-00090, June 2013

OIG, *Part D Plans Generally Include Drugs Commonly Used by Dual Eligibles: 2014*, OEI-05-14-00170, June 2014

OIG, *Part D Plans Generally Include Drugs Commonly Used by Dual Eligibles: 2015*, OEI-05-15-00120, June 2015

OIG, *Part D Plans Generally Include Drugs Commonly Used by Dual Eligibles: 2016*, OEI-05-16-00090, June 2016

OIG, *Part D Plans Generally Include Drugs Commonly Used by Dual Eligibles: 2017*, OEI-05-17-00160, June 2017

OIG, *Part D Plans Generally Include Drugs Commonly Used by Dual Eligibles: 2018*, OEI-05-18-00240, June 2018

APPENDIX C: Commonly used drugs and rates of inclusion by formularies

The 200 drugs with the highest utilization by dual eligibles.

*Sample is from the 2016 MCBS. Projections and confidence intervals are derived from its survey methodology.

Generic Name	Sample Size*	Projected Drug Events*	95-Percent Confidence Interval*		Number of Formularies Including Drug	Percentage of Formularies Including Drug
			Lower Bound	Upper Bound		
Lisinopril	3,386	27,850,481	24,046,004	31,654,958	401	100%
Atorvastatin Calcium	3,019	25,420,433	21,330,684	29,510,182	401	100%
Levothyroxine Sodium	4,050	24,508,930	21,463,834	27,554,026	401	100%
Omeprazole	3,337	23,357,611	19,510,241	27,204,982	401	100%
Amlodipine Besylate	3,289	22,803,499	19,007,241	26,599,756	401	100%
Furosemide	3,920	20,593,234	17,023,240	24,163,227	401	100%
Metformin HCl	2,295	20,479,281	17,145,182	23,813,379	401	100%
Gabapentin	3,101	19,595,402	16,258,279	22,932,525	401	100%
Simvastatin	2,140	17,362,394	14,021,310	20,703,478	401	100%
Hydrocodone/Acetaminophen	2,507	14,750,626	11,855,549	17,645,703	401	100%
Potassium Chloride	2,645	14,567,534	11,539,364	17,595,704	401	100%
Metoprolol Tartrate	2,095	13,429,329	11,035,094	15,823,564	401	100%
Albuterol Sulfate	1,708	12,770,739	10,504,145	15,037,334	401	100%
Losartan Potassium	1,652	12,296,175	9,786,298	14,806,053	401	100%
Hydrochlorothiazide	1,429	12,275,939	9,589,143	14,962,736	401	100%
Clopidogrel Bisulfate	1,432	10,739,161	8,769,906	12,708,415	401	100%
Tramadol HCl	1,483	9,630,284	6,803,010	12,457,558	401	100%
Pantoprazole Sodium	1,389	9,276,931	7,266,364	11,287,499	401	100%
Carvedilol	1,219	9,209,899	7,398,466	11,021,332	401	100%
Insulin Glargine,hum.Rec.Anlog	1,222	8,789,600	6,595,928	10,983,271	400	100%
Trazodone HCl	1,378	8,759,142	6,746,466	10,771,817	401	100%
Pravastatin Sodium	1,057	8,665,980	6,924,664	10,407,296	401	100%
Fluticasone Propionate	1,226	8,302,257	6,347,364	10,257,151	401	100%
Alprazolam	1,317	8,294,408	6,105,502	10,483,313	383	96%
Metoprolol Succinate	1,207	7,941,013	6,270,083	9,611,944	401	100%
Tamsulosin HCl	1,107	7,867,363	5,624,728	10,109,997	401	100%
Sertraline HCl	1,388	7,725,380	6,108,531	9,342,229	401	100%
Ranitidine HCl	1,093	7,356,870	5,476,829	9,236,911	401	100%
Atenolol	818	7,316,546	5,175,566	9,457,526	401	100%

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The 200 drugs with the highest utilization by dual eligibles, *continued*.

