DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

MEDICARE-MEDICAID COORDINATION OFFICE

DATE: April 8, 2019

TO: Medicare-Medicaid Plans

FROM: Lindsay P. Barnette
Director, Models, Demonstrations, and Analysis Group, Medicare-Medicaid Coordination Office

SUBJECT: Medicare-Medicaid Plan Submission of Plan Benefit Packages for Contract Year 2020

The purpose of this memorandum is to provide an overview of enhancements to the plan benefit package (PBP) software for Medicare-Medicaid Plans (MMPs) for contract year (CY) 2020 and to direct MMPs to CY 2017 guidance that remains unchanged for CY 2020.

MMPs should refer to the following sections and subsections in the April 11, 2016 memorandum titled "Medicare-Medicaid Plan Submission of Plan Benefit Packages for Contract Year 2017" for information that remains unchanged for CY 2020:

- Data Entry for Medical and Other Non-Drug Services
    - Plan Type
    - Medicare Benefits
    - Medicaid and Demonstration-Specific Benefits
    - Integration of Medicare and Medicaid Benefits
    - Supplemental Benefits

- Data Entry for Drug Coverage
    - Tier Models
    - Part D Drug Cost Sharing Reductions
    - Drug Cost-Sharing Requirements (subsection remains unchanged except for updated low income subsidy (LIS) cost-sharing amounts stated later in this memorandum)
    - MMP-Specific Section Rx Data Entry Requirements

- PBP Notes

- Plan Copy Feature

In addition to changes made to further accommodate more integrated benefit data entry by MMPs in previous cycles, CMS has made modifications to the PBP software for CY 2020 that impact MMPs.

On April 5, 2019, CMS released the CY 2020 PBP software in the Health Plan Management System (HPMS). MMPs use the PBP software to annually submit a benefit package that integrates Medicare, Medicaid, and demonstration-specific benefits.

As stated in the CY 2020 Final Call Letter, all PBPs for CY 2020 must be submitted **no later than 11:59 p.m. PDT on June 3, 2019**. MMPs are required to complete the following as part of a complete bid submission:

- Service Area Verification
- Plan Crosswalk (NOTE: This is only for renewing contracts in CY 2020.)
- Formulary Submission
- Formulary Crosswalk
- PBP Submission

After submission of the bid, MMPs are also required to submit the Additional Demonstration Drug (ADD) file and any other supplemental formulary files by **11:59 a.m. EDT on June 7, 2019**.

Data Entry for Medical and Other Non-Drug Services

CY 2020 PBP Enhancements (Sections A, B, D, and Rx)

No enhancements to MMP-specific fields in the PBP software for CY 2020 appear in Sections A or D. The following enhancements appear in Section B:

- 1a, Inpatient Hospital Acute; 1b, Inpatient Hospital Psychiatric; and 2, Skilled Nursing Facility (SNF) include a new question, “What is your benefit period?” MMPs must select an answer to the question even when offering the Medicare-covered benefit at no cost. Response options are: Original Medicare; Annual; Per Admission or Per Stay; or Other, Describe. If an MMP selects Other, Describe, the software then enables a field where the MMP must enter a description.

- 3, Cardiac and Pulmonary Rehabilitation Services, includes Supervised Exercise Therapy (SET) for Symptomatic Peripheral Artery Disease (PAD). Although the benefit was available for CY 2019, it was not included as a discrete option in the CY 2019 PBP software release.

- 7j, Additional Telehealth, includes new optional telehealth services for any Medicare-covered benefit and provides a menu of services from which the MMP can select.
- 7k, Opioid Treatment Services, is a new mandatory Medicare benefit. Only the authorization, referral, and Notes fields are available for MMP selection or data entry.
- 10b, Transportation Services, contains an updated service title, "Plan Approved **Health-related** Location," and a new transportation mode, "Rideshare Services."
- 13c, Meal Benefit, includes a revised question, "Does the plan provide a **limited duration** Meal Benefit?", and adds a note reminding plans that "Only primarily health-related meals offered in accordance with Chapter 4 of the Medicare Managed Care Manual should be entered in this section."
- 14c, Other Defined Supplemental Benefits, updates the category title and adds new benefits: Therapeutic Massage, Adult Day Health Services, Home-Based Palliative Care, In-Home Support Services, and Support for Caregivers of Enrollees.
- 14e, Other Medicare-covered Preventive Services, includes a new "N/A" option for the question, "Is authorization required for Other Medicare-covered Preventive Services?"
- 15, Medicare Part B Rx Drugs and Home Infusion Drugs, contains a new question, "Does the plan offer step therapy?", and includes step options: Part B to Part B, Part B to Part D, and/or Part D to Part B.
- 19, Medicare Advantage (MA) Uniformity Flexibility/SSBCI, updates the category title and expands the functionality to allow MMPs to include Special Supplemental Benefits for the Chronically Ill (SSBCI) along with the already existing Uniformity Flexibility benefits.

