

# VBID, Part D Payment Modernization, and Part D Senior Savings Models Webinar Transcript

April 2, 2020

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Thank you for joining the VBID and Part D Payment Modernization models webinar. I'm going to turn the presentation over to Laurie McWright.

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Thank you Martina. I'm Laurie McWright, and I am the Deputy Director for the Seamless Care Model's group of the CMS Innovation Center. I want to thank you for joining us today to learn more about what coming for the 2021 plan year in our Health Plan Innovation Model space

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I know it's been a really busy time for everyone and we really appreciate your time today. We're excited to share with you what's in store for 2021. We made a number of announcements in early to mid-March and today we want to put some more flavor around everything and make sure we're answering as many questions as we can

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I think it is appropriate to start out by saying the 2021 plan comes on the heels of a very successful 2020 application season. The Value-Based Insurance Design Model tripled our VBID participation in both plans and enrollment.

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Not only that, but our landscape to expanded to 30 states. That was a really encouraging sign for the value-based transformation space overall in the health plan arena. You know, it is also important to also acknowledge that our Part D Payment Modernization Model, which began in 2020 as well, had a bit of a slower start, perhaps because there was lots of uncertainty in the drug pricing space-related the proposed rebate rule.

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However, we engaged very broadly this past year with the Part D Plan to understand the kinds of elements or flexibilities that would be important to have participation go up in the Part D Payment Modernization model.

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So with that we actually have added a number of flexibilities that help plans manage costs in the catastrophic phase of Part D. Overall since we announced our new Part D Senior Savings model and updates in the VBID and Part D Part D Payment Modernization Model in March, we've been incredibly busy and charged up about how many of you all have contacted us asking really good questions. Really kind of non-stop engagement. And what I think that tells us is that despite all the craziness right now, plans are really interested in the 2021 year and thinking seriously about different participation options.

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And so we are excited to see who will submit their letters of intent of next step on the Part D Senior Savings Model and moving on to the application period. Just a very exciting, exciting time. So I want to move to our introductions, if we could go to the next slide,

4:08

And talk a little bit about what we have in store for today. As we get closer to the application period, we want to give you a quick overview to make sure everybody is on the same page about what is happening for 2021 in each of the different models. Then we want to spend some time going more deeply into the different model options.

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And finish up with our presentation piece of focusing on the application timelines, the particular process and submission pieces. Finally, we want to leave plenty of time for Q&A and hopefully that will give folks what they're looking for at this point in the application cycle.

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Going to the next slide, I want to introduce a few colleagues who are going to be presenting today. So we have Mark Atalla, who is our Senior Advisor in the health plan space. He has been our main architect as we have built out our Part D models, both the payment modernization and the Part D Senior Savings Model, and bringing the value-based insurance design to a new level.

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I know many of you have had the pleasure of speaking with him and going back and forth on different ideas in the innovation arena. And there's just been some great conversations. So we really appreciate all that engagement.

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And then we have we have Judy Geisler, who's a seasoned pharmacist and experienced in all things health plan operations. She's been helping us think about how we can streamline the receipt of materials from all you and streamline the bid submission process as much as we can to ease the submission burdens on you all. And then we have Hunter Coohill, who has stepped in as one of the VBID Co- Model Leads and is helping oversee the VBID application process this year.

6:38

So we have a really good panel to efficiently get you a lot of a lot of information today, starting with a quick overview of our models, if we go to the next slide before I turn it over to the experts

7:00

Great. Okay. So, you know what is new for 2021? You know, as I said, we have been doing a lot of work on the Part C and D side of the house. First, we have the Part D Senior Savings model, which is a brand-new model that offers beneficiary with diabetes different choices of plans that provide broad access to multiple types of insulin for a maximum copay of \$35 for a 30-day supply.

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That would apply to the deductible in the initial coverage limit, and in the coverage gap. So that's a really exciting model. In addition, we've updated the other two models that were new for 2020 as I've talked about.

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With a focus on new flexibilities that would be helpful for plans to have as they consider participation. First, for the Part D Payment Modernization Model we've expanded the eligibility pool for plans to include the special needs plans with the drug benefit. In addition, we've included a medication therapy management component for the Part D Model.

