



Center for Beneficiary Choices

TO: Expanding and Pending Medicare Advantage Organizations, Prescription Drug Plan Sponsors, Direct Contract Employer/Union Medicare Advantage Organizations, and Cost Based Plans

FROM: Cynthia G. Tudor, Ph.D., Director, Medicare Drug Benefit Group

SUBJECT: Update on 2009 Part D Application Reviews

DATE: April 09, 2008

This memo is to notify all 2009 Part D Applicants that CMS has sent email notifications to your organization's CEO and Part D Application contacts regarding the status of your application. If neither contact has received the email notification, it is incumbent that someone from your organization send an email to marla.rothouse@cms.hhs.gov to have the notification resent as the window to make corrections in HPMS will open at 9 a.m. EDT on April 15, 2008 and close at 8 p.m. EDT on April 16, 2008.

Following the completion of the initial reviews, we would like to also highlight particular areas that may be helpful for applicants when correcting certain Part D deficiencies.

- f* For local MA-PD service area expansion applicants, we were expecting to see retail access reports based on your organization's entire service area and not just the pending expansion area.
- f* For pharmacy lists, make sure that if corrections are needed, that every single column is completed in the CMS provided templates.
- f* For those applicants that completed an initial application, there are two key points related to contracting uploads.
 - For every subcontractor that your organization identified in the Part D functions chart within HPMS, we expect to see the executed pharmacy benefit manager/administrative services contracts uploaded. This includes situations where your organization has multiple subcontractors providing the same function.
 - CMS expected to see new language in the executed PBM/administrative agreements and the downstream pharmacy contract templates incorporating new requirements based on the compliance regulations (§423.505 (e)) that will be in effect for January 2009. This means that if you are an existing sponsor today and obtained a pending contract ID for 2009, then submitting your existing contract and pharmacy templates will result in deficiencies.
 - Specifically, we expect that contracts and contract templates will specify whether 1) CMS or its designees have direct access to subcontractors (i.e. on-site access) and 2) whether any books, contracts, records, including medical records and documentation related to the Part D program will be provided directly to CMS or its designees. This

means that as an applicant there are three choices for these provisions to be agreed upon between you and your subcontractors. For example, for the direct access provision: 1) the documents include language that only the Applicant has direct access to the subcontractor; 2) that CMS or its designees have direct access to the subcontractor; or 3) that both the Applicant and CMS or its designees have direct access to your subcontractor. The same three options apply to the provision related to access to the subcontractor's books and records.

- f* Lastly, please remember when re-uploading materials that you include all the documents for that specific section, and not just the document that contained the deficiency. And most importantly, please make sure to click on Final Submit after you have completed re-uploading any documentation or correcting any attestations.

Thank you again for your continued interest in supporting the success of the Medicare Prescription Drug program. Any questions regarding the email notifications should be sent to marla.rothouse@cms.hhs.gov.