

CY 2019 Prescription Drug Plan Total Beneficiary Cost Methodology

CMS is publishing the CY 2019 Part D Total Beneficiary Cost (TBC), along with a comparison to CY 2018 values, to highlight changes in plans' estimated year-over-year beneficiary costs. For stand-alone prescription drug plans (PDPs), the TBC is the sum of the plan-specific Part D premium and the estimated beneficiary out-of-pocket costs, as calculated using the CMS Out-Of-Pocket Cost (OOPC) Model (additional information on the OOPC Model can be found at: <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/OOPCResources.html>). The year-over-year change in TBC captures the potential combined financial impact of changes to premium, benefit design, and formulary coverage on plan enrollees. By highlighting these changes, and by making this information publicly available, CMS is providing interested stakeholders another tool to review year-over-year changes between plan offerings specific to a region, across regions, and nationally.

The Part D TBC should only be used as an indicator of changes in premium and estimated drug costs at the plan level, and may not reflect actual changes in costs experienced by an individual enrollee. Rather, an individual enrollee's estimated annual costs, based on their medications can be determined via the Medicare Plan Finder tool available at: <https://www.medicare.gov>.

CMS is providing plan-specific TBC values for CY 2019 plans and, if available, their associated CY 2018 TBC values. The following table contains the data elements that are captured in the TBC calculation and the technical adjustments that are incorporated to account for changes between CY 2018 and CY 2019.

Table 1. Plan-Specific TBC Calculation

Item	Item Label	Description
A	2018 OOPC value*	Using CY 2018 OOPC Model
B	2018 Premium	From CY2018 bid data
C	2018 TBC	Calculation: A + B
D	2019 OOPC value*	Using CY 2019 OOPC Model
E	2019 Premium	From CY2019 bid data
F	2019 TBC	Calculation: D + E
G	Unadjusted TBC change	Calculation: F - C
H	Impact of changes in OOPC Models Between CY 2018 and CY 2019	Plan-specific value is provided.
I	Adjusted TBC change	Calculation: G - H
J	Adjusted Year-over-Year % Change	Calculation: (I / C) * 100

*The CY 2018 OOPC value is based on the December 2017 run of CY 2018 formulary and bid data through the CY 2018 Medicare Plan Finder (MPF) OOPC model; the CY 2019 OOPC value is based on an October 1, 2018 run of CY 2019 formulary and bid data through the CY 2019 Plan Model OOPC model.

As described in the table above, CY 2019 TBC plan-specific calculations include an OOPC value (Item D), Premium (Item E), and TBC (Item F), and the associated CY 2018 TBC information (if available). The list does NOT include CY 2018 plans that are NOT renewed for CY 2019, and no adjustments have been made for plans that changed benefit types and/or plans that cross-walked to other plans in CY 2019.

The Unadjusted TBC Change between CY 2018 and CY 2019 (Item G) is the difference between CY 2019 TBC (Item F) and CY 2018 TBC (Item C) , i.e., $G = F - C$. The impact of changes in the OOPC Models (Item H) is derived using 2019 TBC Part D adjustment values which are generated from running CY 2018 bid information through the CY 2019 OOPC Model to calculate the difference or impact of changes in OOPC models¹. The Adjusted TBC Change amount (Item I) reflects the TBC change that has been adjusted for changes to the OOPC Model.

The TBC information that CMS is providing in the public posting of TBC values include:

- Plan Information (Contract, Plan, Region, Plan Type, Parent Org, Plan Marketing Name)
- 2019 TBC
- 2018 TBC
- Estimated monthly TBC Changes between CY 2018 and CY 2019

If you have any questions or concerns about the Part D TBC methodology, please email PartDBenefits@cms.hhs.gov.

¹Generated from 2019 OOPC Model with 2018 bid information, 2019 benefit parameters 2012/2013 Medicare Current Beneficiary Survey (MCBS) information, July 2017 Formulary Reference File (FRF) data, and 2016 prescription drug event (PDE) data compared with CY 2018 OOPC Model estimate (i.e. Part D December 2017 Run of 2018 MPF OOPC Model output posted on HPMS uses 2018 bid information, 2018 benefit parameters, 2012/2013 MCBS information, July 2017 FRF data, and 2016 PDE data) for setting the 2019 TBC Part D adjustment values.