



MEMORANDUM

TO: Current and Applicant Medicare Advantage Organizations, Medicare Cost-based Plans and Health Plan Demonstrations, Prescription Drug Plans and other interested parties

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SUBJECT: Clarification of 2008 Marketing Operational Issues

DATE: August 17, 2007

As we approach the 2008 marketing season, many of you are busy preparing and submitting your marketing materials for review and approval. Over the last couple of months, we have updated and released the 2008 model marketing materials. These updated models include the Formulary, Pharmacy Directory, Annual Notice of Change, Evidence of Coverage, LIS Rider, and the new Late Enrollment Penalty forms. In an effort to increase the efficiency of the marketing material review process, we are allowing plans some flexibility to amend the model documents and still maintaining model approval status.

Summary of Benefits(SB) Hard Copy Changes for Side-by-Side Plan Comparisons

We are extending the global hard copy change for side-by-side comparisons from last year. Organizations offering more than one plan may describe several plans in the same SB by displaying the benefits for different plans in separate columns within Section 2 of the benefit comparison matrix. Since the Plan Benefit Package (PBP) will only print Sections 1 and 2 of the SB for one plan, organizations will have to create a side-by-side comparison matrix for two (or more) plans by manually combining the information into a chart format. Organizations will also need to modify Section 1 of the introduction section to accurately reflect the plans that have been added to Section 2 of the SB.

The side-by-side comparisons will not require review by CMS Central Office and are eligible for a 10-day marketing review if no other changes are made to the model SB. Any approved hard copy changes will not be reflected in Medicare Options Compare or the Medicare Prescription Drug Plan Finder.

Formulary (Comprehensive and Abridged)

The 2008 Model Comprehensive Formulary allows plans to choose between two options for displaying the information contained in the Drug Table: (1) display using the therapeutic category only or (2) display using both the therapeutic category and the therapeutic class. The 2008 Model Abridged Formulary does not allow for the two options. We clarify here that plans using the abridged model may also have a choice of using either option.

In addition, we would like to emphasize that plans are responsible for ensuring that their marketed formularies (printed and web-based) are consistent with the HPMS approved formulary.

Identical formularies for multiple plans

In some cases, an Organization or Sponsor may offer an identical plan in multiple regions using the same formulary. However, the co-payment amounts or co-insurance percentages may differ among the regions. Rather than printing different formulary booklets for each region, it is permissible to modify the formulary model to accommodate these cases in the following way:

- The plan may include the co-payment amounts or co-insurance percentages in a separate enclosure (e.g., the summary of benefits, the cover letter, a separate enclosure). In a paragraph preceding the drug table, plans should clearly direct the member to the location of the copayment amounts and co-insurance percentages information within the mailing.

Applicability of LIS models

Some of the LIS model documents include a “PDP” header. These documents are applicable to all plan types that offer Part D. In addition, the LIS Termination letter should be sent to members within 10 days of the plan learning of the termination.

Transition Notification Letter (multiple drugs)

Plans can use one notice for multiple transition fills and check off multiple rationales for transitions fills as necessary.

2008 Marketing Training Materials

To familiarize plans with the new model documents and associated timelines, we are posting training slides to our website at: www.cms.hhs.gov/events.

Thank you for all your help in ensuring the success of the Part C and D programs.