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MEMORANDUM

DATE: September 30, 2011

TO: All Medicare Advantage Organizations and Part D Plan Sponsors

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SUBJECT: CY 2012 Out-of-Pocket Cost (OOPC) Model Version 3 Released on HPMS

For CY 2012, CMS made the Out-of-Pocket Cost model (OOPC) available in SAS software via the CMS website on April 8, 2011 so that Medicare Advantage Organizations (MAOs) and Stand-alone Prescription Drug Plans (PDPs) have the ability to calculate OOPC values for each of their plan offerings for the 2012 contract year (CY).

Organizations can now access an updated Version 3 OOPC model on the OOPC resources page at: (http://www.cms.gov/PrescriptionDrugCovGenIn/10_OOPCResources.asp#TopOfPage).

PDPs and MAOs that offer plan designs where the deductible does not apply to all the tiers will now be able to re-run their CY2012 plan benefit structures through the updated SAS OOPC model. This will allow plans to see how their benefit structures were processed through Version 3 of the OOPC model that was used by CMS in its benefit review. With the exception of a small number of plans impacted by this issue, the results from OOPC Model Versions 2 and 3 should be identical.

Previous versions of the OOPC and TBC data will continue to be accessible in HPMS. For technical and policy related questions the following resources will continue to be available:

- Technical questions about the OOPC model, please submit an email to OOPC@cms.hhs.gov
- Part C policy related questions about meaningful difference and Total Beneficiary Cost (TBC), please contact <https://mabenefitsmailbox.lmi.org/>
- Part D policy related questions about meaningful difference, please submit an email to partDbenefits@cms.hhs.gov
- Technical questions about the Bid Pricing Tool(BPT), please submit an email to actuarial-bids@cms.hhs.gov