

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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Centers for Medicare & Medicaid Services

DATE: January 27, 2022

TO: All Part D Sponsors and Pharmaceutical Manufacturers

FROM: Laura McWright, Deputy Director, Seamless Care Models Group
Center for Medicare & Medicaid Innovation

SUBJECT: Part D Senior Savings Model Pharmaceutical Manufacturer Application Process for Plan Year 2023

On March 11, 2020, the Centers for Medicare and Medicaid Service (CMS) announced the Part D Senior Savings Model, a voluntary Model that enables participating Part D enhanced alternative plans to lower Medicare beneficiaries' out-of-pocket costs for insulin to a maximum \$35 copay per one-month supply. Today, CMS released the Calendar Year (CY) 2023 Part D Senior Savings Model Pharmaceutical Manufacturer Request for Applications (RFAs) for Plan Year 2023.

CMS intends to subsequently release the CY 2023 Request for Applications for Part D Sponsors after it completes its review and approval of CY 2023 manufacturer participation, and is currently targeting late February or early March to start these activities.

Manufacturers of Model Drugs who are not currently participating in the Part D Senior Savings Model that wish to participate in the Model for the 2023 Plan Year must submit a completed **Addendum to the Medicare Coverage Gap Discount Program Agreement for Participation in the Part D Senior Savings Model** to CMS by 11:59PM ET on February 4, 2022. Please submit signed materials to CMS via PartDSavingsModel@cms.hhs.gov. Before submitting to CMS, please review the RFA and the Addendum for more information on Model Drugs that are applicable under the Model and for additional requirements for participation starting in CY 2023. CMS will review and notify pharmaceutical manufacturers of their approval in February 2022.

Information on the Part D Senior Savings Model Request for Applications for Pharmaceutical Manufacturers and the Addendum are available here: <https://innovation.cms.gov/initiatives/part-d-savings-model>.

Part D Senior Savings Model - Background Information

The Part D Senior Savings Model tests changing the Medicare Coverage Gap Discount Program (the "discount program") to allow Part D sponsors, through eligible, enhanced alternative plans, to offer a Part D benefit design that includes predictable copays in the deductible, initial coverage, and coverage gap phases by offering supplemental benefits that apply after manufacturers provide a discounted price for a broad range of insulins included in the Model. The Model aims to reduce Medicare expenditures while preserving or enhancing quality of care for beneficiaries who receive Part D coverage through standalone PDPs or Medicare Advantage (MA) plans that provide Part D prescription drug coverage (MA-PDs). The Model does not change cost sharing in the catastrophic phase; however model-participating plan benefit packages (PBPs) will still provide more stable, predictable copays for insulins that beneficiaries need throughout the different phases of the Part D benefit.

A summary of the Model's timeline is provided below:

January 27, 2022 – CMS releases RFA for Pharmaceutical Manufacturers

February 4, 2022 – Deadline for pharmaceutical manufacturers to apply (at 11:59 pm EDT)

February 2022 – CMS confirms pharmaceutical manufacturer participation by publicly making a list of participating manufacturers available via Model website

January 1, 2023 – CY 2023 performance period of the Part D Senior Savings Model begins

Please view the Part D Senior Savings Model Fact Sheet here as well for additional Model information:
<https://innovation.cms.gov/initiatives/part-d-savings-model>.

Additional questions on the Part D Senior Savings Model should be sent to the Part D Senior Savings Mailbox at PartDSavingsModel@cms.hhs.gov.