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DATE: April 9, 2021

TO: All Medicare Advantage Organizations and Part D Plan Sponsors

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SUBJECT: Contract Year 2022 Bid Review Out-of-Pocket Cost Model

The purpose of this memorandum is to announce that the Contract Year (CY) 2022 Bid Review Out-of-Pocket Cost (OOPC) Model in SAS software will be available on the CMS.gov website on or about April 9, 2021. The CY 2022 Bid Review OOPC Model allows stand-alone Prescription Drug Plans (PDPs) and Medicare Advantage Organizations (MAOs) to calculate OOPC values for each of their plan offerings for CY 2022. PDPs and MAOs are encouraged to run their plan benefit structures through the SAS OOPC model to ensure that their plan offerings are consistent with the information set forth in the “CY 2022 Final Part D Bidding Instructions” memorandum issued in Health Plan Management System (HPMS) on January 19, 2021 and Part C benefits information provided by CMS.

CMS released a modified, enhanced draft OOPC model for comment on June 26, 2020 via a HPMS memorandum entitled “Release of Proposed Enhancements to the Bid Review Out-of-Pocket Cost Model and Request for Stakeholder Comments.” We appreciate the feedback we received and continue to evaluate the inclusion of stakeholder proposed changes in the enhanced model. CMS intends to release an interim version of the draft enhanced model to allow stakeholders to gain experience with the model. Additional details will be forthcoming. Please note, however, that for CY 2022 bid review, CMS will continue to use the CY 2021 Baseline OOPC Model, released on December 31, 2020 and the CY 2022 Bid Review OOPC Model referenced in this memorandum.

As a reminder, sponsors and plans can view their CY 2021 OOPCs in HPMS.

Part D OOPCs can be viewed in HPMS under: Quality and Performance > Performance Metrics > Reports > Costs > Part D Out-of-Pocket Costs.

Part C OOPCs can be viewed in HPMS under: Quality and Performance > Performance Metrics

> Reports > Costs > Part C Out-of-Pocket Costs.

All documentation and instructions associated with running the OOPC model will be posted on the CMS website on the [OOPC Resources page](#) on or about April 9, 2021.

Technical Specifications:

The CY 2022 Bid Review OOPC Model was developed and tested using the following:

- SAS Version 9.4 on 64-Bit workstations and Excel 2016; and
- WinZip to unzip the OOPC Model package.

Sponsors will need the following files to input into the model:

- A List of Contract/Plan/Segment numbers;
- Plan Benefit Package (PBP) data; and
- Drug formulary data.

Detailed information on all the files provided in the model and the instructions on the sequence of executing these files will be provided in a Technical User Guide, available on the OOPC Resources page on or about April 9, 2021 (link provided below).

Questions:

- For Part C policy related questions, such as Total Beneficiary Cost (TBC), please submit inquiries to [MA Benefits Mailbox](#).
- 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.

Technical Resources:

Item(s)	Location	Expected Date
<ul style="list-style-type: none">• 2022 SAS OOPC Model• Technical User Guide• 2022 OOPC Methodology• OOPC FAQs	CMS OOPC Resources page	April 9, 2021
CY 2022 PBP Software	HPMS	April 9, 2021