DEPARTMENT OF HEALTH & HUMAN SERVICES
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CENTER FOR MEDICARE

DATE: November 18, 2021

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

FROM: Amy Larrick Chavez-Valdez, Director
Medicare Drug Benefit and C & D Data Group

SUBJECT: Contract Year 2022 Monitoring of Posted Comprehensive Formularies

Requirements pertaining to the dissemination of Part D information are found at 42 C.F.R. §§423.128 and 423.2265(c). Additional guidance is available in the Medicare Communications and Marketing Guidelines (MCMG) in conjunction with the "Part D Communication Materials" HPMS memorandum from November 1, 2018, 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) 2021 monitoring and announces that CMS will again perform the Posted versus Approved (PvA) Analysis for CY 2022.

CY 2021 Results

In the November 3, 2020 HPMS memorandum entitled "Contract Year 2021 Monitoring of Posted Comprehensive Formularies," CMS announced that we would be conducting a review comparing posted formularies on plan websites for CY 2021 to CMS-approved HPMS formularies that would be effective January 1, 2021.

We selected one hundred seventy-nine Part D contracts for inclusion in the CY 2021 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 six of the 179 Part D contracts (3.35%) had discrepancies. These discrepancies included the following: two defined standard plans posted tiered formularies; four drugs were submitted with a PA but the PA requirement was inadvertently omitted on the posted formulary; one drug was submitted with ST but the ST was not on the posted formulary; two drugs were submitted with a LA indicator but posted without the indicator; and one drug appeared on the submitted formulary but was not on the posted formulary.
During the CY 2021 review, CMS also identified abbreviations with no clear explanation or identification. We remind plan sponsors that, as outlined in the Nov. 1, 2018 HPMS memorandum, beneficiaries should be able to clearly differentiate drug formulations and find

definitions for all abbreviations listed on posted formularies.

CY 2022 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 2022 to their approved formularies within HPMS that will be effective January 1, 2022. CMS will select a random sample of Part D plans for inclusion in the analysis, excluding PACE organizations. In addition to the random selection, a sample of 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 2022 analysis.

CMS will extract comprehensive formulary and utilization management documents from plan websites and compare these to the CMS-approved formulary effective January 1, 2022. 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 notify any Part D plan sponsors for whom discrepancies are identified via email, and depending on the nature of the discrepancy, CMS may provide Part D plan sponsors with a response form workbook for download and completion. In addition, it is our expectation that selected Part D sponsors will work aggressively to correct any confirmed errors as soon as possible.

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