

Out-of-Pocket Costs (OOPC) SAS Model FAQs

1. **Question:** Does CMS offer any alternative methods for calculating OOPC amounts for plan sponsors that do not have access to PC SAS?

Answer: CMS does not offer alternative tools for calculating OOPC costs for plans that do not have access to SAS. We recommend that you continue to use the tools/methodology that you employed for calculating OOPC costs for contract year (CY) 2015. However, plans are encouraged to use the OOPC SAS model to ensure the plans offered in a given service area are meaningfully different from one another in terms of key benefits or plan characteristics such as cost sharing, benefits offered, or plan type. In addition, Medicare Advantage (MA) plans can use these tools in meeting total beneficiary cost (TBC) requirements. As discussed in the CY 2016 Call Letter, plans are expected to submit bids that comply with CMS requirements.

2. **Question:** What are the changes in the CY 2016 model compared with CY 2015?

Answer: The following lists the substantive changes to the model. The CY 2016 OOPC Model Methodology document describes the changes more thoroughly.

- Update of MCBS inflation and drug utilization factors provided by OACT.
- Update of Medicare Part A and B financing rates (Deductibles, Coinsurance, premiums) to 2015 values.
- Update of Part D policy parameters (deductible, initial coverage limit, gap coverage percentages, etc.) to 2016 values.
- Update of Part D input data using updated FRF, cross-reference, generic substitution, Medispan-FDB, and ADSF (Applicable/Non-Applicable) files.
- Update of Prescription Drug Event (PDE) data for drug price calculation.
- Update of the SAS code to take into account 2016 PBP data structure and variable name changes.
- Modification of the SAS code to improve the treatment of plan deductible and category level deductibles in the OOPC calculations.
- Modification of the SAS code to change the way that average drug prices in Part D formulary tiers are calculated.

3. **Question:** Are Dual Eligible Special Needs Plans (SNPs) excluded from OOPC SAS Model?

Answer: The OOPC tool will calculate the OOPC values for Dual Eligible Special Needs Plans (SNPs). However, beneficiary data for Dual Eligible Special Needs Plans (SNPs) were excluded from the MCBS data for the development of the OOPC model as it was deemed unrepresentative of the beneficiaries enrolling in these plans. Therefore, the resulting calculations may not be reliable for Dual eligible

SNPs. The CMS Call Letter provides guidance regarding meaningful difference (MA and Prescription Drug Plan (PDP) organizations) and total beneficiary cost requirements (MA organizations). Also, please refer to the OOPC methodology document posted on the CMS website at:

http://www.cms.gov/PrescriptionDrugCovGenIn/10_OOPCResources.asp#TopOfPage for further technical details.

4. **Question:** Will the OOPC SAS model work with older versions of SAS or SAS versions other than PC SAS (e.g. SAS running on UNIX or Mainframe)?

Answer: The CY 2016 OOPC SAS model has been tested on PC SAS Version 9.3 but has not been tested running on a different operating system environment. (The model also can be run using SAS Enterprise Guide). We expect the tool to run, with minor modifications, on older versions of SAS or SAS running on a different environment. However, CMS cannot guarantee a successful run.

5. **Question:** What is the approximate amount of free disk space necessary for the model to run?

Answer: It has been recommended that the model requires at least 3GB of RAM and about 30GB of free disk space. However, the actual disk space requirements are dependent on the number of plans being run at one time and the particular hardware/software configuration of a user. In such cases, additional free disk space may be needed.

6. **Question:** Does the OOPC SAS Model require administrative rights on the computer to run?

Answer: Administrative privileges are not required to run this model on a PC.

7. **Question:** Does the OOPC SAS Model require any SAS add-ins to run? Is base SAS 9.3 sufficient?

Answer: Base SAS 9.3 with SAS/ACCESS Interface to PC Files installed is needed to run the model.

8. **Question:** How can organizations obtain information about policy related questions regarding requirements for meaningful difference (MA and PDP organizations) and total beneficiary cost (MA organizations)?

Answer: Organizations are encouraged to review the CY 2016 Call Letter and related HPMS communications.

- For Part C policy related questions about meaningful difference and Total Beneficiary Cost (TBC), please contact <https://mabenefitsmailbox.lmi.org/>
- 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