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My name is Rajesh Bhandari, and I work with the Division of Clinical and Operations Performance under Drug Benefit Group and CND. I guess the name is long: the Medicare Drug Benefit CND Data Group. I'll be presenting to you the 2012 out-of-pocket cost, the OOPC SAS Model. I'll mainly focus on the technical and operational aspects of the SAS Model.

OOPC is an acronym that stands for Out-Of-Pocket-Costs. It is a specific value that captures monthly out-of-pocket costs for an average Medicare beneficiary. OOPC value is based on the utilization captured in the Medicare Current Beneficiary Survey, or MCBS, Plan Benefit Package data and, where applicable, plan formulary data are used to calculate the OOPC values.

CMS uses OOPC values to evaluate annual plan bid submissions to ensure that plans in a given service area are meaningfully different from one another and to evaluate total benefit costs. OOPS SAS model is a tool that has been made available to the plans to allow them to run various benefit structures through the software to calculate OOPC values. To use this tool, the plans will provide their own specific PBP and formulary data as an input to the software model. The released SAS model is an updated and modified version of the software code used to generate OOPC values that are displayed in the Medicare Plan Finder tool.

The OOPC model is located on a CMS Website, shown here on bullet one. Also, a link to this website is available on Medicare Advantages Resources webpage. The model package is contained within a zip file. The name of the file is OOPC_2012_Plan_V1.ZIP. This ZIP archived file consists of a set of input data sets in SAS transport format and series of SAS programs. Plans are expected to download the SAS software package and to follow instructions for copying the SAS programs and to input the data sets contained within- and the input data sets contained within the package. These instructions will be covered in this presentation. Basically I will go over the steps that you need to follow to be able to run this program to calculate the OOPC values. For further details, plan can also refer to the user guide that is located on this Website as well. To run this model, plans are required to make minor modifications to several small programs and execute these programs. And as I go through the presentation, I will explain to you what modifications you have to make to be able to run the program. SAS programs contained within the software package import PVP, formulary, and several other input data sets to calculate person/plan level costs. These costs are then summarized at the plan level and are output in a plan-level Excel file.

The resource requirements are the technical and resource requirements to run the OOPC SAS model. Users are expected to be familiar with the PC file management and have experience with using PC SAS. A PC with fast processor and at least 3 gigabytes of RAM is preferred. The PC SAS version 9.1, Microsoft Excel and Microsoft Access softwares are also required. The generation of OOPs values is a very resource-intensive process, and it can take a long time to complete. Health care utilization for 13,000 sample beneficiaries are run through the plan benefits. And it was actually taking about an hour, as it says on the last bullet here, but over the last couple of weeks several core optimizations have been made, and the performance has been improved significantly. It should probably only take a few minutes and not a whole hour to run about 100 plans.

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Input data sets included in the model, SAS data sets contained within the model are created from the 2005-2006 MCBS data contained- containing beneficiary characteristics and the Medicare utilization. The SAS model also includes formulary reference files, drug names, and cross-reference files. Again, these are the data sets that are included within the model.

The inputs that plans need to provide to be able to run the data set are plan list, PBP data, and drug formulary data.

The plan provided input data sets, the very first file that plans need to provide, is called PLANFILE.TXT. This is a text file that lists the plan- that lists the plans to be used for each calculation of OOPC. The format of this file is contract ID, plan ID, and segment ID. In the example file shown here, the very first row, in the very first row H9999 is the contract ID, 001 is the plan ID, and OOO is the segment ID.

Next file that plans would provide would be the PBP data file. Now, plans can use a PBP software, which is available in HPMS. It's available in HPMS Website, and the PBP data entered by the plans is automatically stored in Microsoft Access database. The OOPC SAS software can access those tables directly to be able to use the PBP data, and I will describe later, users will only have to point to where the PBP data are stored on their PC.

Next is a list of three formulary related files. The plans need to provide the very first file, and the list is FORMULARY.TXT file. This is a tab-delimited file, the list, the drugs for each plan formulary. The file format is formulary identifier RxCUI and a Tier level identifier, the values for which range from 1 through 6. In the example shown here, in the very first row 0001999 is the formulary ID. Then, separated by tab is 722036, which is RxCUI tab, and 1 is the Tier level identifier.