Generic Name	Sample Size*	Projected Drug Events*	95-Percent Confidence Interval*		Number of Formularies Including Drug	Percentage of Formularies Including Drug
			Lower Bound	Upper Bound		
Warfarin Sodium	1,588	7,019,520	4,840,021	9,199,020	401	100%
Clonazepam	1,087	6,958,062	5,061,789	8,854,334	401	100%
Oxycodone HCl/Acetaminophen	1,070	6,855,042	5,069,736	8,640,349	401	100%
Glipizide	888	6,641,316	4,792,375	8,490,256	401	100%
Citalopram Hydrobromide	1,233	6,430,604	5,035,854	7,825,353	401	100%
Rosuvastatin Calcium	750	6,288,726	4,933,855	7,643,597	398	99%
Meloxicam	891	6,281,028	4,664,766	7,897,290	401	100%
Prednisone	970	6,017,697	4,588,246	7,447,149	401	100%
Escitalopram Oxalate	1,094	5,917,196	3,913,700	7,920,692	401	100%
Mirtazapine	1,271	5,749,407	4,093,455	7,405,359	401	100%
Nystatin	1,279	5,730,694	3,794,193	7,667,194	401	100%
Esomeprazole Magnesium	868	5,698,688	3,787,931	7,609,444	293	73%
Montelukast Sodium	829	5,647,132	4,233,914	7,060,350	401	100%
Sitagliptin Phosphate	809	5,596,858	3,933,417	7,260,299	382	95%
Quetiapine Fumarate	1,201	5,494,746	4,200,817	6,788,674	401	100%
Duloxetine HCl	991	5,425,011	3,993,781	6,856,241	401	100%
Pregabalin	771	5,388,711	3,680,388	7,097,033	401	100%
Bupropion HCl	787	5,275,580	3,585,019	6,966,141	401	100%
Lorazepam	1,074	5,196,624	3,739,256	6,653,991	401	100%
Allopurinol	693	5,136,337	3,566,049	6,706,624	401	100%
Divalproex Sodium	1,022	5,054,227	3,118,907	6,989,546	401	100%
Fluoxetine HCl	715	4,712,271	3,408,959	6,015,583	401	100%
Donepezil HCl	1,172	4,508,761	3,577,598	5,439,925	401	100%
Diltiazem HCl	698	4,474,168	3,308,384	5,639,952	401	100%
Alendronate Sodium	519	4,301,802	2,539,710	6,063,894	401	100%
Oxycodone HCl	764	4,263,872	3,188,913	5,338,831	400	100%
Fluticasone/Salmeterol	608	4,173,172	2,598,441	5,747,903	392	98%
Memantine HCl	1,085	4,089,086	3,102,076	5,076,096	401	100%
Tiotropium Bromide	505	4,086,634	2,942,265	5,231,004	299	75%
Oxybutynin Chloride	670	3,932,356	2,945,295	4,919,417	401	100%
Amitriptyline HCl	508	3,889,871	2,256,534	5,523,207	401	100%
Insulin Aspart	590	3,780,610	2,306,871	5,254,350	289	72%
Zolpidem Tartrate	503	3,767,884	2,729,718	4,806,050	393	98%
Diclofenac Sodium	591	3,741,357	2,435,370	5,047,344	401	100%
Venlafaxine HCl	575	3,707,037	2,365,840	5,048,233	401	100%

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The 200 drugs with the highest utilization by dual eligibles, *continued*.