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That allows for additional innovative opportunities as you're managing cost in the catastrophic phase of the benefit. We also, in that same model, added a couple of new innovative approaches to lowering drug costs for enrollees, such as cost-sharing smoothing which could come in the form of installment payment.

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Also, plans will be allowed to limit initial days of supply of a drug to make sure that it's really the best drug for the enrollee. And finally, we've updated the VBID model to include offering a hospice benefit component as we informed you last year with that information. We have had a lot of really good conversations on that and lots of inquiries.

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What was new in March to finalize the overall VBID model was the flexibilities included in the executive order provisions announced last fall. That includes allowing plans the flexibility to share rebate savings with beneficiaries in the form of cash rebates.

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In addition, plans are now encouraged to offer new and existing technology and devices as supplemental benefits for those with chronic conditions and or for those with lower incomes. So that's a really quick down and dirty. And so, I turn it over to Mark Atalla to kick us off in discussing the details of the Part D Senior Savings Model.

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Thank you, Mark and go ahead, next slide.

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Sure, maybe next slide too please.

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Thanks so much Laurie. Again. My name is Mark Atalla. I'm part of the health plan team here at CMS and certainly have pleasure of working with a broad set of folks here and throughout the agency and department. I think before talking about the specifics of this model, I'd like to echo Laurie and again thank everyone for engaging with us so consistently and broadly.

10:57

There's no doubt that these models and tests are better because of that both now and the future. And I think you'll see probably pretty timely and immediate feedback from us on some changes and clarifications to this model that will talk through shortly. So before getting into that, I first want to give the basic background Laurie mentioned. The Part D benefits include the deductible, initial coverage limits phase, coverage gap phase and the catastrophic phase under the defined standard Part D benefits.

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If a beneficiary is in the coverage gap phase, manufacturers generally pay a 70% discount on the negotiated price for their drugs Beneficiaries pay 25% and then plans are liable for the remaining

5%. Also in today's benefit, Part D sponsors, through their enhanced alternative plans, may offer supplemental benefits in any benefit phase. There is a wrinkle, and that that's really what you see on the screen here, of the special rule of supplemental benefits in the coverage gap. There the coverage gap phase of the benefit was designed based on the manufacturer coverage gap discount program, if a plan chooses to offer supplemental benefits for an applicable drug, the plan becomes liable for the entire amount from the negotiated prices of applicable drug to whatever the copay they've set.

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Then the manufacturer covers 70% of what's left and the beneficiary pays the remainder. That structure provides a really strong financial disincentive to plans designing Part D benefits that provide supplemental benefits in the gap for applicable drugs, one of which is insulin. That means beneficiaries are left with generally paying a 25% coinsurance through the coverage gap for those drugs.

The model at its core is testing a change to that structure where the manufacturers will continue to pay their full 70% coverage gap discount on the negotiated price and then participating Part D plans will provide a benefit under which beneficiaries pay no more than \$35 copays for a 30 day supply.<sup>3:39</sup>

So if we go to the next slide, we can see what that looks like.

13:48

This slide shows both the current state on the left and what the model is really trying to do on the right. Starting on the left, a beneficiary generally will face a deductible which is \$435 for 2020. And so, in this example the defined standard for the deductible cost could be up to \$435 for the current plan year.

14:16

The beneficiary moves from the deductible, based on total gross drug cost, to the initial coverage phase where generally beneficiaries would have a copay between \$40 and \$50 for a 30 days equivalent supply. Then when the beneficiary reaches the coverage gap, again, based on gross drug costs, the beneficiary usually will have to pay 25% coinsurance on the negotiated price. In this example, that could be 25% of \$500, which is a general claim cost for insulin. It could be higher or lower based on the specific claim. But so let's say that it's \$125 that could be a significant burden for the Part D population.

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When the beneficiary moves to the catastrophic phase based on hitting the out-of-pocket limit, the beneficiary will pay 5% of the negotiated price of the drug. And so, as I think you'll agree the current Part D structure can certainly lead to beneficiary confusion; most basically 'what am I paying when?' It's not a great experience. And so, with that in mind we're testing the design on the right for insulin, specifically where in the deductible, the initial coverage, and then the coverage gap phases plans will offer insulin under the model at a maximum \$35 for 30-days' supply. Next slide.

