Centers for Medicare & Medicaid Services
CY 2019 Out-of-Pocket Cost Model FAQs

1. **Question:** Does Centers for Medicare & Medicaid Services (CMS) offer any alternative methods for calculating Out-of-Pocket Cost (OOPC) amounts for plan sponsors that do not have access to PC SAS?

   Answer: CMS does not offer alternative tools for calculating OOPC values for plans that do not have access to SAS. We recommend that you continue to use the tools/methodology that you employed for calculating OOPC values for contract year (CY) 2018. Medicare Advantage (MA) plans can use these tools in meeting total beneficiary cost (TBC) requirements. As discussed in the CY 2019 Call Letter, plans are expected to submit bids that comply with CMS requirements.
   Section 1876 Cost Plans are encouraged to use this model to prepare for implementing cost contract plan transition requirements related to enrollment conversion.

2. **Question:** What are the changes in the CY 2019 model compared with CY 2018?

   Answer: The following lists the substantive changes to the model.

   The version of the OOPC model described in this document is an update of the CY 2018 model delivered in April, 2017. For the 2019 OOPC model, the items listed below summarize the changes that have been made.

   - Updated MCBS inflation and drug utilization factors provided by the Office of the Actuary (OACT). These factors inflate the 2012 and 2013 MCBS utilization cost data to CY 2018 levels. The April, 2017 model inflated 2011 and 2012 MCBS utilization data to CY 2017 levels.

   - Updated the Medicare Part A and B deductibles, coinsurance, and premiums to 2018 values. OOPC estimates will be affected if plans apply cost sharing to any of these values.

   - Updated the Part D policy parameters (deductible, initial coverage limit, gap coverage percentages, etc.) to 2019 values.

   - Modified Coverage Gap Brand and Generic discount and subsidy factors to take into account changes for 2019, including the closure of the coverage gap for brand drugs to take place in 2019.

   - Updated Prescription Drug Event (PDE) data for drug price calculation. (The CY 2019 OOPC Plan V1 uses 2017 PDE data.)

- Updated the Part D input data using March, 2018 updates of the FRF, cross-reference, generic substitution, Medispan-FDB, and ADSF (Applicable/Non-Applicable) files.

- Updated the code to take into account 2019 PBP data structure and variable name changes.

- Made corrections to the code, including the application of the catastrophic threshold amount.

- Updated the code to reflect collection of PBP cost sharing for ambulance by mode of transportation (Land or Air).

- Made revisions to the 2012/2013 MCBS dental data to take into account the lack of reported 2012 and 2013 individual category service data. For the 2019 OOPC model, dental service data is imputed, based upon historical dental service data. Also, the estimated allocation of total costs per dental visit between preventive and comprehensive services has been revised to better reflect the historical cost of individual services.

3. **Question:** Are Dual Eligible Special Needs Plans (SNPs) excluded from the OOPC Model?

   Answer: The OOPC tool will calculate the OOPC values for Dual Eligible Special Needs Plans (SNPs). However, beneficiary data for dual eligible beneficiaries were excluded from the MCBS data for the development of the OOPC model as it was deemed unrepresentative of the beneficiaries enrolling in these plans. Therefore, the resulting calculations may not be reliable for Dual Eligible SNPs. The CMS Call Letter provides guidance regarding meaningful difference (Prescription Drug Plan (PDP) organizations) and total beneficiary cost requirements (MA organizations). Also, please refer to the OOPC methodology document posted on the CMS website at: https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/OOPCResources.html for further technical details.

4. **Question:** Will the CY 2019 OOPC model work with older versions of SAS or SAS versions other than PC SAS (e.g. SAS running on UNIX or Mainframe)?

   Answer: The CY 2019 OOPC model has been tested on PC SAS Version SAS 9.4. (The model also can be run using SAS Enterprise Guide). We expect the tool to run, with minor modifications, on older versions of SAS or SAS running on a different environment. However, CMS cannot guarantee a successful run.

5. **Question:** Will the CY 2019 OOPC model run on a networked version of SAS?

Answer: The model code is platform independent and should be able to be run in a network environment.

6. **Question:** What is the approximate amount of free disk space necessary for the model to run?

   Answer: It has been recommended that the model requires at least 3GB of RAM and about 30GB of free disk space. However, the actual disk space requirements are dependent on the number of plans being run at one time and the particular hardware/software configuration of a user. In such cases, additional free disk space may be needed.

7. **Question:** Does the CY 2019 OOPC Model require administrative rights on the computer to run?

   Answer: Administrative privileges are not required to run this model on a PC.

8. **Question:** Does the CY 2019 OOPC Model require any SAS add-ins to run? Is base SAS 9.4 sufficient?

   Answer: Base SAS 9.4 (or SAS 9.3) with SAS/ACCESS Interface to PC Files installed is needed to run the model.

9. **Question:** How can organizations obtain information about policy related questions regarding requirements for meaningful difference (PDP organizations), total beneficiary cost (MA organizations), and implementing cost contract plan transition requirements related to enrollment conversion (section 1876 Cost Plans)?

   Answer: Organizations are encouraged to review the CY 2019 Call Letter and related HPMS communications.

   - For Part C policy related questions about meaningful difference and Total Beneficiary Cost (TBC), please contact https://mabenefitsmailbox.lmi.org/
   - For Part D policy related questions about meaningful difference, please submit an email to partdbenefits@cms.hhs.gov
   - For section 1876 Cost Plan transition policy related questions, please contact https://dpap.lmi.org
   - For technical questions about the Bid Pricing Tool, please submit an email to actuarial-bids@cms.hhs.gov
   - For technical questions about the OOPC model, please submit an email to OOPC@cms.hhs.gov