Generic Name	Sample Size*	Projected Drug Events*	95-Percent Confidence Interval*		Number of Formularies Including Drug	Percentage of Formularies Including Drug
			Lower Bound	Upper Bound		
Spironolactone	515	3,704,252	2,180,209	5,228,296	401	100%
Insulin Detemir	545	3,580,826	2,390,886	4,770,766	301	75%
Ibuprofen	526	3,570,685	2,642,851	4,498,520	401	100%
Budesonide/Formoterol Fumarate	440	3,555,410	2,534,391	4,576,429	320	80%
Cyclobenzaprine HCl	554	3,550,448	2,101,792	4,999,103	400	100%
Azithromycin	538	3,522,695	2,654,112	4,391,278	401	100%
Isosorbide Mononitrate	587	3,522,387	2,452,790	4,591,984	401	100%
Aripiprazole	651	3,487,756	2,328,461	4,647,051	401	100%
Tizanidine HCl	503	3,481,174	2,455,064	4,507,284	401	100%
Baclofen	604	3,468,002	2,342,499	4,593,505	401	100%
Famotidine	677	3,428,039	2,407,301	4,448,777	398	99%
Risperidone	750	3,369,955	2,154,973	4,584,936	401	100%
Lovastatin	377	3,309,901	2,339,875	4,279,926	397	99%
Lisinopril/Hydrochlorothiazide	318	3,214,188	2,210,442	4,217,933	401	100%
Propranolol HCl	332	3,143,704	1,732,309	4,555,098	401	100%
Levetiracetam	562	3,123,832	2,157,062	4,090,602	401	100%
Paroxetine HCl	490	3,118,813	1,933,552	4,304,073	401	100%
Hydralazine HCl	525	3,087,253	2,109,385	4,065,120	401	100%
Clonidine HCl	594	3,033,303	1,963,971	4,102,635	401	100%
Buspirone HCl	556	3,020,665	1,918,738	4,122,592	401	100%
Finasteride	354	2,919,856	1,207,388	4,632,324	401	100%
Glimepiride	439	2,802,493	1,749,711	3,855,276	401	100%
Insulin Lispro	415	2,758,265	1,844,324	3,672,206	180	45%
Latanoprost	567	2,734,063	2,029,235	3,438,891	401	100%
Ropinirole HCl	331	2,689,120	461,475	4,916,766	401	100%
Topiramate	412	2,668,309	1,498,248	3,838,369	401	100%
Losartan/Hydrochlorothiazide	262	2,640,212	1,698,605	3,581,819	401	100%
Triamterene/Hydrochlorothiazid	236	2,626,228	1,456,205	3,796,251	401	100%
Lamotrigine	490	2,550,601	1,165,987	3,935,215	401	100%
Rivaroxaban	337	2,493,437	1,487,339	3,499,535	395	99%
Ezetimibe	308	2,450,095	1,388,668	3,511,523	401	100%
Polyethylene Glycol 3350	658	2,320,953	1,742,001	2,899,905	401	100%
Valsartan	353	2,315,246	1,404,444	3,226,049	399	100%
Enalapril Maleate	320	2,310,159	1,555,722	3,064,595	401	100%
Triamcinolone Acetonide	427	2,264,990	1,734,463	2,795,516	401	100%

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The 200 drugs with the highest utilization by dual eligibles, *continued*.

