

MEDICARE PRESCRIPTION DRUG BENEFIT

2008 Application Instructions for PDP Sponsors to Offer New Employer/Union-Only Group Waiver Plans (EGWPs)

January 16, 2007

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is **0938-0936**. The time required to complete this information collection is estimated to average **(0.5 hours) or (30 minutes)** per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

BACKGROUND:

The Medicare Modernization Act (MMA) provides employers and unions with a number of options for providing coverage to their Medicare-eligible members. Under the MMA, those options include purchasing benefits from sponsors of prescription drug-only plans (PDPs), making special arrangements with Medicare Advantage Organizations (MAOs) and Section 1876 Cost Plans to purchase customized benefits, including drug benefits, for their members; and directly contracting with CMS to become Part D or MAO plan sponsors themselves. Each of these approaches involves the use of CMS waivers authorized under Sections 1857(i) or 1860D-22(b) of the Social Security Act (SSA). Under this authority, CMS may waive or modify requirements that “hinder the design of, the offering of, or the enrollment in” employer-sponsored group plans. CMS may exercise its waiver authority for PDPs, MAOs and Cost Plan Sponsors that offer employer/union-only group waiver plans (EGWPs). EGWPs are also known as “800 series” plans because of the way they are enumerated in CMS systems.

This application is to be used by new and existing PDP Sponsors who are seeking to offer new “800 series” plans in 2008. Please follow the application instructions below and submit the required material in support of your application to offer new “800 series” EGWPs. (Please note that in addition to this application, all new PDP Sponsor Applicants are also required to complete and submit the *2008 Solicitation for Applications for New Prescription Drug Plan (PDP) Sponsors*).

For Contract Years 2006 and 2007, CMS employer group waiver policy required all PDP Sponsors to offer plans to individual Medicare beneficiaries as a condition of being able to offer “800 series” EGWPs to employers and unions. Beginning in 2008, this requirement will be eliminated for all PDP Sponsors. Pursuant to CMS employer group waiver policy, PDP Sponsors will be permitted to offer “800 series” plans to employer and union group beneficiaries without being required to offer plans to individual Medicare beneficiaries.

Please note that if you are a new PDD Sponsor and only intend to offer “800 series” plans (i.e., no plans will be offered to individual Medicare beneficiaries under your contract number), in addition to completing this application in accordance with the instructions below, you must send an email to employerwaivers@cms.hhs.gov to ensure the proper processing of your application by CMS. You must do so even if you submitted a notice of intent (NOI) to apply on or before December 1, 2006. The email must include your contract number, the type of product (PDP) you are applying for and a statement that you intend to only offer “800 series” plans associated with this particular contract.

APPLICATION INSTRUCTIONS:

This application is to be completed in the following manner by the following entities applying to offer new employer/union-only group waiver plans (“800 series” EGWPs):

- New PDP Sponsors seeking to offer new “800 series” EGWPs - with or without corresponding individual plans - will be required to submit their application materials electronically through the Health Plan Management System (HPMS). New PDP Sponsors include Applicants that have not previously applied to offer “800 series” plans or plans to individual beneficiaries. In order to complete and submit an application, please log on to HPMS and follow the instructions. To complete the application, please access the following link in HPMS:

Contract Management > Contract Management > Select Contract Number > Online Applications/EGWP Attestation

(Note: All new PDP Sponsor applicants must complete the *2008 Solicitation for Applications for New Prescription Drug Plan (PDP) Sponsors* in addition to this application. The *2008 Solicitation for Applications for New Prescription Drug Plan (PDP) Sponsors* is also required to be submitted electronically through HPMS. These requirements are also applicable to any new PDP Sponsor applicants that do not intend to offer individual plans in 2008. Together these two documents will comprise a completed application for new PDP Sponsors. Failure to complete the *2008 Solicitation for Applications for New Prescription Drug Plan (PDP) Sponsors* will result in a denial of the EGWP application.)

- Existing PDP Sponsors that currently offer individual plans but that have not previously applied to offer “800 series” EGWPs will be required to submit their EGWP application materials electronically through HPMS. In order to complete and submit an application, please log on to HPMS and follow the instructions. To complete the application, please access the following link in HPMS:

Contract Management > Contract Management > Select Contract Number > Online Applications/EGWP Attestation

For All Applications Required To Be Submitted Electronically Through HPMS, Before Clicking “Submit” At The Bottom Of The Screen, Be Sure To **Print** The Application From Your Browser So That You Have A Printed Copy Of The Application For Your Records.

A separate application must be completed for each contract number under which the PDP Sponsor Applicant is applying to offer new “800 series” EGWPs.

PDP EGWP SERVICE AREA REQUIREMENTS:

New PDP Applicants and existing PDP Sponsors adding or expanding EGWP service areas will be able to enter their service areas directly into HPMS during the application process.

In order to be able to enroll and thereby offer coverage to employer and union group members nationwide, PDP Applicant must have a national service area (i.e., 50 states and Washington D.C.) designated in the Health Plan Management System (HPMS) and will be required to submit a corresponding “national” Part D bid. Under existing CMS employer group waiver policy, the PDP Applicant will not initially be required to have pharmacy networks in place to cover members nationally. However, access sufficient to meet the needs of enrollees must be in place once the PDP Applicant enrolls an employer or union group that has members residing in any particular geographic location of the national service area.

REQUEST FOR ADDITIONAL WAIVER/MODIFICATION OF REQUIREMENTS (OPTIONAL):

As a part of the application process, Applicants may submit individual waiver/modification requests to CMS. The Applicant should submit these additional waiver/modifications via hard copy to:

Centers for Medicare & Medicaid Services (CMS)
Mail Stop: C1-22-06
Attn: 2008 Additional Waiver Request (Contract #: SXXXX)
7500 Security Blvd.
Baltimore, MD 21244-1850

These requests must be identified as requests for additional waivers/modifications and must fully address the following items:

- Specific provisions of existing statutory, regulatory, and/or CMS policy requirement(s) the entity is requesting to be waived/modified (please identify the specific requirement (e.g., 42 CFR 423.32, Section 30.4 of the Part D Enrollment Manual) and whether you are requesting a waiver or a modification of these requirements);
- How the particular requirements hinder the design of, the offering of, or the enrollment in, the employer-sponsored group plan;
- Detailed description of the waiver/modification requested including how the waiver/modification will remedy the impediment (i.e., hindrance) to the design of, the offering of, or the enrollment in, the employer-sponsored group prescription drug plan;
- Other details specific to the particular waiver/modification that would assist CMS in the evaluation of the request; and
- Contact information (contract number, name, position, phone, fax and email address) of the person who is available to answer inquiries about the waiver/modification request.

ASSISTANCE:

If you have any questions about this application, please contact:

Marye Isaacs by email at Marye.Isaacs@cms.hhs.gov or by phone at 410-786-3276 or
Julian Nadolny by email at Julian.Nadolny@cms.hhs.gov or by phone at 410-786-2274.