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**DATE:** October 1, 2018

**TO:** All Part D Plan Sponsors, with the exception of PACE, EGWPs and MMPs

**FROM:** Amy Larrick Chavez-Valdez, Director  
Medicare Drug Benefit and C & D Data Group

**SUBJECT:** Request for Comment on Medicare Rx (MRx) Plan Benefit Package (PBP) Enhancements

The purpose of this memorandum is to solicit feedback from Part D Plan Sponsors regarding potential changes or enhancements to the Medicare Rx (MRx) Section of the Plan Benefit Package (PBP) given the closure of the coverage gap in Contract Year (CY) 2020. This request applies to all Part D plans with the exception of Programs of All-Inclusive Care for the Elderly (PACE), Employer Group Waiver Plans (EGWP), and Medicare and Medicaid Plans (MMPs).

The Bipartisan Budget Act (BBA) of 2018 (Public Law No. 115-123), enacted on February 9, 2018, made a modification to the Medicare Part D Coverage Gap Discount Program (CGDP), effective for CY 2019, to increase the manufacturer discount for beneficiaries in the gap from 50 to 70 percent for applicable drugs with a corresponding decrease in beneficiary cost sharing to 25 percent. The law does not change the existing coverage gap closure for non-applicable drugs that will conclude in CY 2020.

We recognize that full closure of the coverage gap in CY 2020 may potentially impact how sponsors want to design their Part D benefit. CMS is requesting that plan sponsors complete a brief survey to indicate if the current PBP structure provides sufficient flexibility to describe intended benefits specifically related to the closure of the coverage gap. The survey provides an opportunity for sponsors to submit recommended changes or enhancements they would like CMS to consider. Please include in your comments a rationale for the proposed PBP modification(s). The feedback we receive may be used to inform and guide future PBP system changes.

A copy of the survey questions is attached to this memorandum for convenient reference, however, we will only accept electronic responses through our survey tool. Part D Plan Sponsors can access the MRx PBP Coverage Gap Enhancement survey at: <https://cms.gov.wufoo.com/forms/medicare-rx-pbp-coverage-gap-enhancement-survey/>. The survey will be available until 5:00 p.m. EDT on 10/31/2018.

Thank you for your feedback.

## **MRx PBP Coverage Gap Enhancement Survey**

### **Background:**

The Bipartisan Budget Act (BBA) of 2018 (Public Law No. 115-123), enacted on February 9, 2018, made a modification to the Medicare Part D Coverage Gap Discount Program (CGDP), effective for CY 2019, to increase the manufacturer discount for beneficiaries in the gap from 50 to 70 percent for applicable drugs with a corresponding decrease in beneficiary cost sharing to 25 percent, effectively closing the coverage gap for applicable drugs. The law does not change the existing coverage gap closure for non-applicable drugs, which will conclude as scheduled in CY 2020.

We recognize that full closure of the coverage gap in CY 2020 may potentially impact how sponsors design their Part D benefit. CMS is requesting that plan sponsors complete the following survey to indicate if the current Plan Benefit Package (PBP) structure provides sufficient flexibility to describe the intended benefit offerings specifically related to the closure of the coverage gap. The survey provides you an opportunity to submit recommended changes or enhancements you would like CMS to consider. Please include in your comments a rationale for the proposed PBP modification(s). The feedback we receive may be used to inform and guide future PBP system changes.

You may access and submit the survey no later than October 31, 2018 through the following link: <https://cmsgov.wufoo.com/forms/medicare-rx-pbp-coverage-gap-enhancement-survey/>

### **MRx PBP Survey Questionnaire:**

What type(s) of Part D plan(s) does your organization offer? [MA-PD / PDP / Both MA-PD & PDP / OTHER (specify)]

What type(s) of plan benefit design(s) do you offer? Select all that apply: [DS / AE / BA / EA]

Are the current PBP coverage design options sufficient to describe the benefits that your organization would like to offer between the initial coverage limit (ICL) and the out-of-pocket (OOP) threshold (i.e., Coverage Gap Phase) beginning in CY 2020? [Yes/No]

If you do not anticipate that the current PBP options will meet your needs, what specific changes or enhancements would you like CMS to consider for future modifications to the PBP? [Free text]

Please provide a rationale or justification for how the suggested change will improve the Part D program. [Free text]

Currently all basic plan designs default to defined standard (DS) cost-sharing once the ICL threshold has been met. When considering basic plan offerings, what coverage design options do you feel should be available to Part D sponsors during the phase of the benefit when the manufacturer discount will apply? [Possible options: 1) Maintain the current process whereby the PBP defaults to defined standard coverage after reaching the ICL 2) Allow the initial coverage

phase cost-sharing to continue from completion of the deductible until reaching the catastrophic phase of the benefit 3) Other (please specify)]

If you were given the option to maintain pre-ICL cost-sharing from completion of the deductible phase through to the catastrophic phase, would you want this to be applied across all tiers or would you want the flexibility to apply this to only certain tiers? [All tiers / limit to certain tiers]

Please provide a rationale or justification to support your selection, including how it might affect your ability to meet all actuarial equivalence standards. [Free text]

If you offer an enhanced alternative benefit design, do you currently offer additional gap coverage? [Yes/No/NA]

If yes, how is this coverage applied? [Entire formulary / full tiers / partial tiers / both full & partial tiers]

If cost-sharing reductions continue to be allowed between the ICL threshold and the catastrophic phase of the benefit, CMS is considering elimination of partial tier coverage with the closure of the coverage gap. Is this proposed approach of concern to your organization? [Yes/No]

Please provide a rationale or justification for the response above related to partial tier coverage. [Free text]

Do you recommend changing the reference to this phase of the Part D benefit from the name “coverage gap phase”? [Yes/No]

If yes, what do you suggest this phase be called? [Free text]

If no, please provide a rationale for maintaining the name “coverage gap phase.” [Free text]

Please provide any additional comments on how you believe that the closure of the coverage gap will impact Part D benefit offerings. [Free text]