16:03

So again, stated simply

16:07

Our goal is to greatly lower out-of-pocket costs for beneficiaries that utilize insulin. The model is voluntary for manufacturers, Part D sponsors, and beneficiaries. Manufacturers have been given the chance to join. Part D sponsors currently have a notice of intent period which we'll go through in a second. Then beneficiaries have the option to choose the model enhanced alternative plan. For 2021, we're pleased to announce there are three manufacturers participating: Eli Lilly, Novo Nordisk and Sanofi and you can find more information about that on the model website. In the enhanced alternative both standalone PDPPBPs and MAPDs may join and the model only applies the beneficiaries that do not qualify for the low-income subsidy. We have specific guidance on our website and it's in the RFA which shows that the alternative

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Is really only applicable to non-LIS beneficiaries. Additionally, through this model, we are testing the Part D Rewards and Incentives program. It's really specific to using rewards and incentives to promote improved health, medication adherence, and the efficient use of healthcare resources for beneficiaries either with diabetes or prediabetes.

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We have a few operational pieces, which I'll hand over to Judy to go through on the next slide.

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Thanks Mark. We wanted to thank everybody for taking time to review the request for applications and we've received a number of thoughtful questions that we've been reviewing. We're working on a frequently asked questions document that we hope to be able to post early next week. But I did want to take a few minutes now to discuss some of the questions that we've received on the deductible. We've received a number of questions

18:17

About how the beneficiary moves through the deductible and the initial coverage phases of the Part D benefit based on the total drug cost accumulated. We did release a memo on March 23rd entitled, "The Part D Senior Savings Model Calendar Year 2021 Pharmaceutical Manufacturer Model Participation and Part D Sponsor Requirements," that has additional information on the deductible. So I would encourage you to review the memo which can be found on the model website for additional information.

18:47

We've also received a number of questions about the flexibility to offer a benefit with different cost sharing, preferred and non-preferred pharmacies, and retail and mail locations and are considering the requests we have received to allow a lower cost sharing and preferred pharmacies and pharmacy locations for the model insulin product.

19:02

Also we are thinking carefully about the operational implications and we'll be addressing the big questions in an FAQ that we hope to release early next week. Another topic that we've gotten a number of questions on is the definition of a 30-day supply or one-month supply or a 30-day equivalent supply. In answer to that question, the intent of the model is to follow the plans definition,

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Consistent with what you would file in the plan benefit package and current program regulation and guidance for the one-month equivalent supply. So if you, for instance, would have 31 days

as the one month supply the intent of the model is to be consistent with whatever you would file in the plan benefit package.

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We also have had questions concerning the maximum \$35 copay and note that sponsors have flexibility to offer a lower co-pays for one or more of the model drugs below that \$35. For example, you could offer a lower cost share for different insulin products, different types of insulin and or different forms of insulin. We do encourage sponsors to consider offering lower co-pays for model insulin.

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One thing I did want to note here is if you would elect to offer a lower cost sharing model insulin, that same cost sharing does need to be offered in all three phases: the deductible, the initial coverage phase, and the gap coverage phase.

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As Mark said earlier, the list of model drugs is now posted and available on the model website. So I'd encourage you to take a look at that. For tier replacement, Part D sponsors, you may include insulin on any formulary tier that's consistent with current program guidance and regulations around formulary design. The cost sharing for that formulary tier, or tiers, that you would elect to put the model insulin on does need to be greater than or equal to the cost sharing of the model insulin.

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And finally, on this slide, I wanted to take a minute to talk about the optional risk corridor that's available. Through the application process, sponsors are able to opt into the optional risk corridor to be eligible for 2.5% instead of 5% for the first threshold for the risk corridor. If they proactively opt in, CMS would apply a narrower first risk corridor threshold where a participating plan benefit package has a statistically significant number of insulin dependent diabetic enrollees relative to other similar plan types---GDP, MADP or whatever plan type, with at least one model insulin.

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I want to note one final thing on this slide. We do encourage you to continue to submit your questions. And we are working on some additional guidance on how beneficiaries would be presented plans on Plan Finder and your questions will help us there and in other areas. If we could go to the next slide, please.

