To: Jamie Wilson
Office of Information and Regulatory Affairs (OIRA)
Office of Management and Budget (OMB)

From: Annie Cleary

Date: September 3, 2024

Subject: Non-Substantive Change Request – Medicare Advantage and Prescription Drug Programs: Part C and D Medicare Prescription Payment Plan Model Documents (OMB# 0938-1475)

This memo requests approval of non-substantive changes to the approved information collection, Medicare Advantage and Prescription Drug Programs: Part C and D Medicare Prescription Payment Plan Model Documents (OMB# 0938-1475).

BACKGROUND

The Inflation Reduction Act (IRA) established the Medicare Prescription Payment Plan, which requires Part D sponsors to offer enrollees the option to pay their Part D cost sharing in monthly amounts spread out over the plan year. Under Section 1860D–2(b)(2)(E)(v)(IV)(aa) of the Social Security Act (the Act), a Part D sponsor must terminate an individual's Medicare Prescription Payment Plan participation if that individual fails to pay their monthly billed amount. As outlined in Section 80.2 of the "Medicare Prescription Payment Plan: Final Part One Guidance on Select Topics, Implementation of Section 1860D-2 of the Social Security Act for 2025, and Response to Relevant Comments," if a Part D sponsor determines that a Medicare Prescription Payment Plan participant has failed to pay a monthly billed amount, the Part D sponsor must send the individual an initial notice explaining that the individual has failed to pay the billed amount within fifteen calendar days of the payment due date.

To support Part D sponsors in meeting this requirement and the communication requirements stated in Section 30.3 of the "Medicare Prescription Payment Plan: Final Part Two Guidance on Select Topics, Implementation of Section 1860D-2 of the Social Security Act for 2025, and Response to Relevant Comments," CMS has developed a model notice for program participants that failed to pay a monthly billed amount (Exhibit 4: "Part D Sponsor Notice for Failure to Make Payments Under the Medicare Prescription Payment Plan").

The collection was last approved by OMB on July 11, 2024, and expires on July 31, 2025.

OVERVIEW OF REQUESTED CHANGES

Since OMB's approval of this information collection package on July 11, 2024, it has come to CMS's attention that the following language in Exhibit 4 ("Notice of Failure to Make Payments") may be mistakenly interpreted by stakeholders as prohibiting existing payment arrangements and practices between charitable organizations, Medicare beneficiaries, and Part D sponsors: "Note: The programs listed above might help lower your costs, but they can't help you

pay off your Medicare Prescription Payment Plan balance." Consequently, CMS is requesting to remove this sentence from Exhibit 4 to avoid potential confusion for AIDS Drug Assistance Programs (ADAPs), State Pharmaceutical Assistance Programs (SPAPs), charitable support foundations, and similar programs. This is not a change in policy; it only aligns the language in the model notice with previous guidance provided by CMS. There are no burden adjustments as a result of this change.