

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-16-16
Baltimore, Maryland 21244-1850



Center for Beneficiary Choices

Date: August 18, 2006

To: All Part D Plan Sponsors

From: Abby L. Block, Director
Center for Beneficiary Choices

Subject: Additional Guidance on Bid Resubmissions for Medicare Advantage
Prescription Drug (MA-PD) plans

On July 24th, 2006, CMS released guidance permitting Part D sponsors to increase their 2007 standardized bids by \$0.03 to reflect an increase in the Coordination of Benefits (COB) user fee. Due to system constraints, all MA-PD plans that selected to add the COB user fee increase to their standardized bids must adjust their Part D bids to reflect this \$0.03 per enrollee per month increase as part of the rebate reallocation process. These MA-PD plans must submit their amended Part D bids by midnight, EDT, August 22, 2006.

Prescription Drug Plans (PDPs) that selected to add the COB user fee increase to their standardized bids are instructed to not submit bid modifications reflecting the \$0.03 per enrollee per month increase as their standardized bids will be amended automatically.

Further Information

If you have questions, please contact Meghan Elrington at (410) 786-8675.