

CMS Response to Public Comments

OMB # 0938 - 0944

CMS-10142

CY2010 Bid Pricing Tool (BPT) for Medicare Advantage and Prescription Drug Plans

CVS Caremark December 9, 2008 Letter

RE: Comments on Mandatory Self-Reporting Requirement within Part D

Comment #1:

As Part D sponsors include brand drugs on the same tier as generic drugs, Worksheet 6 of the Bid Pricing Tool becomes less effective at comparing cost share to the benefit design. Since CMS third party auditors typically use Worksheet 6 to calculate cost share and compare it to the benefit design loaded into the PBP, the breakdown by drug type rather than drug tier makes it more difficult for them to do this comparison. We therefore encourage CMS to consider changing Worksheet 6 to do the breakout by drug tier, rather than by generic, brand, and specialty drugs.

CMS Response to #1:

Worksheet 6 of the Part D Bid Pricing Tool (BPT) captures the effective cost-sharing by type of drug in various levels of the benefit design. This information must be reported in a consistent manner by all Plan sponsors. This requirement precludes a breakout by formulary tiers, which generally vary by plan. Further, OACT provides its contracted actuaries with tools for comparing the benefits in the Plan Benefit Package (PBP) and BPT. Therefore, no changes will be made to the Part D BPT based on this comment.

Comment #2:

Worksheet 6 does not accommodate different types of preferred and non-preferred cost sharing for specialty pharmacies, such as entering beneficiary cost sharing as a coinsurance less a flat dollar amount (e.g. 25% - \$50). We recommend that Worksheet 6 be revised to accommodate these types of variations in cost sharing.

CMS Response to #2:

Worksheet 6 of the Part D BPT captures the effective cost-sharing by type of drug. It is expected that multiple variations in cost-sharing are priced by the certifying actuary, and then compiled to complete Worksheet 6. Therefore, no changes will be made to the Part D BPT based on this comment.

Comment #3:

We encourage CMS to publish a technical document describing the rounding rules used for beneficiary premium calculations as well as low income subsidy benchmark qualification.

CMS Response to #3:

OACT will consider this request for a technical document addressing rounding rules when preparing the Industry training materials to be released in early April 2009. No changes will be made to the Part D BPT based on this comment.

Comment #4:

We encourage CMS to address in training the different methodologies plans might use when incorporating novated or acquired blocks of Prescription Drug Plan business into the Bid Pricing Tool. For example, it is not clear whether the new lives be handled in Worksheet 2 via the Other Change Component or whether the bid might include the new lives, if available, in Worksheet 1.

CMS Response to #4:

OACT will consider this request when preparing the Industry training materials to be released in early April 2009. No changes will be made to the Part D BPT based on this comment.