

U.S. House and Senate Notification
Friday, April 30, 2010

To: Congressional Health Staff

From: Amy Hall
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Re: CMS Issues Preliminary Program Guidance on the Medicare Coverage Gap Discount Program

Today, CMS issued preliminary guidance to Part D sponsors for implementing the Medicare Coverage Gap Discount Program that was enacted into law under the Affordable Care Act. This first step in helping to close the coverage gap is our proposed approach for making manufacturer discounts on coverage gap claims available to beneficiaries at the point-of-sale beginning in 2011. The guidance is being issued so Part D sponsors can prepare for their 2011 bids. Those bids are due June 7, 2010.

The guidance proposes a number of operational and policy requirements, such as:

- Describing how Plan sponsors will be reimbursed for discounts provided at the point-of-sale;
- Describing how CMS will account for payments made by manufacturers for discounts in the coverage gap; and
- Instructing Part D sponsors on how to determine applicable discounts for applicable beneficiaries under various coverage gap scenarios.
- CMS is seeking comments on the implementation aspects of this preliminary guidance by May 14, 2010, and will release final guidance after consideration is given to timely received comments.

The preliminary guidance is attached and can be found at:
www.cms.gov/PrescriptionDrugCovContra/HPMSGH/list.asp#TopOfPage

If you have any additional questions, please contact the CMS Office of Legislation.