

## Medicare Drug & Health Plan Contract Administration Group

DATE: August 14, 2009

TO: Medicare Advantage Organizations (MAO)  
Medicare Advantage-Prescription Drug (MA-PD) Organizations

FROM: Teresa DeCaro, RN, M.S. /s/  
Acting Director

RE: **REVISED** - Quality Review of Bid Submissions and Correcting Plan Benefit Packages (PBP) During Rebate Reallocation Period - **NEW DUE DATE/TIME**

Following CMS' publication of the 2010 Part D national average monthly bid amount, the Part D base beneficiary premium, the Part D regional low-income premium subsidy amounts and the Medicare Advantage (MA) regional benchmarks, the HPMS resubmission gates are opened for Medicare Advantage Organizations (MAO) with a Part D drug benefit to reallocate Part C rebate dollars in the MA bid pricing tool (BPT) for certain MA plan bids. As stated in the 2010 Call Letter, the rebate reallocation period is not an opportunity to redesign the basic A/B benefits package, and unauthorized plan benefit package (PBP) changes may not be made during this period. Specifically, changes to previously negotiated cost sharing amounts are not permitted nor is a revision to the out-of-pocket maximum. MAO's with insufficient allocation in which the Part D basic premium is larger than the target premium should follow the prioritization guidance in the Call Letter as they reallocate.

Therefore, CMS encourages all MAOs to use the upcoming rebate reallocation period gate opening and up until no later than **11:59PM EDT, Thursday, August 20, 2009**, to correct errors in the PBP that are supported by information contained in the BPT. All MAOs should perform a thorough quality review of bid submissions in order to identify and correct errors at this time, rather than wait to make a plan correction request when the plan correction module opens for requests on September 11, 2009. MAOs should contact their PBP reviewer now to request a gate opening to correct an error. No plan corrections will be accepted after October 1, 2009.

As also stated in the 2010 Call Letter, CMS expects that requests for plan corrections will be minimal. Final actuarial certification and the bid attestation serve as documentation that the final bid submission has been verified and is complete and accurate at the time of submission. A request for a plan correction indicates the presence of inaccuracies and/or incompleteness of a bid and calls into question an organization's ability to submit correct bids and the validity of the final actuarial certification and the bid attestation. As indicated in the Call Letter, an MAO requesting a plan correction will receive a warning letter. Warning letters are tracked and included in contract performance assessments and can lead to stronger compliance-related actions.