22:38

Thank you. On the next slide, I wanted to talk briefly about the application process for the model. The first step is manufacturer enrollment. We completed that step and as Mark noted earlier, Eli Lilly, Novo Nordisk, and Sanofi will be participating in the model for 2021. The list of model drugs is available on the website and we do have the link for that information posted information there for you.

23:05

So the next step in the process is for the Part D sponsors to join the model. And Hunter will be going through the application process in more detail later in the presentation, but I did want to provide a brief summary for those interested in applying to participate to the models. The first step is the letter of intent and that's due by April 10<sup>th</sup>.

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Then there's the application process and applications are due by May 1st. And then finally to complete the Model related components bids are due by June 1<sup>st</sup>. And at this point I will turn the presentation back over to Mark to talk about the Part D Payment Modernization Model. Thank you.

23:49

Thanks, Judy.

23:52

Just one final note on the Part D Senior Savings Model. So really plans will have until April 10th to submit their notice of intent. Our model website has a link to a portal. It's really a few question. I think what we're hopeful for is to submit your contract and PBPs if you have those. If you don't have those things, we'd like to understand in which states you're intending to implement this in.

24:22

Thanks. And so moving on to the Part D Payment Modernization model and just don't worry everyone. So this model really is an answer to the question: How can we increase Part D sponsor risk or liability for federal reinsurance, which currently is 80% of the catastrophic phase spending? And so, you know as part of that, the model includes enrollee eligibility for PBPs and MAPs probably in all states and territories for this year through 2021.

24:52

There are two components to this model. The first, like other quote-unquote shared savings models or performance models, we'll have a benchmark for this model that's is retrospective and allows us to share in savings or pay performance-based savings or gains to Part D sponsors that are in the model. And then also there's the other side risk,

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Downside risk, where Part D sponsors will pay to CMS some percentage if actual spending is above benchmark spending.

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And so, with that you're right to say you're taking risk. What can Part D Sponsors do to manage that risk? There's general formulary design, et cetera, but beyond that in the model, and Judy will go through this, there are specific programmatic flexibilities that we we've outlined that are intended to help plans better manage drug spending and increase both understanding of the benefit out of pocket cost and the alternative therapy option. If you can move the next slide.

26:16

To summarize this slide. And one question we consistently get is when are these program flexibilities going to be available on our website. Hopefully this week or very early next week. And so again, the main rationale for the model is to reduce overall Part D official reinsurance subsidy cost and improve quality in Part D. So going to the next slide.

26:48

Right. This is the crux of the payment piece of the model. And so again, we have a retrospective benchmark. Participants will have all the programmatic flexibilities which are outlined in the model RFA that Judy will go through. And then in terms of, how do we determine a performance-based payment or losses for any savings and savings relative to the benchmark?

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So essentially these Part D sponsors reinsurance costs are anywhere from zero to three percent lower than what we're expecting. And so that's what we're expecting based on really non-participating plans. Participating plans will get 30% of that difference. Any savings beyond 3% CMS will share 50% of those savings. In terms of losses, in terms of downside risk, your risk is 10% of that difference on the downside.

27:48

So that's the payment side. Judy, I'll hand it back to you and then probably the next slide, for you to go through the programmatic flexibilities.

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Thanks, Mark. So I've marked some new problematic flexibilities for 2021. And the first one is the MTM program. This is the MTM plus program, this program is waives MTM requirements for targeting intervention engagement, as well as, uniformity and accessibility of the benefit requirements for participating sponsors

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To encourage development of innovative and MTM programs and participation in the model. So, through that, we're testing ways that the MTM program can be developed and implemented that would improve beneficiary targeting and engagement. To help improve adherence, coordination of care, and help beneficiaries understand their medication regimen to manage their diseases.

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We're really encouraging sponsors to think about and develop programs that would be clinically impactful and meaningful, and to help beneficiaries better manage their diseases through different medication adherence and to look at how better managing medication could help decrease other types of costs. If we could go to the next slide, please.