Generic Name	Sample Size*	Projected Drug Events*	95-Percent Confidence Interval*		Number of Formularies Including Drug	Percentage of Formularies Including Drug
			Lower Bound	Upper Bound		
Ketoconazole	485	2,248,893	1,399,940	3,097,845	401	100%
Ciprofloxacin HCl	455	2,214,730	1,820,875	2,608,584	401	100%
Sulfamethoxazole/Trimethoprim	393	2,159,022	1,562,718	2,755,325	401	100%
Benztropine Mesylate	564	2,143,704	1,300,494	2,986,915	401	100%
Clobetasol Propionate	436	2,124,599	949,826	3,299,371	306	76%
Cephalexin	391	2,095,961	1,683,934	2,507,989	401	100%
Promethazine HCl	436	2,089,609	1,375,062	2,804,156	394	98%
Naproxen	342	2,074,951	1,444,857	2,705,045	401	100%
Amoxicillin	357	2,042,803	1,585,322	2,500,284	401	100%
Acetaminophen With Codeine	351	1,998,629	1,387,210	2,610,048	401	100%
Carbidopa/Levodopa	481	1,955,467	1,069,068	2,841,866	401	100%
Lidocaine	322	1,938,683	1,359,282	2,518,084	401	100%
Olanzapine	414	1,922,702	1,153,848	2,691,556	401	100%
Fentanyl	376	1,894,430	874,454	2,914,406	401	100%
Nitroglycerin	299	1,866,700	1,370,179	2,363,221	401	100%
Ipratropium/Albuterol Sulfate	373	1,852,536	1,243,961	2,461,111	391	98%
Nifedipine	248	1,837,652	1,222,742	2,452,561	395	99%
Alcohol Antiseptic Pads	174	1,792,667	1,187,890	2,397,443	Supply Item	Supply Item
Levofloxacin	332	1,753,771	1,417,176	2,090,366	401	100%
Apixaban	336	1,732,183	881,299	2,583,068	397	99%
Temazepam	262	1,710,945	811,034	2,610,856	378	94%
Valsartan/Hydrochlorothiazide	177	1,702,228	876,089	2,528,367	398	99%
Mirabegron	146	1,650,098	344,728	2,955,469	401	100%
Diazepam	262	1,645,686	922,914	2,368,458	401	100%
Bumetanide	234	1,594,403	819,956	2,368,849	401	100%
Amoxicillin/Potassium Clav	302	1,585,856	1,260,663	1,911,049	401	100%
Dexlansoprazole	248	1,559,760	921,332	2,198,187	211	53%
Carbamazepine	381	1,550,565	913,692	2,187,438	401	100%
Meclizine HCl	270	1,540,550	1,147,357	1,933,743	401	100%
Verapamil HCl	167	1,533,824	906,439	2,161,208	401	100%
Methylprednisolone	217	1,532,029	952,268	2,111,790	401	100%
Lactulose	372	1,529,218	1,065,059	1,993,377	401	100%
Fenofibrate	168	1,468,610	913,176	2,024,044	400	100%
Gemfibrozil	100	1,457,069	780,632	2,133,505	401	100%
Phenytoin Sodium Extended	253	1,448,258	827,668	2,068,847	401	100%

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The 200 drugs with the highest utilization by dual eligibles, *continued*.

Generic Name	Sample Size*	Projected Drug Events*	95-Percent Confidence Interval*		Number of Formularies Including Drug	Percentage of Formularies Including Drug
			Lower Bound	Upper Bound		
Linagliptin	249	1,415,480	739,211	2,091,749	340	85%
Chlorthalidone	120	1,380,192	665,169	2,095,214	401	100%
Fenofibrate Nanocrystallized	193	1,361,460	778,890	1,944,030	394	98%
Omega-3 Acid Ethyl Esters	173	1,356,357	640,625	2,072,089	299	75%
Calcitriol	180	1,354,654	723,837	1,985,471	401	100%
Celecoxib	218	1,354,652	758,003	1,951,301	382	95%
Morphine Sulfate	274	1,344,522	777,871	1,911,172	401	100%
Clozapine	358	1,323,079	509,570	2,136,587	401	100%
Cyclosporine	161	1,320,808	719,963	1,921,654	401	100%
Benazepril HCl	169	1,317,180	362,361	2,271,998	400	100%
Solifenacin Succinate	255	1,312,625	764,201	1,861,048	197	49%
Olmesartan Medoxomil	152	1,311,054	368,859	2,253,249	369	92%
Digoxin	278	1,298,703	709,875	1,887,531	401	100%
Pramipexole Di-HCl	176	1,284,762	429,580	2,139,944	401	100%
Fluconazole	201	1,284,092	885,925	1,682,259	401	100%
Bimatoprost	196	1,280,666	682,726	1,878,607	383	96%
Olopatadine HCl	262	1,268,530	698,759	1,838,300	386	96%
Ergocalciferol (Vitamin D2)**	231	1,257,693	828,978	1,686,407	Excluded	Excluded
Sucralfate	244	1,256,644	831,677	1,681,612	401	100%
Fluocinonide	248	1,228,328	540,609	1,916,046	396	99%
Dicyclomine HCl	152	1,219,962	616,221	1,823,703	401	100%
Amiodarone HCl	177	1,216,508	556,742	1,876,274	401	100%
Liraglutide	76	1,120,275	350,024	1,890,527	383	96%
Pioglitazone HCl	163	1,114,868	661,498	1,568,238	401	100%
Doxycycline Hyclate	246	1,106,978	750,667	1,463,289	401	100%
Haloperidol	295	1,056,041	568,120	1,543,961	401	100%
Ziprasidone HCl	192	1,042,743	314,776	1,770,711	401	100%
Metronidazole	188	1,040,527	678,009	1,403,046	401	100%
Tolterodine Tartrate	142	1,038,033	394,281	1,681,785	386	96%
Metoclopramide HCl	132	1,027,361	470,849	1,583,874	401	100%
Doxazosin Mesylate	148	1,024,016	583,488	1,464,544	401	100%
Folic Acid**	147	1,023,067	591,267	1,454,866	Excluded	Excluded
Ondansetron HCl	207	1,007,606	718,205	1,297,007	401	100%
Ipratropium Bromide	230	1,001,721	583,414	1,420,028	401	100%

