

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



**CENTERS FOR MEDICARE & MEDICAID SERVICES**

---

**DATE:** January 4, 2019

**TO:** All Medicare-Medicaid Plans

**FROM:** Lindsay P. Barnette, Director, Models, Demonstrations and Analysis Group  
Medicare-Medicaid Coordination Office

Jennifer R. Shapiro, Acting Director, Medicare Plan Payment Group  
Center for Medicare

**SUBJECT:** CMS Update on Medicare Part D Payments to Medicare-Medicaid Plans for  
Contract Year 2019

This notice provides information to Medicare-Medicaid Plans (MMPs) regarding the CY 2019 Part D Administrative Cost Ratio for the purposes of Part D risk corridor reconciliation for MMPs.

The CY 2019 Part D Administrative Cost Ratio for MMPs is 22%. This percentage will be used for the reconciliation of the CY 2019 Part D risk corridors applicable to MMPs for the direct subsidy portion of the Part D payment.

CMS establishes this percentage by examining the projected Administrative Cost Ratio for Medicare Advantage Prescription Drug Plans in the applicable payment year bids. For the CY 2019 MMP Part D Administrative Cost Ratio, CMS used information from the CY 2019 bids.

Please contact the Medicare-Medicaid Coordination Office at [mmcocapsmodel@cms.hhs.gov](mailto:mmcocapsmodel@cms.hhs.gov) if you have any questions.