In addition, Section Rx includes the question, "Will your plan be limiting on-formulary coverage of drugs to certain indications (i.e., are you implementing indication-based formulary design)?" MMPs will find additional information in the August 29, 2018 memorandum titled "Indication-Based Formulary Design Beginning in Contract Year (CY) 2020."

Data Entry for Drug Coverage

Drug Cost-Sharing Requirements

When a tier <u>only</u> includes Medicare Part D drugs, plans may enter copayment minimum and maximum amounts reflecting one of the following options for each Part D only tier:

- For tiers with only Medicare Part D <u>generic</u> drugs: The minimum copayment amount that can be entered is $0 and the maximum copayment amount that can be entered is $3.60.

- For tiers with only Medicare Part D brand drugs: The minimum copayment amount that can be entered is $0 and the maximum copayment amount that can be entered is $8.95.

- For tiers with only Medicare Part D brand and generic drugs: The minimum copayment amount that can be entered is $0 and the maximum copayment amount that can be entered is $8.95.

CMS-State Joint Review

CMS and the states will jointly review the PBPs. CMS ensures that all Medicare Parts A, B, and D benefits have been adequately captured, and the states verify that all Medicaid and demonstration-specific benefits have been adequately captured. The Medicare-Medicaid Coordination Office has been working with all states participating in the capitated financial alignment model to develop guidance for their MMPs on Medicaid and demonstration-specific benefits for CY 2020. Each state will release guidance to its MMPs before the end of April 2019 to ensure that MMPs have ample time to prepare their PBP submissions by June 3, 2019.

PBP Corrections

CMS provides some degree of flexibility to MMPs with respect to PBP revisions after the time of final PBP approval. This flexibility is necessary to accommodate certain mid-year changes unique to MMPs, including but not limited to mid-year legislative changes to Medicaid benefits, as well as the timing of payment rate finalization.

CMS applies the following criteria to MMP requests to change or correct PBPs:

- PBP revisions to add or remove plan-offered supplemental benefits between the time of the release of the National Average Monthly Bid Amount in early August and sign-off of PBPs in HPMS in late August 2019 are permissible. This timeframe allows plans to accommodate any approved benefit changes in their required documents (including the Annual Notice of Change, Evidence of Coverage/Member Handbook, and Summary of Benefits) during the Annual Election Period.

- Rate-related PBP corrections are permissible during the Center for Medicare's annual correction window in September 2019 (see the calendar in the CY 2020 Final Call Letter for more information), but only for purposes of adding supplemental benefits to PBPs. MMPs that elect to correct their PBPs must work with their contract management team on an appropriate member communication strategy (e.g., issuance of corrected or revised information for materials that have already been mailed to members; corrections or updates of hard copy and online versions of other materials for prospective members). We clarify that there will be no compliance penalty for a PBP correction provided an MMP meets these conditions.

- PBP corrections unrelated to rates and supplemental benefits that are requested during the Center for Medicare's annual correction window in September 2019 (see the calendar in the CY 2020 Final Call Letter for more information) will be considered changes due to plan error. As such, these PBP corrections (or any resultant corrections to MMPs' Annual Notice of Change and/or Evidence of Coverage/Member Handbook, which must be submitted in HPMS through the errata submission process in the Marketing Module) may be subject to compliance action, regardless of whether they are positive or negative changes.

- Any PBP corrections after the Center for Medicare's annual correction window in September 2019 will be considered on a case-by-case basis. In cases where a PBP correction is due to a mid-year legislative change to Medicaid benefits (or a benefit change made in a three-way contract amendment) and an MMP's previously approved PBP submission included a more generous supplemental benefit than the new Medicaid or demonstration benefit, the MMP will be required to continue to provide the more generous supplemental benefit for the remainder of the contract year. PBP corrections (or any resultant corrections to MMPs' Annual Notice of Change and/or Evidence of Coverage/Member Handbook, which must be submitted in HPMS through the errata submission process in the Marketing Module) due to plan error may be subject to compliance action, regardless of whether they are positive or negative changes.

Training and Resources for More Information

For additional information and training purposes, MMPs should access PowerPoint presentations and a test version of the PBP software, which will be posted at a later date on https://go.cms.gov/hpms. MMPs should also consult the HPMS Bid User's Manual which will be available at the following pathway in HPMS: Plan Bids > Bid Submission > Contract Year 2020 > View Documentation > Bid Submission User Manual.

Any questions regarding the contents of this memorandum should be directed to the Medicare-Medicaid Coordination Office at MMCOCapsModel@cms.hhs.gov.