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The 200 drugs with the highest utilization by dual eligibles, *continued*.

Generic Name	Sample Size*	Projected Drug Events*	95-Percent Confidence Interval*		Number of Formularies Including Drug	Percentage of Formularies Including Drug
			Lower Bound	Upper Bound		
Hydrocortisone	154	971,979	631,252	1,312,707	401	100%
Ranolazine	107	969,876	456,124	1,483,629	401	100%
Brimonidine Tartrate/Timolol	181	958,053	471,953	1,444,152	362	90%
Valacyclovir HCl	126	955,249	496,956	1,413,543	401	100%
Oxcarbazepine	258	946,963	527,534	1,366,392	401	100%
Travoprost	179	944,930	521,586	1,368,274	378	94%
Hydroxyzine HCl	170	932,849	520,710	1,344,988	374	93%
Labetalol HCl	200	912,681	570,663	1,254,700	401	100%
Sitagliptin Phos/Metformin HCl	125	906,031	349,337	1,462,725	381	95%
Hydroxyzine Pamoate	83	893,450	115,980	1,670,919	305	76%
Nitrofurantoin Monohyd/M-Cryst	212	886,882	595,171	1,178,593	399	100%
Fluticasone/Vilanterol	160	878,907	496,741	1,261,073	378	94%
Clindamycin HCl	140	873,475	458,590	1,288,359	401	100%
Canagliflozin	91	866,496	533,136	1,199,856	232	58%
Timolol Maleate	156	852,113	506,616	1,197,610	401	100%
Estradiol	103	848,985	288,565	1,409,405	401	100%
Lithium Carbonate	185	843,079	313,842	1,372,317	401	100%
Etanercept	42	840,913	-340,267	2,022,093	Excluded	Excluded
Metolazone	156	835,045	342,475	1,327,615	361	90%
Clotrimazole/Betamethasone Dip	150	823,627	477,961	1,169,292	398	99%
Fenofibrate,micronized	114	823,166	351,096	1,295,236	393	98%
Lidocaine HCl	89	817,845	95,749	1,539,940	397	99%
Mupirocin	213	815,323	570,354	1,060,292	401	100%
Sumatriptan Succinate	171	810,669	405,100	1,216,237	401	100%
Torsemide	139	799,904	203,692	1,396,116	392	98%
Cinacalcet HCl	143	798,672	374,813	1,222,531	401	100%
Lacosamide	197	788,150	322,011	1,254,288	401	100%
Prasugrel HCl	53	777,539	192,455	1,362,623	381	95%
Prednisolone Acetate	138	773,429	494,257	1,052,600	400	100%
Niacin	88	770,009	207,602	1,332,416	401	100%
Insulin Regular, Human	167	768,469	403,889	1,133,050	401	100%
Dextroamphetamine/Amphetamine	172	755,954	434,391	1,077,517	401	100%

Source: OIG analysis of drugs commonly used by dual eligibles, 2019.
**See Appendix D.