29:32

In addition to the MCM plus program, there are other new flexibilities to help lower costs and also an expansion of a current flexibility to provide our sponsors additional tools for lowering costs and helping to coordinate patient care. So the next one I'll talk about is the limited initial day's supply. Through this flexibility Part D sponsors may propose to provide beneficiaries the option to try a new medication through a limited supply for the first fill based on clinical criteria that they developed for drugs through their pharmacy and therapeutics committee.

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We also encourage sponsors to think about ways that this program could be combined with an MTM+ program. We really think this flexibility could help improve care management coordination and management of drug therapies where there may be need to change a drug shortly after it's started due to some sort of side effect. Or you know things that you can help manage and watch. Through those processes we can reduce waste and beneficiary cost through earlier identification of needs for dosage adjustment or treatment regimen changes.

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The next flexibility listed on the slide here is cost-sharing smoothing. Through this flexibility sponsors may establish payment options for enrollees to help them afford their medications. Specifically through moving the cost, enrollees could be given options to pay for all of their medications during the year under an installment-type payment plan. So they have multiple



payment or installments throughout the calendar year rather than paying for their total cost up front.

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We encourage sponsors to think about the ability to offer that and provide proposals to us consistent with the guidelines that we set out in the request for applications. The next flexibility is LIS cost-sharing reduction. For 2021, this flexibility has been expanded to all plan types. In 2020, it was just available for enhanced alternative plans

32:00

Through this flexibility, model participant may reduce the cost sharing for generic and biosimilar drugs for LIS beneficiaries to an amount that's below the statutory maximum copay and still be able to receive the low-income cost sharing subsidy, or the LIS payment that reflect the difference between a plan's cost sharing amount and the LIS statutory maximum copayment. Next slide, please.

32:30

Two additional flexibilities are Part D Rewards and Incentives where sponsors may propose to offer rewards and incentives programs that encourage greater enrollee education and greater engagement between the enrollee and the enrollee's chosen Part D plan. The last flexibility I'll talk about here is the increased window for standard coverage determination.

33:00

Through this flexibility sponsors would be permitted to increase the standard coverage determination time frame from 72 to 96 hours for requests for drug coverage. This change will allow additional time for model participants, as well as, prescribers and enrollees the hope of increased adherence to medications at that first bill and increased ability to do an initial determination approvals and decrease redetermination.

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Hopefully through the flexibilities that have been added for 2021, they'll be a suite of tools throughout the Part D model that will help lower costs and improve quality. And now if we could go to the next slide, I'd like to turn the presentation over to Hunter who's going to talk about the Value-Based Insurance Design model. Thanks Judy. We can go to the next slide, please.

33:59

Through the VBID model, CMS is testing a broad array of complementary Medicare Advantage Health Plan Innovations or programmatic flexibilities with the goal of reducing program expenditures while improving the quality of care for Medicare beneficiaries, including beneficiaries with low incomes.

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So since the start of the model in 2017, we've really worked to broaden it to include additional programmatic flexibilities not offered under the original program, as well as, to allow any of and all 50 states and territories to apply for participation. So for 2021 the model is open to MA plans as well as a MAPD plan sites, including HMOs, PPOs, RPPOs and all special need types. In the next few slides, I'll walk through the programmatic flexibilities that will be available for 2021. Next slide.

34:53

Okay, as I was saying, I'd like to take a moment here on this slide to walk through some key updates for 2021 for the Model. Beginning in 2021, and in accordance with the President's Executive Order on protecting and improving Medicare for our nation's seniors, the VBID model will provide participating MAOs two things: additional flexibility to share beneficiary rebates with all of their enrollees and VBID model PBPs through a new mandatory supplemental benefits in the form of cash or monetary rebates

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So through this new model component what we're looking at is testing the different ways that sharing rebates with beneficiaries via cash or monetary rebates; one, incentivizes Medicare beneficiaries to choose MA plans with lower costs and or higher quality and, two incentivizes MA plans to offer lower bids and score higher star ratings.

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In addition to this flexibility, also in response to the President's Executive Order, CMS is encouraging MAOs that participate in the VBID model to cover new technologies that are FDA approved but do not fit into an existing benefit category for targeted populations and yet potentially are of high value that would receive the highest value from these new technologies.