The next file that's related to formulary is called GAP_DRUGS.TXT. This file is also a tab-delimited file, and it contains three fields: contract ID, plan ID and RxCUI. The example shown here shows H9999 as the contract ID, 001 as plan ID and 72036 as the RxCUI.

The final formulary file is called PLAN_FORMULARY.TXT. This is also a tab-delimited file, and it contains three fields as well. The very first one is contract ID, the next field is plan ID and the last field is formulary ID. So, in this example, H9999001 is the- sorry, H9999 is the contract ID, 001 is the plan ID and 00019999 is the formulary ID.

The next covers are the programs that plans need to modify to be able to run. These are the only three SAS files that users are supposed to modify. And I will describe in next section what modifications need to be made. But only very minor modifications have to be made to these programs to be able to run the OOPC Model. The first file is CIMPORT.SAS, which converts SAS transport files into SAS data set. The next file is PARTD_FORM.SAS, which converts Part D-related formulary files into SAS data sets. And the last file that users are expected to modify is OOPCV1P.SAS, which supplies user-defined parameters needed to fun the OOPC Model.

In addition to these three files that I just described, the model includes many other programs. As a matter of fact, several dozen SAS files are included in the model, but none of them are required to be modified by the users to be able to use the model. Some of these files are OOPCV1M.SAS, which reads PVP data and converts it into SAS data sets. The next is PVP_IMPORT.SAS, which imports the user-created PBP tables and creates the SAS input data sets. In addition, there are many other programs that are included that perform conversion calculations and carry out merging operations.

Some of the changes that have taken place between 2011 through 2012 are to keep Part C categories stable. Additional mammography and preventive pelvic care categories for the non-Medicare category are excluded in the cost-sharing. Preventive services at $0 cost-sharing are no longer being considered a separate category. Cardiac Outpatient Rehabilitation facility category has also been eliminated. Cardiac Rehabilitation category has been expanded to include Pulmonary Rehabilitation. Maximum out-of-pocket values will continue to be applied.

The discount for generic drugs in the Coverage Cap has changed from 7 percent to 14 percent. And the Formulary Reference File has been updated for 2012 submissions.

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Next section: I will cover the steps that need to be followed to be able to run the program. The very first thing that you need to do is to create an Access database for plans using PBP software. Again, that software is available on HPMS Website. The next step is to create a text file called PLANFILE.TXT in a format that was described in a previous section. The step three is creation of three formulary-related files that are FORMULARY.TXT, PLAN_FORMULARY.TXT and GAP_DRUGS.TXT. And these files are required to be created in the same format that was described in a previous section.

Step 4, download the program from the link that was displayed to you in a previous slide and copy the ZIP file that contains the model. It is contained in an OOPC_2012_PLAN_V1.ZIP file. You can place that in any working directory and unzip the contents of this file. You also need to set up, or point to, if those directories already are there on your system, called Programs. An example in parenthesis here is basically c:\programs\programs file, input file, PBP tables, formulary files and output spreadsheet files. So essentially you need to set up five separate directories each for programs, input, PBP data, formulary, and output.

Okay, stand by. Edit the program CIMPORT.SAS so that the location of the file input data is specified. The model programs that are included in the ZIP file already have a default directory location. So, if you do not--if you follow the same file naming conventions, then you don't have to change this. In this slide where the arrow is pointing, you can probably see that there is a default directory location c:\input\input. If you create an OOPC folder under your c: directory, then this does not have to be changed. Otherwise, you can modify it wherever you download the files and unzip the contents.

Next is the PARTD_FORM.SAS file that needs to be modified, and this one is shown here. This is the one that has formulary data in it. And again, the default location is c:\OOPC formulary, but you users can modify that, depending on where they actually create the formulary input files. And also I forgot to mention, as you create these files and modify them, you are required to run them in order. So you will run the previous file and then modify the formulary input location if necessary and run the formulary input data.

