

Attachment 3

Summary of Part D Application Requirements Waived or Modified for Employer/Union-Only Group Waiver Plan (EGWP) Applicants

This table provides a summary of the regulatory requirements waived or modified for applicants applying to offer Part D plans solely in the employer market. This demonstrates why applicants applying to offer EGWP-only plans have a lower Part D application burden than those applying to offer individual market plans.

Part D Regulation	Type of EGWP Applicant Waiver or Modification Applies To	Application Requirement(s) Description	Waiver/Modification
42 CFR §423.104(b)	Direct Contract PDP Direct Contract MA-PD “800 Series” PDP “800 Series” MAO “800 Series” Cost PD	<u>Enrollment</u> : Applicant will permit the enrollment of all Medicare beneficiaries that reside in the service area.	The requirement to enroll all beneficiaries residing in service area is waived for all EGWP applicants. Enrollment in these plans is restricted to the employer/union plan sponsor’s retirees.
42 CFR §423.120(a) (1)	Direct Contract PDP Direct Contract MA-PD “800 Series” PDP “800 Series” MAO “800 Series” Cost PD	<u>Retail Pharmacy Access</u> : Applicant agrees to meet the “TRICARE” retail pharmacy access standards defined in 42 CFR §423.120(a).	EGWP applicants are required to submit retail pharmacy access for review in the same manner as individual plans but are not held to the same “TRICARE” measurement standards as individual plans. EGWPs are required to attest that their retail networks are sufficient to meet the needs of its retiree population, and that CMS reserves the right to review the adequacy of the networks and potentially require expanded access.
42 CFR §423.50(a)	Direct Contract PDP Direct Contract MA-PD “800 Series” PDP “800 Series” MAO “800 Series” Cost PD	<u>Prior Review and Approval of Dissemination Materials</u> : Applicant must submit all marketing/dissemination materials for CMS prior review and approval.	EGWP applicants are waived from the requirement for prior review and approval requirements of beneficiary dissemination materials. EGWPs must provide informational copies of dissemination materials to CMS at time of use in accordance with the specific requirements that apply to these applicants.
42 CFR §423.128; Medicare Marketing Guidelines	Direct Contract PDP Direct Contract MA-PD “800 Series” PDP “800 Series” MAO “800 Series” Cost PD	<u>Timing of Certain Dissemination Materials</u> : Annual Notice of Change (ANOC) Summary of Benefits (SB), and Formulary Materials must be mailed to beneficiaries by October 31 st of each year (15 days before annual coordinated election period).	These rules have been modified for all EGWP applicants when the employer or union sponsor has an open enrollment period that does not correspond with Medicare’s annual open coordinated election period. In these cases, the materials must be sent at least 15 days before the beginning of the employer or union sponsor’s annual open enrollment period.