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In addition to the flexibilities that will be available beginning in the 2021 plan year, the model is also testing the Medicare hospice benefit component provided through MA plans. I'll discuss the Medicare hospice benefit component in more detail in the next couple of slides, but before we move on I'd like to

36:41

Note that in addition to the 2021 updates to the model, participating MAOs will still be permitted to target benefit designs based on chronic condition and/or socioeconomic status or LIS status. And they can also offer rewards and incentives programs in particular rewards and incentives connected to the Part D benefit.

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The last thing I want to mention before we move on is that MAOs participating in the model must outline a wellness and health care planning strategy that focuses on improving the awareness and availability of advance care planning for beneficiaries. Next slide, please.

37:25

So now onto the Medicare hospice benefit component, which is new for 2021. So over the past few months, we've received significant interest from MAOs in hospice and palliative care providers regarding the hospice benefit component. Through this component, we're testing having participating MAOs include the Medicare hospice benefit component in their overall benefits package. Our goal is to enable a seamless care continuum that improves quality and timely access to palliative and hospice care.

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The hospice benefit component not only maintains the full scope of the Medicare hospice benefit, but it also allows for flexibilities around palliative care strategy, provision of individualized person-centered transitional concurrent care, and hospice specific supplemental benefits. Through the model's components, robust care transparency efforts and a phase in of

networks, the hospice benefit component maintains broad choice and access to quality hospice care.

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Next slide. In February, we released an advance notice of the payment methodology for the hospice capitation rates, as well as, the supporting data book. In a few weeks we'll be releasing the hospice capitation rate book and the final actuarial methodology. Instead of asking MAOs to project hospitalization costs, we chose to develop and pay a separate hospice capitation rate to participating MAOs for any enrollee who elects hospice. We took an approach to setting rates similar to how MA rates are set

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And how the rate book are developed today. Specifically the CMS Office of the Actuary looked at the historical experience of hospice coverage for all beneficiaries that elect hospice and included for all services, hospice and non-hospice, such as unrelated care.

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So for each beneficiary that elects hospice for the first month, MAOs will be paid in A/B capitation rate, as they are today, an experience-adjusted habit hospice capitation rate, beneficiary rebate amount, and, for MAPDs a monthly prescription drug payment.

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Overall the payment structure for the hospice benefit component was designed to be budget neutral to current fee-for-service payments consistent with the MA program. You know in designing this payment structure was designed to support the provision of the full Medicare hospice benefit and integrated coordinated care across the continuum. We're really excited to see plans develop and test innovative palliative and concurrent care programs alongside the full Medicare hospice benefit aimed at improving end-of-life care and care for patients with advanced illness more broadly. Next slide, please.

40:16

Now that we've provided overviews of the Part D Senior Savings Model, the Part D Payment Modernization Model and The VBID model, we'd like to shift gears a bit to discuss the application processes and timelines with respect each model. Next slide.

40:34

As you can see on the slide, applications for the Part D Payment Modernization Model and VBID Model, including the hospice benefit component, are due by April 24<sup>th</sup>. For the Part D Senior Savings Model, as Judy discussed earlier, Part D sponsors should submit a notice of intent by April 10<sup>th</sup> followed by an application which is due May 1<sup>st</sup>. Once applications have been reviewed and approved by CMS, organizations will indicate participation one or more of the models via the June bid submission.

41:04

Organizations will also need to submit supplemental files, which I will briefly discuss in the next few slides. Next slide, please.

41:15

For the Part D Senior Savings Model, applicants will be required to submit a file that contains the name, strength, and dosage form of each model insulin the Part D sponsor will offer at a

maximum of 35 dollar co-payment for a 30-day Supply and the specific and enrollee cost sharing for each model insulin. Next slide.

41:38

So just a few things to note regarding the Part D Payment Modernization Model and supplemental files. The first is that when you go to the application link on the model web page, you can download a complete copy of the questions. To the extent that will help you prepare, you're able to do that. In addition, if you're interested in implementing the limited initial base supply flexibility

42:08

Or if you're proposing to reduce or eliminate cost sharing for generics and biosimilars for low-income subsidy beneficiaries, you'll need to submit the additional file listed here on the slide. Both of these supplemental files are available as a download within the application on the web page. So when you when you hit the application link you'll be able to download these files and again, including the PDF of the application questions.

