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DATE: June 22, 2020

TO: All Prescription Drug Plans, Medicare Advantage- Prescription Drug Plans, Section 1876 Cost Plans, and Medicare-Medicaid Plans

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

SUBJECT: Secure Electronic Prior Authorization for Medicare Part D Final Rule

On June 19, 2019, the Centers for Medicare & Medicaid Services (CMS) issued a proposed rule entitled: “Medicare Program; Secure Prior Authorization for Medicare Part D” (84 FR 28450). In this rule, we proposed to require that Part D sponsors support the National Council for Prescription Drug Programs (NCPDP) SCRIPT standard for electronic Prior Authorization (ePA) transactions for Part D covered drugs to Part D-eligible individuals. We proposed that this requirement would take effect beginning January 1, 2021. In keeping with our regulation at 42 CFR 423.4, we defined Part D sponsors as the entity sponsoring a Part D plan, MA organization offering a MA-PD plan, and a cost plan offering qualified prescription drug coverage.

Our goal in proposing this requirement was to specify a mechanism for implementing the SUPPORT for Patients and Communities Act requirement to adopt an electronic prior authorization standard for Part D covered drugs, and encourage ePA, rather than the more cumbersome manual prior authorizations. Although we continue to believe that these goals are important, we understand the toll that the current public health emergency (PHE) related to the 2019 Novel Coronavirus Disease (COVID-19) is taking on the industry.

In order to minimize the burden on Part D plans and help ensure that CMS has the optimum amount of resources to mitigate the impact of the PHE on the industry, we are delaying finalization of the Secure Electronic Prior Authorization for Medicare Part D Final Rule. In order to help ensure that Part D plans have the time necessary to implement the NCPDP SCRIPT standard, should we decide to finalize it, we will not be promulgating regulations requiring use of the standard by January 1, 2021.

If you have any questions about this memo please contact, PartDPolicy@cms.hhs.gov.