



CENTER FOR MEDICARE

TO: All Medicare Advantage Organizations and Part D Plan Sponsors

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SUBJECT: Out-of-Pocket Cost (OOPC) Model for CY 2015 Bid Submissions

DATE: April 8, 2014

CMS is making the Out-of-Pocket Cost model (OOPC) available in SAS software via the CMS website on April 11, 2014 so that Stand-alone Prescription Drug Plans (PDPs) and Medicare Advantage Organizations (MAOs) will be able to calculate OOPC values for each of their plan offerings for the 2015 contract year (CY). PDPs and MAOs are encouraged to run their plan benefit structures through the SAS OOPC model to ensure that their plan offerings comply with the regulatory requirements addressed in the CY 2015 Rate Announcement and Call Letter: Part C Meaningful Difference, Part C Total Beneficiary Cost, and Part D Meaningful Difference.

As described in the CY2015 Call Letter, CMS reviews PDP and MAO bids to ensure that plans in a given service area are meaningfully different from one another in terms of key benefits or plan characteristics such as cost sharing, benefits offered, or plan type. In addition, CMS reviews MAO bids to ensure that beneficiaries do not experience significant increases in cost sharing or decreases in benefits from one year to the next. CMS expects PDPs and MAOs to prepare CY 2015 plan bids that meet these requirements with their initial submissions, since there will be access to the necessary tools to calculate OOPC values for each plan prior to bid submission.

As a reminder, plans can view their 2014 OOPCs in HPMS.

Part D OOPCs can be viewed in HPMS under: Quality and Performance > Part D Performance Metrics and Reports > Part D Out-of-Pocket Costs.

Part C OOPCs can be viewed in HPMS under: Quality and Performance > Part C Performance Metrics > Part C Out-of-Pocket Costs.

All documentation and instructions associated with running the OOPC model will be posted on the CMS website on the OOPC Resources page: <http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/OOPCResources.html> on or about April 11, 2014.

Technical Specifications:

- The CY2015 OOPC Model was developed and tested using the following:
 - SAS Version 9.3 on 64-Bit workstations using Microsoft Office 10
 - SAS Version 9.1 on 32-Bit workstations using Microsoft Office 7
 - WinZip used to unzip the OOPC Model package

Files needed by the Plan for input into the model:

- List of Contract/Plan/Segment numbers
- Plan Benefit Package (PBP) data
- Drug formulary data

Detailed information on all the files provided in the model and the instructions on the sequence of executing these files will be provided in a Technical User's Guide.

Questions:

- For Part C policy related questions about meaningful difference and Total Beneficiary Cost (TBC), please contact <https://mabenefitsmailbox.lmi.org/>
- 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

Technical Resources:

Item(s)	Location	Expected Date
<ul style="list-style-type: none"> • 2015 SAS OOPC Model • Technical User's Guide • 2015 OOPC Methodology 	CMS OOPC Resources page: http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/OOPCResources.html	April 11, 2014
CY 2015 Plan Benefit Package (PBP) Software	HPMS	April 11, 2014