42:38

The next slide please.

42:44

Similar to the Part D Payment Modernization Model, you will also be able to download a PDF of the VBID Model application questions for your reference. But what's different about VBID is that is we have two required supplemental files. The first required supplemental file is a spreadsheet. That is a template that directs you to list all of your contracts PBPs' and the different model components that you're proposing to implement.

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We'll then ask for targeting and engagement estimates. All of that is to be submitted in addition to the application via the VBID Mailbox. The second supplemental file that's required is basically our financial template for the model.

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What we're asking for there is for plans to outline, first, their projected cost for each VBID model component that they're proposing to implement for 2021 and then answer some questions related to projected net Savings in Medicare over the course of the model. Just like PDM or the Part D Payment Modernization Model, these supplemental files and the application questions are available as a download within the application. So once you go into the link, you can download them. Next slide, please.

44:10

Okay, so just a few quick reminders on applying for any of the models or all three of the models. Because these are three separate models, distinct from one another, each has a separate RFAs out, as we've discussed previously. You'll need to just make sure you consult the individual RFA and visit the individual application links. We do want to clarify for all three models you only need to submit one application per parent organization per model.

44:38

That application needs to include all of the contracts and PBPs that you would like to include for participation in the model. So as an example, if you're applying to VBID, you're going to fill out

one application. It's going to include all your contracts and PBPs, what you're proposing to implement and et cetera. Next slide.

45:06

Okay, so just to wrap things up before we go to the question and answer session, as Mark and Judy mentioned earlier, these slides will be posted in the end the coming days if not by early next week.

45:17

We have here a list of really helpful resources, for example, the respective, model web pages, which we encourage you to visit and download the materials from. But as Mark and Judy mentioned, please reach out with any questions as you're going through the application process. We're always happy to connect and provide any assistance we can and to help you get your application submitted. Again, we'll be posting these slides in the coming days for your reference. And so I think with that I'd like to it back over to Mark so that we can begin our question answer session. Thank you.

46:05

Sure. Thanks, Hunter. That was great. Thanks for the walk through. So I think we'll get it straight into questions. We have a lot of them, but about 10 minutes. I think the first question is for Hunter. I'll read it and kick it over to you. The question is, for 2021, what does a plan need to do in terms of meeting WHP models in healthcare planning?

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Is it correct to say that it the strategy needs to reach all members in the participant's PBP, or could it be more targeted?

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The answer is that, it can be more targeted. We encourage MAOs to have a strategy that reaches all enrollees, but understand that in some cases it may be easier to target populations. But the overall goal would be to try to target all enrollees.

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To clarify it's that we'd be comfortable if a plan had 'this is their strategy probably' and 'this is our strategy for specific populations'. Is that a fair way to summarize it? That is a change from 2020. There should be a broad strategy at the very least, and then we're targeted strategies to right there. Yep. Great. Thanks.

47:41

Okay.

47:45

There are a lot of questions about when the presentation will be available. So we'll aim to put it on the model websites and will be on all three model website before the end of the week or early next week. So there's a question on the Part D Senior Savings Model, has there been information shared about how to submit the notice of intent and then the application process? I'm happy to start that and then

48:15

Judy you can clarify or add to that.

48:18

The process of how to submit your notice of intent for the Part D Senior Savings Model is on the website, the model website. Now, there's a portal. That portal takes you to a link where there are maybe ten questions asking who you are, your contract, and PBPs. So there's not a lot of questions. After that a letter of intent, that's due on April 10. We will then post the application. It will follow a very similar format and be a link on the website. It will have more detailed questions. It will ask you if you're opting into the optional risk corridor program. If you're eligible, it will ask you are you offering a Part D Rewards and Incentives program and to outline what that is.

49:16

Then we'll ask you a third set of questions around which contract and PBPs are you applying for. You'll then finalize everything in the bid for on June 1<sup>st</sup>. Hopefully that clarifies the process, but Judy, feel free to add to that. Thanks Mark, the one thing I would add to that is there will be a supplemental file to be submitted that indicates the model insulins that your organization will be offering and the cost sharing that they'll be offered at. A version of that comes with the application and it will be submitted with the bid.