And finally, users will modify OOPCV1P.SAS file. This is the file that shows the location of output and location of input files. And it's described better here in the next slide. c:\input\input is the default name, and that can be changed. So also remember to create an output directory and also an output file name. So this is the name that is shown at the bottom on this slide that the program will use to create an output file.

The contents of the output file are basically the estimated average monthly cost for the plan segment by PBP-based benefit categories. The total displays the sum of categories, excluding Part D. Part D displays the Part D monthly cost and the grand total displays the sum of all categories. This here you probably cannot see the contents of very well, but it's included in your package, it's the sample contents that I just described. So this is what the output Excel spreadsheet will look like. And, as you can see for Part D, there are no outputs for Part C. So some of those contents that are not applicable are left blank.

Re-running the model is also very simple. Plans have the ability to re-run it based on the values they get. After changing the input files, the OOPC re-run P.SAS file can be re-run. Just remember to change the Excel output file names so that the file you created in the previous run is not over-written. Depending on what is changing, one or more of the following may have to be changed. Re-run the PBP data if that's what you're changing. Change the plan's information if the some plan info is changing, and change the formulary depending on if any changes are being made to the formulary. Not all of these changes have to made. It's just depends on what changes you wish to make. And based on those changes, you will change the input files, re-run the files and re-run the driver programs and then re-run the model again.

The documentation for OOPC model is available on the URL shown here on the CMS Website. Some of the documents that are included, in addition to the model itself, are methodology document, the user guide, points of contact, and the frequently asked questions document as well. We have tried to come up with the certain questions that more than few people may be interested in and come up with the answers for those.

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We have resources and points of contacts listed here on this slide based on what kind of question you have. It's a Part C related question; there is a link for that. For Part D policy, we have a Part D benefits link. For actuarial questions or Bid Pricing questions, there is a separate link. And if you have technical questions related to the running of the OOPC model, we have also a mailbox set up: OOPC@cms.hhs.gov.

With this, I will conclude my presentation, and if you have any questions, feel free to ask.

Jill: All right, we have more people joining us on stage to answer questions, so we have a team of specialists ready. So, you know how this goes. If you have a question, please raise your hand and our folks in the aisles will find you, hand you a microphone, and turn on the blue light so that we can all see. And could you please, if you do have specific questions for specific panel members, if you want to address them directly, that's great, and if not, you can address the group. So, that being said, we have a question. First question right over here. Go ahead.

Audience Question: Thank you. [Audience Member's Name Withheld], [Organization Name Withheld]. If there are minor issues with the meaningful difference requirements, for example $20 instead of the required 22, will CMS work with us to get that corrected?

CMS Panelist: Again, it's our expectation that, given the availability of the tool, that the initial bids will be meeting our requirements. So, we'll just have to go from there.

Audience Question: Well the issue, I think, is guidance, is that you would just deny the bid if it was, for example $2 off. However, this is the first year that we received the OOPC tool, and it was released when, in April, April 8th, correct? And we have some basic issues with desktop SAS. And there are no test cases that we could test against.

Rajesh: Well, the OOPCs are not a new requirement for this year. And we understand that the model is new, but it should help you significantly in trying to make sure that your OOPCs meet the meaningful difference requirement. So, you know, there is the possibility that you may not have the opportunity, as I mentioned in the presentation, to submit revised bids if your initial submission does not pass the requirement. So, we ask that sponsors make every effort to have their initial submissions be as complete, accurate and consistent with all of our policy and guidance.

Jill: Good, we have another question over here, please.

Audience Question: Yes, this is [Audience Member's Name Withheld] with [Organization Name Withheld]. I have two questions, since it's been a while since we've had any questions. The first one is on the category cost sharing limits. When the limit is stated as something like $25 or 20 percent coinsurance, does that mean if I specify 20 percent coinsurance, but the allowed cost happens to be $200, so that 20 percent is $40, am I violating the $25 limit, or do I just specify my benefit to comply and even though it may cause a violation of the other limit in that category?

