

HPMS E-Mail

Date: May 13, 2019

Subject: Update: Out-of-Pocket Cost Model for Contract Year (CY) 2020 Bid Submissions

On April 15, 2019, CMS released the CY 2020 Out-of-Pocket Cost model (OOPC) in SAS software via the CMS website. The model utilizes 2018 prescription drug event (PDE) data to determine pricing, and therefore newly released products were not included in the model. As sponsors prepare their bids, CMS would like to ensure they have the benefit of getting credit in the model when making the decision to include newer generics on their formulary. Therefore, we utilized the most current 2019 PDE data to determine pricing for the attached list of drugs. We will be appending the druglist_rxcui file to include these drugs and releasing an updated model to the CMS website on the OOPC Resources page (<https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/OOPCResources.html>) the week of May 13, 2019. CMS will use this updated version of the OOPC model in their bid review checks, including PDP meaningful difference and MA Total Beneficiary Cost (TBC). Updated documentation and instructions associated with running the OOPC model will also be posted at the above website.

Please note that the CY 2020 Bid Submission deadline remains Monday June 3, 2019 at 11:59 PM PDT.

For additional guidance on the CY 2020 OOPC model, please refer to the April 9, 2019 HPMS memorandum "Out-of-Pocket Cost Model for Contract Year 2020 Bid Submissions".

Questions:

- For Part C policy related questions, such as Total Beneficiary Cost (TBC), please contact the [MA Benefits Mailbox](#)
- For Part D policy related questions about meaningful difference, please submit an email to partdbenefits@cms.hhs.gov
- For technical questions about the Bid Pricing Tool, please submit an email to actuarial-bids@cms.hhs.gov
- For technical questions about the OOPC model, please submit an email to OOPC@cms.hhs.gov

