

Part C&D Weekly Bulletin

for the week ending May 12, 2006

ALERT:

Disclosure of Rebates to Long-Term Care Pharmacies

It has come to our attention that there is confusion over the long term care (LTC) rebate reporting requirement established in the call letter. We need to make sure that all Part D Plan Sponsors understand the policy change between the draft and the final call letter. In the final version of the call letter, the disclosure of rebates received by LTC pharmacies is a reporting requirement only --**there is no requirement to account for rebates received by LTC pharmacies in plan bids or to offset allowable costs for these amounts.** To reiterate the policy in the final 2007 call letter for Part D plans, CMS expects Plan Sponsors to maintain policies and systems to prevent over-utilization. We clarified that to the extent that a drug manufacturer is paying the LTC pharmacy access/performance rebates for moving market share in the LTC setting, Plan Sponsors must have policies and systems in place to protect beneficiaries and reduce costs. Thus, we clarified Plan Sponsors must include a provision in all LTC pharmacy contracts that requires pharmacies to fully disclose any and all discounts and rebate arrangements with or any other direct or indirect remuneration from, drug manufacturers or other parties when such remuneration is designed to or likely to directly or indirectly influence or impact utilization of Part D drugs. We clarified in our Medicare Part D Reporting Requirements how plans should report this information to CMS. For additional information on these reporting requirements, see

http://www.cms.hhs.gov/PrescriptionDrugCovContra/downloads/PartDReportingRequirements_NextYear.pdf

Announcements:

- CMS anticipates posting the following draft marketing documents on the CMS Web site no later than the week of May 22, 2006 for a one week public comment. The documents will be posted at http://www.cms.hhs.gov/PrescriptionDrugCovContra/07_RxContracting_Marketing.asp.
 - ✓ Draft Contract Year 2007 Medicare Marketing Guidelines for Medicare Advantage Plans, Medicare Advantage Prescription Drug Plans, Prescription Drug Plans, and 1876 Cost Plans
 - ✓ Draft Model Annual Notice of Change for PDPs (ANOC)
 - ✓ Draft Model Abridged Formulary for Part D Plans
 - ✓ Draft Model Comprehensive Formulary for Part D Plans
 - ✓ Draft Model Transition Letter for Part D Plans
 - ✓ Draft Model Web Site Premium Summary Table for Those Receiving Extra Help for Part D Plans

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- A Part D Plan Reporting Requirements – FAQ will be posted on the CMS website http://www.cms.hhs.gov/PrescriptionDrugCovContra/08_RxContracting_ReportingOversight.asp no later than the week of 5/22/06. Plans should refer to this document as it contains important clarification on how various data elements should be calculated and reported to CMS.
- EOB Contact Information has been posted on cms.hhs.gov. The zipped Excel file can be found in the “Download” section on the <http://www.cms.hhs.gov/PrescriptionDrugCovContra/> page.

Part D Policy (3):

Subject: Access to Avian Flu vaccines and Medications

File Name: QAFluAccess_05.08.06.pdf

Question: What happens during a public health emergency such as an avian flu epidemic, will beneficiaries need to use a network pharmacy for urgent access to necessary medications?

Subject: Access to refills during a declared emergency

File Name: QAEmergencyRefill_05.08.06.pdf

Question: Will beneficiaries be able to obtain early refills on their Part D medications that were lost or misplaced during a declared emergency?

Subject: Over-the-counter products (OTCs) as part of administrative expenses

File Name: QACY2007OTCsandUM.pdf

Question: Can Part D plans include over-the-counter products (OTCs) as part of administrative expenses since they may provide significant cost savings as part of a utilization management program?

Formulary (2)

Subject: Acute Care Home Infusion Drugs

File Name: AcuteCareHomeInfusionDrugs_05.10.06.pdf

Summary: CMS, in conjunction with industry partners, has identified a list of acute care drugs that are most commonly utilized in the home infusion setting. The use of these drugs or drug classes often results in an earlier hospital discharge and reduced healthcare costs. Rapid access to these agents is imperative for these health care transitions. For the remainder of CY 2006, plan sponsors should consider the importance of the drugs or drug classes contained on this list when making coverage determinations.

Subject: Notice requirements for formulary changes for an upcoming contract plan year

File Name: QAFormChangeANOC_05.10.06.pdf

Question: Are there any notice requirements or other expectations that a plan sponsor must satisfy if it changes a formulary for an upcoming contract plan year?

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2007 PBP Instructions:

Subject: CY 2007 PBP Upload Instructions

File Name: PBPOperationalInstructions_05.08.06.pdf

Subject: CY 2007 PBP Upload Indicating Excluded Drug Coverage, CY 2007 PBP Upload Indicating Free First Fill Medications, and CY 2007 PBP Upload Indicating Coverage of OTC Medications

Casework (1)

Subject: Resolution of Medicare Beneficiary Complaints

File Name: MemoCaseworkResolution_05.09.06.pdf

Summary: CMS established the 1-800-MEDICARE call center to respond to general beneficiary questions about the Part D program, including the availability and cost of Part D plans and how to enroll in a plan. The call center is not intended to respond to complaints or questions enrollees have about their particular Part D plan.

