

Supporting Statement for Paperwork Reduction Act Submissions  
Medication Therapy Management Program – Standardized Format  
CMS-10396, OMB 0938-1154

## **Background**

Section 1860D–4(c) of the Social Security Act (“the Act”) requires all Part D plan sponsors to have a Medication Therapy Management (MTM) program that is designed to assure, with respect to targeted beneficiaries, that covered Part D drugs are appropriately used to optimize therapeutic outcomes through improved medication use and to reduce the risk of adverse events. This requirement was codified at § 423.153(d)(1) in the January 2005 Part D final rule (70 FR 4279). CMS subsequently finalized a requirement at § 423.153(d)(1)(vii)(B) specifying that, beginning in 2011, MTM programs must offer each MTM enrollee an annual comprehensive medication review (CMR) unless the beneficiary is in a long-term care (LTC) setting (75 FR 19772 through 19774). For 2013 and subsequent plan years, the Affordable Care Act (ACA) amended the Act by adding section 1860D–4(c)(2)(C)(i), which requires all Part D sponsors to offer all MTM enrollees an annual CMR. Consistent with the statutory change, CMS revised the regulation at § 423.153(d)(1)(vii)(B) in the April 2012 final rule (77 FR 22072) to remove the exemption for residents of LTC settings beginning in 2013.

Sponsors must summarize the CMR and provide an individualized written or printed summary to the beneficiary. The ACA further required that the Secretary, in consultation with relevant stakeholders, develop a Standardized Format for the CMR action plan and summary. In the April 2011 final rule (76 FR 21431), we described our plan to work with stakeholders to develop a Standardized Format for the action plan and summary that may result from the CMR. The final rule also revised §423.153(d)(1)(vii) to require standardized action plans and summaries to comply with requirements specified by CMS for the Standardized Format.

Through extensive engagement with stakeholders, CMS prepared the Standardized Format for the written summary and action plan, which includes three components:

- Beneficiary Cover Letter,
- Medication Action Plan, and
- Personal Medication List.

The Office of Management and Budget (OMB) approved the Standardized Format on January 20, 2012. Part D sponsors have been required to use the Standardized Format for CMR summaries sent to Part D beneficiaries since January 1, 2013. A collection of information revision detailed the additional burden associated with the provision of CMRs with written summaries in Standardized Format to beneficiaries in LTC settings.

In our January 2020 final rule (86 FR 5864), we finalized changes to the Part D MTM program requirements for Part D sponsors to target at-risk beneficiaries (ARBs) under a drug management program (DMP) for enrollment in MTM programs and to furnish MTM enrollees with information on safe disposal requirements. Corresponding changes to the Standardized Format took effect on January 1, 2022. The requirement/burden associated with the preparation of the

safe disposal documentation outside of a CMR (such as in a stand-alone letter or flier) is addressed under OMB control number 0938-0964 (CMS-10141).

On April 23, 2024 (89 FR 30448), we finalized (CMS–4201–F3 and CMS–4205–F; RINs 0938–AV24 and 0938–AU96) the following changes:

- Codifying current 9 core chronic diseases<sup>1</sup> in regulation, adding HIV/AIDS to the core chronic diseases, and requiring all sponsors to include all 10 core chronic diseases in their targeting criteria.
- Codifying in regulation that sponsors must include all covered Part D maintenance drugs in their targeting criteria.
- Revising the cost threshold methodology based on the average annual cost of 8 generic Part D drugs (\$1,623 in contract year 2025 based on 2023 data).

This iteration is associated with our November 26, 2024 (date of public inspection) rule (CMS-4208-P, RIN 0938-AV40) which proposes to include other dementias (in addition to Alzheimer’s, which is one of the current core chronic diseases) in the core chronic diseases that sponsors must include in their targeting criteria for MTM program enrollment. The proposed change has no impact on the content of the Standardized Format document, but we estimate that the burden would increase due to a larger MTM program size. See section 15 for details.

We are not proposing changes to the Standardized Format document.

## **A. Justification**

### **1. Need and Legal Basis**

Section 1860D-4(c)(2)(C)(i) of the Act requires plan sponsors to offer MTM services that include an annual CMR with a written summary and action plan provided in a standardized format developed in consultation with stakeholders. This requirement is codified at § 423.153(d)(1)(vii)(D), which requires that the standardized action plan and summary comply with requirements specified by CMS for the standardized format. Components of the CMR summary in Standardized Format should include a cover letter, personalized medication list, and action plan if applicable.

### **2. Information Users**

Users include members in a Part D sponsors’ plan who are eligible are enrolled in the sponsors’ MTM program and offered a CMR. The CMR is a consultation between the MTM provider (such as a pharmacist) with the beneficiary to review their medications.

