DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

Date: November 3, 2020

To: Medicare Advantage Organizations, Prescription Drug Plans, and Section 1876 Cost Plans

From: Amy Larrick Chavez-Valdez
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Subject: Contract Year 2021 Monitoring of Posted Comprehensive Formularies

Requirements pertaining to the dissemination of Part D information are found at 42 C.F.R. §423.128. Additional guidance can be found in Section 70 of the Medicare Communications and Marketing Guidelines (MCMG) and Section 30 of the Medicare Prescription Drug Benefit Manual, Chapter 6. Part D sponsors must include on their website their current drug list or formulary, including tier level and applicable quantity limit (QL) restrictions, prior authorization (PA), limited access (LA) and step therapy (ST) requirements. Part D sponsors must also post all ST and PA criteria documents. CMS monitors the posting and accuracy of these formulary documents. This memorandum provides a summary of the results of Contract Year (CY) 2020 monitoring and announces that CMS will again perform the Posted versus Approved (PvA) Analysis for CY 2021.

CY 2020 Results

In the October 29, 2019 HPMS memorandum entitled "Contract Year 2020 Monitoring of Posted Comprehensive Formularies," CMS announced that we would be conducting a review comparing posted formularies on plan websites for CY 2020 to CMS-approved HPMS formularies that would be effective January 1, 2020.

We selected one hundred seventy-five Part D contracts for inclusion in the CY 2020 PvA. We identified a targeted sample of drugs for review for each of the participating Part D plan contracts. After reviewing the posted formularies on plan websites and analyzing the results, we determined that three of the 175 Part D contracts (1.71%) had discrepancies. These discrepancies included the following: four drugs on the submitted formulary were not on the posted formulary; one drug was submitted with a prior authorization, but the prior authorization requirement was inadvertently omitted on the posted formulary; one drug was submitted without a prior authorization, but posted with a prior authorization; one drug was submitted without a quantity limit, but posted with a quantity limit; and one defined standard plan posted a formulary with tiers.

CY 2021 Monitoring

To ensure the accuracy of required formulary communication materials, CMS will again be conducting a review comparing the formularies posted on plan websites for CY 2021 to their approved formularies within HPMS that will be effective January 1, 2021. CMS will select a random sample of Part D plans for inclusion in the analysis, excluding PACE organizations. In addition to the random selection, new sponsors and sponsors with previously identified posted formulary concerns will be included. Employer Group Waiver Plans (EGWPs) that are selected but do not post a formulary on a plan website will be required to provide a PDF of their comprehensive formulary via email to FormularyBenefits@acumenllc.com. CMS will notify and provide additional information to selected Part D sponsors for the CY 2021 analysis.

CMS will extract comprehensive formulary and utilization management documents from plan websites and compare these to the CMS-approved formulary effective January 1, 2021. For each posted formulary, CMS will identify a sample of drugs from the HPMS formulary file and match them to the posted formulary PDF or emailed version for selected EGWPs. Missing drugs or drugs with a posted tier, LA, or utilization management indicator that differs from the approved HPMS formulary file will be deemed a discrepancy. In addition to the review of drug samples, CMS will be reviewing online formulary and utilization management documents for compliance with other requirements set forth in guidance.

CMS will provide Part D plan sponsors for whom discrepancies are identified a workbook containing the discrepancies. Sponsors will be asked to submit responses to formulary discrepancies via designated response forms. In addition, it is our expectation that selected Part D sponsors will work aggressively to correct any confirmed errors as soon as possible. Identified discrepancies between the posted and approved formularies may subject your organization to a formal compliance action.

For questions regarding the posted versus approved analysis, please email PartDFormularies@cms.hhs.gov.