APPENDIX D: Four drugs commonly used by dual eligibles were excluded from this analysis

In 2019, four drugs commonly used by dual eligibles were excluded from this analysis.

Generic Name	Reason Excluded From Analysis
Alcohol Antiseptic Pads	Supply item covered by Part D
Ergocalciferol (vitamin D2)	Vitamin or mineral product not covered under Part D
Etanercept	Unable to confidently project use to entire dual-eligible population
Folic Acid	Vitamin or mineral product not covered under Part D

Source: OIG analysis of formulary inclusion of drugs commonly used by dual eligibles, 2019.

APPENDIX E: Rates at which stand-alone and Medicare Advantage prescription drug plans' formularies include commonly used drugs, by region

Prescription drug plans' (PDPs) formularies' inclusion of commonly used drugs, by PDP region.

Across all 34 PDP regions, the rates of formularies' inclusion of commonly used drugs ranged from 89 percent to 99 percent. The average rate of inclusion was 96 percent for all PDP regions except for the Pennsylvania–West Virginia region, which averaged 97 percent.

Medicare Advantage prescription drug plans' (MA-PDs) formularies' inclusion of commonly used drugs, by MA-PD region

Exhibit E-1: MA-PD formularies' inclusion of commonly used drugs, by MA-PD region.

MA-PD Region*	State(s)	Number of MA-PDs	Average Rate of Drug Inclusion by Formularies	Minimum Rate	Maximum Rate
1	Maine, New Hampshire	57	98%	96%	99%
2	Connecticut, Massachusetts, Rhode Island, Vermont	116	98%	94%	99%
3	New York	217	98%	94%	100%
4	New Jersey	54	98%	92%	99%
5	Delaware, the District of Columbia, Maryland	39	98%	97%	100%
6	Pennsylvania, West Virginia	198	98%	94%	100%
7	North Carolina, Virginia	164	98%	92%	100%
8	Georgia, South Carolina	141	99%	96%	100%
9	Florida	380	98%	92%	100%
10	Alabama, Tennessee	117	98%	97%	99%
11	Michigan	83	98%	97%	99%
12	Ohio	141	98%	94%	99%
13	Indiana, Kentucky	138	99%	96%	99%
14	Illinois, Wisconsin	190	98%	91%	100%

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MA-PD formularies' inclusion of commonly used drugs, by MA-PD region, *continued*.

MA-PD Region*	State(s)	Number of MA-PDs	Average Rate of Drug Inclusion by Formularies	Minimum Rate	Maximum Rate
15	Arkansas, Missouri	102	99%	96%	99%
16	Louisiana, Mississippi	87	98%	96%	99%
17	Texas	174	98%	94%	100%
18	Kansas, Oklahoma	70	98%	96%	99%
19	Iowa, Minnesota, Montana, Nebraska, North Dakota, South Dakota, Wyoming	120	98%	92%	99%
20	Colorado, New Mexico	71	99%	94%	100%
21	Arizona	78	98%	97%	100%
22	Nevada	41	98%	95%	99%
23	Idaho, Oregon, Utah, Washington	221	98%	94%	100%
24	California	301	98%	94%	100%
25	Hawaii	22	99%	97%	100%

Source: OIG analysis of formularies' inclusion of drugs commonly used by dual eligibles, 2019.
* Region 26, which covers Alaska, had no MA-PDs available for 2019.

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