

HPMS E-Mail

Date: August 5, 2019

Subject: CY 2020 Medicare Advantage Out-of-Pocket Costs & Premium Information for Rebate Reallocation

The purpose of this email is to provide organizations with current CY 2020 Medicare Advantage (MA) premium amounts (net of rebates) based on the national average, adjusted Total Beneficiary Cost (TBC), and Out-of-Pocket Cost values (OOPC) by service category and premium amounts (net of rebates) based on the national average to assist in preparing bid submissions during rebate reallocation.

This information has been posted on HPMS and may be accessed by selecting: Quality and Performance > Performance Metrics > Costs > Part C Total Beneficiary Costs > 08/01/19. The file also includes columns with the formulary version number (if applicable) and the Plan Benefit Package (PBP) version date used in the OOPC calculations. The file excludes Employer, Medical Savings Accounts, Special Needs Plans for End-Stage Renal Disease requiring dialysis, and Dual Eligible Special Needs Plans since they are not subject to TBC requirements. Following rebate reallocation, CMS uses the first-approved plan formulary in calculating the OOPC values or the most recently submitted plan formulary if the formulary is not yet approved. It is important to note that CMS does not consider any formulary updates after the first-approved plan formulary in reviewing bids (i.e., changes made to plan formularies during the CY 2020 Summer Limited Update Window).

CMS expects all MA organizations to submit bids that satisfy published requirements, such as TBC, Service Category Cost Sharing, and Per Member Per Month Actuarial Equivalent Cost Sharing. It is important that organizations run the OOPC model for each plan to make sure benefit and premium changes comply with all CMS standards. The Office of the Actuary provides detailed guidance regarding required and permissible changes during rebate reallocation in the "Instructions for Completing the MA and Part D Bid Pricing Tools for CY 2020" (April 5, 2019). In addition, the HPMS memo entitled "Contract Year 2020 Medicare Advantage Bid Review and Operations Guidance" (dated April 18, 2019) includes instructions for calculating the adjusted change in TBC.

Questions regarding premium information posted on HPMS should be sent to the actuarial mailbox: actuarial-bids@cms.hhs.gov. Technical questions about the Out-of-Pocket Cost (OOPC) model should be sent to OOPC@cms.hhs.gov and questions related to TBC policy should be submitted to: <https://mabenefitsmailbox.lmi.org/>.