CMS Panelist: Basically, the requirement is if it's 20 coinsurance as an example, that suffices in terms of meeting the requirement. The co-payments, we do have some information about if you do use co-payment, it needs to be actuarial equivalent on a service category. So, typically in one service category there will be a variety of different costs associated with encounters. So, we're looking for an actuarial equivalent co-payment. And during the presentation, in some of the categories that we provided, we do have what that co-payment amount is that we will be checking. But in the scenario you had said, if you use 20 percent coinsurance in there, that would be accurate.

Audience Question: So, that would comply even though on a case-by-case basis the beneficiary might have to pay more than the dollar amount that's in that chart?

CMS Panelist: Well again, if you're choosing, basically it's an either/or situation in the service category limits. So, if you're choosing the 20 percent coinsurance, that would be okay. If you're using the co-payment amount rather than coinsurance, then the co-payment wouldn't be greater than that.

Jill: Do we have another question?

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Audience Question: Oh, I had one other question also. In the 2011 OOPCs that we published on December 7th, we looked at that chart, and there were several instances where the Part C total did not add up to the column, to the 35 or so columns to the left of that. And is there going to be a new 2011 OOPC table published?

CMS Panelist: Basically for the OOPC calculation, I believe if you look at the OOPC resource Website there may be a new FAQ out there to address the question you just asked. In the case where a plan has a plan level deductible, there's not a separate column in the MA table that includes that alone. So, when you add up the various columns and it comes up to a larger number than what's in each of the columns, that's the result of a plan level deductible.

[Audience Member's Name Withheld]: All right, so the governing amount for the TBC is the grand total, not the sum of the columns?

CMS Panelist: That's correct. You go by the grand total in the worksheet.

[Audience Member's Name Withheld]: All right, thank you.

Jill: Another question, we have a question over here.

Audience Question: Hi. [Audience Member's Name Withheld], [Organization Name Withheld]. My question is related to the OOPC model. And is there any consideration, say you have a fully credible plan and there's nothing expected to be changed in the future, has there been any consideration to if that experience, you know, distribution experience overall utilization level is different than what the OOPC model's 13,000 nationwide people are showing, that there can be supplemental documentation or any kind of a justification from delving from the OOPC model if it's just fully credible and so different than the OOPC model is showing?

CMS Panelist: Is this is a question about meaningful difference and how OOPC is used?

[Audience Member's Name Withheld]: Yes.

CMS Panelist: Okay, essentially the reason that we use OOPC is so that we can have a standardized way of evaluating plan benefit packages without bringing into consideration other variables that really would make it an unequal evaluation. So for all intents and purposes, the OOPC valuation is what we're using to measure meaningful difference.

Jill: Do we have another question? Okay.

Audience Question: [Audience Member's Name Withheld], [Organization Name Withheld]. I have two questions for Dale. First of all, Dale, thank you for your really excellent presentation earlier in the day. First question is, can you explain the adjustment that you're going to make on the TBC limits for the changes in benchmark and the quality bonus? It sounds like it's you're either controlling for the changes in the payment amounts or you're actually offsetting the allowable TBC increase for the changes in benchmark and quality. And I wonder if you could clarify that. Second question is on the allowable increase. And you referred to it as $36 as a trigger, but then you say parenthesis 10 percent. Well, 10 percent is going to vary, depending on the richness of a benefit package. $36 is $36, and I wonder if you could clarify that. Thank you.

Dale: Sure. Okay, on the first question as far as the adjustment factor, as the co-letter indicates, we're using $36 is the increase. And it happens to be about 10 percent of the average TBC across all plans. When we're looking at that $36 as a comparison for all of the- for the plans when we're evaluating them, we will have an adjustment factor that takes into consideration benchmark changes and bonus payments for each plan. So I believe you were correct in the way that you asked the question. In effect, some plans will have an amount that's below $36. Some plans will have an amount that's above $36 as a result of that adjustment factor because it's reflecting changes in benchmark and bonus together. So, depending on where you're at, that may be less or that may be more. And in terms of the $36, again that is an average increase of about 10 percent when you look at all the TBC across all plans. So that's where the 10 percent came from.