Facilitated Enrollment (1)

Subject: Updated Guidance on Facilitated Enrollments

File Name: MA-FE.pdf

Summary: The purpose of this memo is to provide information and guidance about: Conducting facilitated enrollments on a monthly basis; Modifications to effective dates for facilitated enrollments; Modifications to Exhibit 28, MA Model Notice to Inform Member of Facilitated Enrollment; and Exhibit 29, Acknowledgement of Request to Decline Part D.

Enrollment (1)

Subject: Exception to Enrollment Opportunity Rules

File Name: Enrollment.pdf

Summary: CMS has recently received reports that some beneficiaries have chosen to disenroll from a plan, which constitutes an enrollment choice, without enrolling in another plan at the same time. This memo instructs plans on how and what to submit for the exception process.

Allowable Costs (1)

Subject: Question and Answer on reporting Prescription Drug Event Data

File Name:

Summary: When reporting Prescription Drug Event Data, may the Plan Sponsor report the amount it pays to the PGM or must it determine and report the amount the PBM pays to the pharmacy?

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Mid-Year Benefit Enhancement (1)

Subject: Instructions for Submitting Justification of a Mid-Year Benefit Enhancement (MYBE)

File Name: MYBECOVER_10final.pdf, CY 2006 MYBE justification tool, CY 2006 MYBE instructions.pdf

Summary: In follow-up to our Mid-Year Benefit Enhancement (MYBE) guidance we posted on HPMS on 4/26/2006, we are releasing additional MYBE guidance including the Instructions for Submitting Justification of Medicare Advantage Mid-Year Benefit Enhancement For Contract Year 2006 and the Mid-Year Benefit Enhancement Justification Tool (MJT) (in Excel). The instructions provide guidance and requirements for the proper completion of the justification spreadsheets and information on the requirement to submit an actuarial certification and other supporting documentation.

Preemption (1)

Subject: Questions and Answers pertaining to preemption

File Name: QAPreemption.pdf

Summary: Questions are: Are states preempted from pursuing a Part D plan sponsor or Medicare Advantage Organization? Are Part D and MA plan telemarketers required to meet the requirements of state law?

Training (1)

Subject: Managed Care Manual Quarterly Conference Call

File Name: Training.pdf, TrainingMemo.pdf

Summary: Announcement of the next quarterly conference call to provide updates to the Medicare Managed Care Manual Chapters. We will provide information on Quality Assessment – Chapter 5, Medicare Advantage Application Procedures and Contract Requirements – Chapter 11 and Medicare Managed Care Beneficiary Grievances, Organization Determinations and Appeals – Chapter 13.

Premium Withhold (1)

Subject: Updates to the premium withhold process

File Name: PremWith.pdf

Summary: The attached letter provides updates to the premium withhold process including clean-up activities the CMS is performing this month as well as future enhancements.

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Medicare Secondary Payer (1)

Subject: Medicare Secondary Payer (MSP) Process for 2006

File Name: MSP.pdf

Summary: The purpose of this letter is to remind Medicare Advantage Plans of the MSP reporting and payment processes and to clarify the data submittal requirements.

Prescription Drug Event Data (1)

Subject: Updated instructions: Requirements for Submitting Prescription Drug Event Data (PDE)

File Name: PDE.pdf

Summary: CMS has issued an updated version of the PDE instructions. This document contains a few clarifications and minor updates from the previous version posted in January and are available at our website:

<http://www.cms.hhs.gov/DrugCoverageClaimsData/RxDrugEventDataGuidance.sap#TopOfPage>

Recalibration (1)

Subject: Estimated Recalibrated 70 CMS-HCC Risk Scores for Payment Year 2006

File Name: Recal.pdf

Summary: This notice is to advise that the estimated recalibrated 70 CMS-HCC risk scores and corresponding technical notes have been posted on HPMS as of May 10, 2006. CMS uses data from the calendar year 2005 dates of service.

Transaction Reply Code (1)

Subject: New Transaction Reply Code (TRC) and TRC 165 Clean-ups

File Name: TRC165.pdf

Summary: CMS has created a new TRC to send out when the premium information on a change transaction is precisely the same as the premium information on CMS databases.

Retroactive Adjustment (1)

Subject: Procedures to Request Retroactive Adjustment Processing in MARx- ACTION

File Name: Retro.pdf

Summary: The purpose of this communication is to provide instruction on the submittal of requests for retroactive processing of enrollment/disenrollment, correction or change transactions.