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42 CFR §423.128(d) (2)	"800 Series" PDP "800 Series" MAO "800 Series" Cost PD	<u>Internet Website:</u> Applicants are required to provide specific information via an Internet website.	The requirement to post "800 Series" plan information on the Applicant's internet plan website has been waived. These plans are not open to general enrollment and the posting of this information usually takes place on a separate website or on a website provided by the employer or union group plan sponsor.
42 CFR §423.48	Direct Contract PDP Direct Contract MA-PD "800 Series" PDP "800 Series" MAO "800 Series" Cost PD	<u>CMS Reporting Requirements Re: Information About Part D:</u> Applicants are required to submit certain information to CMS such as pricing and pharmacy network information to be publicly reported to beneficiaries on www.medicare.gov to make informed enrollment decisions.	These requirements have been waived for all EGWPs. These plans are not open to general enrollment and thus this information would be inapplicable and confusing to Medicare beneficiaries.
42 CFR §423.265	Direct Contract PDP Direct Contract MA-PD "800 Series" PDP "800 Series" MAO "800 Series" Cost PD	<u>Part D Bid Submission:</u> All applicants are required to submit a Part D bid and to receive approval from CMS for the bid.	The requirement to submit a Part D bid (i.e., Bid Pricing Tool) has been waived for all Part D EGWPs beginning in 2008.
42 CFR §423.272(b) (3)(i)	Direct Contract PDP Direct Contract MA-PD "800 Series" PDP "800 Series" MAO "800 Series" Cost PD	<u>Meaningful Differences: All Applicants are required to submit plan offerings that represent meaningful differences to beneficiaries with respect to benefit packages and plan cost structures.</u>	The requirement to have meaningful differences in plan offerings by the sponsor in the service area has been waived for all EGWPs.
42 CFR §423.293(a)	Direct Contract PDP Direct Contract MA-PD "800 Series" PDP "800 Series" MAO "800 Series" Cost PD	<u>Premium Withholding Requirements:</u> All applicants are required to allow beneficiaries to request premium withholding from their Social Security check.	The requirement to offer premium withholding to beneficiaries has been waived for all EGWPs. This option is not available to any EGWP enrollees.
42 CFR §423.34	Direct Contract PDP Direct Contract MA-PD "800 Series" PDP "800 Series" MAO "800 Series" Cost PD	<u>Auto and Facilitated Enrollment Requirements:</u> Part D applicants must accept auto and facilitated enrollments.	These requirements are waived for all EGWPs. These plans do not receive auto or facilitated enrollments.

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Medicare Marketing Guidelines	Direct Contract PDP Direct Contract MA-PD "800 Series" PDP "800 Series" MAO "800 Series" Cost PD	<u>Part D Beneficiary Customer Service Call Center Requirements:</u> Applicants are required to comply with certain beneficiary customer service call center hour and performance requirements.	These service call center hours and performance requirements are waived for all EGWP applicants. EGWPs must provide beneficiary customer call center services during normal business hours. CMS may require expanded call center hours in the event of beneficiary complaints or for other reasons to ensure hours are sufficient to meet the needs of beneficiaries.
42 CFR §423.401(a)(1); §423.504(b)(2); §422.400(a); §422.503(b)(2)	Direct Contract PDP Direct Contract MA-PD	<u>Licensure and Financial Solvency:</u> Applicant must be licensed under State law as a risk bearing entity eligible to offer health benefits coverage in each State in which the benefits are offered.	Direct Contract EGWPs are not required to be licensed as they are providing benefits solely to their retirees. However, in exchange for the waiver of licensing requirements, Direct Contract EGWPs are required to meet certain ongoing Part C and/or Part D financial solvency and capital adequacy requirements. These requirements demonstrate that the entity's fiscal soundness is commensurate with its financial risk and that through other means the entity can assure that claims for benefits paid for by CMS and beneficiaries will be covered.
42 CFR §423.504(b)(4)(i)-(iii)	Direct Contract PDP Direct Contract MA-PD	<u>Administrative and Management Requirements:</u> Applicant must comply with certain administrative and management requirements.	These requirements have been waived for all Direct Contract EGWPs that meet certain requirements. A waiver applies when the Applicant is subject to other administrative and management requirements such as ERISA fiduciary standards or other similar state or federal standards.
42 CFR §423.514(a)	Direct Contract PDP Direct Contract MA-PD	<u>Reporting Requirements to the Public and Enrollees:</u> Applicants are required to report certain information to CMS, to the public and to enrollees (such as the cost of their operations or financial statements).	This requirement to report to the public and enrollees is waived for Direct Contract EGWPs under certain circumstances. To avoid imposing additional and possible conflicting public disclosure obligations, CMS modified these reporting requirements for Direct EGWPs to allow information to be reported to enrollees and to the general public to the extent required by other law (e.g., ERISA or securities laws) or by contract.

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42 CFR §423.4	Direct Contract PDP	<u>Non-Governmental Entity Requirement:</u> Governmental entities are not permitted to be PDP Sponsors	This prohibition is waived for Direct Contract PDPs so that governmental entities (state and local governments and municipalities) may apply to sponsor a PDP for their retirees.