

## **HPMS E-Mail**

**Date:** August 01, 2020

**Subject:** Contract Year 2021 Medicare Advantage Out-of-Pocket Costs & Premium Information for Rebate Reallocation

To assist Medicare Advantage Organizations (MAOs) in submitting their bids during rebate reallocation, this email provides information on how to access the current contract year (CY) 2021 Medicare Advantage (MA) premium amounts (net of rebates) file based on the national average, adjusted Total Beneficiary Cost (TBC), and Out-of-Pocket Cost values (OOPC) by service category and premium amounts (net of rebates).

This file is posted on HPMS and may be accessed by selecting: Quality and Performance > Performance Metrics > Reports > Costs > Part C Total Beneficiary Costs > 7/31/2020. The file also includes columns with the formulary version number (if applicable) and the Plan Benefit Package (PBP) version date used in the OOPC calculations. The file excludes plans that are not subject to TBC requirements, such as Employer Plans, Medical Savings Accounts, Special Needs Plans for End-Stage Renal Disease requiring dialysis, and Dual Eligible Special Needs Plans. Following rebate reallocation, CMS uses the first-approved plan formulary in calculating the OOPC values or the most recently submitted plan formulary if the formulary is not yet approved. It is important to note that CMS does not consider any formulary updates after the first-approved plan formulary in reviewing bids (i.e., changes made to plan formularies during the CY 2021 Summer Limited Update Window).

CMS expects all MAOs to submit bids that satisfy published requirements, such as TBC, Service Category Cost Sharing, and Per Member Per Month Actuarial Equivalent Cost Sharing. Organizations should run the OOPC model for each plan bid to make sure benefit and premium changes comply with all CMS standards. The Office of the Actuary provided detailed information regarding required and permissible changes during rebate reallocation in the "Instructions for Completing the MA and Part D Bid Pricing Tools for CY 2021" (April 10, 2020). In addition, the HPMS memo entitled "Contract Year 2021 Medicare Advantage Bid Review and Operational Instructions" (dated April 20, 2020) included instructions for calculating the adjusted change in TBC.

Questions regarding premium information posted on HPMS should be sent to the actuarial mailbox: [actuarial-bids@cms.hhs.gov](mailto:actuarial-bids@cms.hhs.gov). Technical questions about the Out-of-Pocket Cost (OOPC) model should be sent to: [OOPC@cms.hhs.gov](mailto:OOPC@cms.hhs.gov) and questions related to TBC policy should be submitted to: <https://mabenefitsmailbox.lmi.org/>.