

Centers for Medicare & Medicaid Services

CY 2021 Out-of-Pocket Cost Model FAQs

1. **Question:** Does the Centers for Medicare & Medicaid Services (CMS) offer any alternative methods for calculating Out-of-Pocket Cost (OOPC) amounts for plan sponsors that do not have access to PC SAS?

Answer: CMS does not offer alternative tools for calculating OOPC values for plans that do not have access to SAS. We recommend that you continue to use the tools/methodology that you employed for calculating OOPC values for contract year (CY) 2020. Medicare Advantage (MA) plans can use these tools to satisfy the stand-alone Prescription Drug Plans (PDP) and MA total beneficiary cost (TBC) standards. As discussed in the HPMS memo sent on February 6th, 2020, with a subject of “Contract Year (CY) 2021 Final Part D Bidding Instructions”, plans are expected to submit bids that comply with CMS requirements.

2. **Question:** What are the changes in the CY 2021 model compared with CY 2020?

Answer: The CY 2021 OOPC model is an update of the CY 2020 model delivered in May 2019. For the 2021 OOPC model, the items listed below summarize the changes that have been made.

- Updated MCBS inflation and drug utilization factors provided by the CMS Office of the Actuary (OACT). These factors inflate the 2015 and 2016 MCBS utilization cost data to CY 2020 levels.
- Updated the Medicare Part A and B deductibles, coinsurance, and premiums to 2020 values.
- Updated the Part D policy parameters (deductible, initial coverage limit, etc.) to 2021 values.
- Updated Prescription Drug Event (PDE) data for drug price calculation. The CY 2021 Bid Review OOPC Model uses 2019 PDE data.
- Updated the Part D input data using the initial CY 2021 Formulary Reference File (FRF), released in March 2020 for 2021 bidding.
- Updated the code to take into account 2021 PBP data structure and variable name changes.

3. **Question:** Are Dual Eligible Special Needs Plans (SNPs) excluded from the OOPC Model?

Answer: The OOPC tool will calculate the OOPC values for Dual Eligible SNPs. However, beneficiary data for dual eligible beneficiaries were excluded from the MCBS data for the development of the OOPC model as it was deemed unrepresentative of the beneficiaries enrolling in these plans. Therefore, the resulting calculations may not be reliable for Dual Eligible SNPs. CMS annually provides information regarding meaningful difference (Prescription Drug Plan (PDP) organizations) and total beneficiary cost standards (MA organizations). Also, please refer to the OOPC methodology document posted on the CMS website at: <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/OOPCResources.html> for further technical details.

4. **Question:** Will the CY 2021 OOPC model work with older versions of SAS or SAS versions other than PC SAS (e.g. SAS running on UNIX or Mainframe)?

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Answer: The CY 2021 OOPC model has been tested on PC SAS Version SAS 9.4. (The model also can be run using SAS Enterprise Guide). We expect the tool to run, with minor modifications, on older versions of SAS or SAS running on a different environment. However, CMS cannot guarantee a successful run.

5. **Question:** Will the CY 2021 OOPC model run on a networked version of SAS?

Answer: The model code is platform independent and should be able to be run in a network environment.

6. **Question:** What is the approximate amount of free disk space necessary for the model to run?

Answer: It has been recommended that the model requires at least 3GB of RAM and about 30GB of free disk space. However, the actual disk space requirements depend on the number of plans being run at one time and the particular hardware/software configuration of a user. In some cases, additional free disk space may be needed.

7. **Question:** Does the CY 2021 OOPC Model require administrative rights on the computer to run?

Answer: Administrative privileges are not required to run this model on a PC.

8. **Question:** Does the CY 2021 OOPC Model require any SAS add-ins to run? Is base SAS 9.4 sufficient?

Answer: Base SAS 9.4 (or SAS 9.3) with SAS/ACCESS Interface to PC Files installed is needed to run the model.

9. **Question:** How can organizations obtain information about policy related questions regarding standards for meaningful difference (PDP organizations), total beneficiary cost (MA organizations)?

Answer: Organizations are encouraged to review the information provided annually by CMS and, if necessary, submit questions to the following mailboxes:

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