

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
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## CENTER FOR DRUG AND HEALTH PLAN CHOICE

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DATE: April 22, 2009

TO: All Part D Sponsors

FROM: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit and C & D Data Group

RE: Update on the 2009 and 2010 Model Explanation of Benefits

On February 9, 2009, CMS sent an HPMS memorandum with an update on the 2009 model explanation of benefits (EOB), a summary of calculations sponsors should use to populate the summary chart in the model EOB, and a number of populated examples of the summary chart. In that memorandum, we relayed our expectation that sponsors would implement any programming changes necessary to ensure that their EOB summary tables were displaying consistent with these calculations no later than the July 2009 EOB.

Since the guidance was released, we have received a number of comments from Part D sponsors and their pharmacy benefit managers (PBMs). While these parties felt the detailed guidance was useful, we also heard a number of concerns about several of the fields in the EOB model. Given these operational issues, concerns about enrollee comprehension of some of the material in the EOB, and the timeframes associated with implementing programming changes, we are suspending implementation of the February 9, 2009 guidance. For CY 2009, we will allow sponsors to continue populating their approved EOB templates in the manner in which they have done so since the beginning of CY 2009. Sponsors may, but are not required to, program their EOB calculations consistent with the February 9, 2009 guidance for CY 2009.

As we prepare for CY 2010, we would like to take the opportunity to seek comments on a slightly revised model EOB for CY 2010 that we believe addresses a number of the concerns that have been raised by sponsors and PBMs and that simplifies the EOB display in a meaningful way for plan enrollees. Attached to this memorandum is a draft model EOB for CY 2010 highlighting changes relative to the previous version of the model. Please provide any comments you wish to share on this draft electronically to [PartDBenefitImpl@cms.hhs.gov](mailto:PartDBenefitImpl@cms.hhs.gov) no later than Friday, May 1, 2009. Please use "2010 EOB Comments" in the subject line of your email.

Also attached to this memorandum is draft guidance to accompany the draft revised EOB model for CY 2010. This guidance includes the calculations for populating the summary chart, as well as a number of populated examples. We propose to finalize this guidance, along with the final EOB model, in May 2009. Sponsors will be expected to have approval for revised EOB model templates and all the necessary programming in place in time to implement the new format in CY 2010.

Sponsors should also be aware that we will be looking critically at a number of our other current models to make them more consumer friendly for CY 2010 and CY 2011. We anticipate that the EOB will be included in the list of documents that will be reviewed for CY 2011. This process will include extensive outreach to industry stakeholders and consumer testing. We will provide more information on this initiative in the near future, but we want to ensure sponsors are aware that we will seek to collaborate with the industry to fine-tune our current EOB model from both a beneficiary and a Part D sponsor perspective.

Thank you for all the feedback you have provided on the EOB model. We look forward to continued collaboration with you in this endeavor.