50:04

Thanks Judy, I think two other questions for you. So the first question is, are formulary brands included or could they deviate from offering some other formulary product? I think the question really is asking about submitting your model drug, what are those requirements?

50:33

Can the plan also offer other drugs beyond the formulary requirements or plan design? And, what are the drug requirements of the Part D Senior Savings Model?

50:49

Sure, Mark. I the first thing is that all of the formulary requirement still apply unless they're being waived by the model. So the normal requirements that you would have under Part D would still apply. As far as coverage under the model itself, in the RFA we talk about the model insulin needing to include a rapid acting,

A short-acting, an intermediate acting, and a long-acting insulin in both a pen and a vial dosage form and that a maximum \$35 copay for the 30 days insulin supply applies to each. So hopefully that answers the question. If there are more specifics that would be helpful, we can help provide a more complete answer.

51:49

Please feel free to send an email to the Part D Senior Savings model mailbox. The address is up on the slide now, and we'd be happy to connect and provide additional information.

52:07

Yep. Thanks Judy. A second question around that is for a plan has set their formulary and is in the model.

52:15

Is there a guidance about member facing material, whether it's the evidence of coverage the ANOC (Annual Notice of Change) and are there updates there we're thinking about. Sure, thanks Mark. Another really good question. We're still working through the communication materials in consultation with our colleagues at the Center for Medicare so we'll be providing more

information around that hopefully in the very near future. Thanks Judy. So we also got a question about the Part D Payment Modernization Model and I'll take it. In terms of eligibility. So the eligibility is both standalone PDPs and MA-PDs that may join. When we create benchmarks, your benchmark will be created against the MAPD if you're an MAPD, and then against the PDPs if you're a standalone PDP.

53:19

There's a broader question too about eligibility requirements, can you please provide high-level eligibility requirements for MAOs to join in various models? I'll take that for the interest of time. So essentially for Part D Senior Savings Model, yes all plan types except dual eligible special needs plans (D-SNPs), Private fee-for-service plans, employer/union only direct contract plans (local coordinated care plans, prescription drug plans, private fee-for-service plans) section 1876 cost contract plans, section 1833 health care prepayment plans, PACE organizations, Medicare-Medicaid plans, and religious fraternal benefit plans (local coordinated care plans and private fee-for-service plans), but really MAPDs outside of that. PACE plans are not eligible but the majority of MAPDs are eligible to join that model,

53:49

PACE plans are not eligible but the majority of MAPDs are eligible to join that model. Same with the Part D payment Modernization model, so no EGWPs. No PACE plans and no cost plans.

54:03

Really broad eligibility there. And then for VBID the same thing, so it's really incredibly broad MA plan eligibility for MAOs. The only model Part D Sponsors or standalone PDPs cannot join is VBID. And so hopefully that's a high level walkthrough for all three models. So I have a question, either for Hunter or for Sibel Ozcelik, who leads everything around the hospice benefit component. Does the member receiving hospice have to be in a specific care setting, the home, or the nursing home?

54:49

Hey Mark, this is Sibel. So no, the member does not have to be in a specific care setting. The way that we've designed the model does not unbundle the Medicare hospice benefit, we're maintaining it as is. Hospice is very interdisciplinary. It crosses among settings and our rates are designed off of the per diem rate structure, which doesn't differ by specific care setting.

55:16

Thanks, Sibel. So we've got a few questions on when can plans opt in. We're announcing the 2021 application period and we hope plans are joining this year and look forward to additional requests for applications in future year. In general applications are one year. You're signing a one year contract addendum.

55:46

If you're applying for 2021, you're in the model for 2021. If in future years you decide that that's not the right direction for your plan, you certainly can opt out. I think one specific question is if plans are required to offer both pen and vial if available from the manufacturer, the answer is yeah. I think one clarification we made is in the event that your formulary or manufacturer does not have both dosage forms available

56:16

You'll still meet model requirements if you include the available dosage form and we will review that in your application.

56:34

So we are over time. We will take additional questions certainly by email and respond. Three email addresses on the slide deck here. Please feel free to email us and we'll go from there, but we appreciate everyone's time today. We hope you're all safe.

56:58

And again, thank you for engaging with us and we hope you found this useful. Thank you.