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<sup>1</sup> The core chronic diseases are: diabetes\*, hypertension\*, hyperlipidemia\*, and congestive heart failure\*, Alzheimer’s disease, end stage renal disease (ESRD), respiratory disease (asthma\*, chronic obstructive pulmonary disease (COPD), and other chronic lung disorders), bone disease-arthritis (osteoporosis, osteoarthritis, and rheumatoid arthritis), and mental health (depression, schizophrenia, bipolar disorder, and other chronic/disabling mental health conditions). Enumerated in statute (\*).

The MTM provider is either an employee/contractor of the plan itself or of a downstream entity contracted by the plan to provide MTM services.

After a CMR is performed, the sponsor creates and sends a summary of the CMR to the beneficiary that includes a medication action plan and personal medication list using the Standardized Format.

Information collected by Part D MTM programs as required by the Standardized Format for the CMR summary is used by beneficiaries or their authorized representatives, caregivers, and their healthcare providers to improve medication use and achieve better healthcare outcomes.

### 3. Use of Information Technology

The Standardized Format must comply with applicable industry standards for MTM and electronic data interchange, and should enable CMR data elements to be captured for clinical, reporting or measurement purposes.

The National Council for Prescription Drug Programs (NCPDP) WG10 MTM and Pharmacist Clinical Services Task Group prepared a Health Level Seven (HL7®) Clinical Document Architecture (CDA) template using standard code sets and nomenclature to support the rendering of the CMR summary in Standardized Format from digital data stored in electronic health records. The use of standardized coding systems and industry-supported templates for the Standardized Format will encourage Part D sponsors and MTM vendors to incorporate CMR data in electronic health records, bi-directional digital communications with providers, and other aspects of national health information technology.

The May 1, 2020 (85 FR 25510) CMS Interoperability Rule (CMS-9115-F, RIN 0938–AT79) established a framework for sharing the data across the industry, which may be suitable to use when conveying data from the MTM provider to the prescriber. The rule includes encouraging use of HL7® Fast Healthcare Interoperability Resources (FHIR®)-based APIs to make other health information more widely accessible. CMS encourages Part D MTM providers to use FHIR-enabled MTM platforms when providing MTM to Part D enrollees to facilitate integration of the MTM service elements into prescribers' EHRs.

### 4. Duplication of Efforts

This information collection does not duplicate any other effort and the information cannot be obtained from any other source.

### 5. Small Businesses

The Standardized Format, which has been used since January 2013, does not impose a significant impact on small businesses and other small organizational entities. Part D applicants must possess an insurance license and be able to accept risk. Generally, state statutory licensure requirements effectively prevent small organizations from accepting the level of risk needed to

provide the pharmacy benefits required in the Medicare Prescription Drug Benefit Program. Medicare Advantage and Part D prescription benefit plans are not small businesses.

#### 6. Less Frequent Collection

The Standardized Format does not affect the timing of the information collection. Use of the format depends on when the CMR is scheduled with the beneficiary. Once enrolled in the sponsors' MTM program, the beneficiaries are offered an annual CMR, and the CMR is scheduled with the beneficiary based on their availability. Then, after the CMR is done, the Standardized Format is used by the sponsor to create the CMR summary to be delivered to the beneficiary.

If a beneficiary does not receive the CMR summary in the Standardized Format, they would not be provided information, including a medication action plan, to reinforce what was discussed in the CMR or could be provided information in an inconsistent manner.

Failure of the Part D sponsor to provide a CMR and summary to MTM program enrollees may result in a lower CMR completion rate and negative impact on the plan's Star Ratings. In addition, Part D sponsors could be subject to compliance actions if they fail to provide CMR summaries in the Standardized Format to MTM enrollees who receive a CMR.

#### 7. Special Circumstances

There are no special circumstances that would require an information collection to be conducted in a manner that requires respondents to:

- Report information to the agency more often than quarterly;
- Prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Submit more than an original and two copies of any document;
- Retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- Collect data in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- Use a statistical data classification that has not been reviewed and approved by OMB;
- Include a pledge of confidentiality that is not supported by authority established in statute or regulation that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- Submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

#### 8. Federal Register/Outside Consultation

*Federal Register*

Serving as the 60-day notice the NPRM (CMS-4208-P; RIN 0938-AV40) posted for public inspection on November 26, 2024, and is scheduled to publish on December 10 (89 FR TBD). Comments are due on/by January 27, 2025.

### *Outside Consultation*

From June 2018 through September 2018, we tested stakeholders' satisfaction with the now expired Standardized Format and attempted to identify potential revisions. The stakeholders included Medicare beneficiaries and caregivers, and pharmacists and other representatives from Part D plan sponsors, Pharmacy Benefit Managers, and MTM vendors. In general, these stakeholders supported the development of a more streamlined written summary in a chart format with visual cues. The results of these interviews produced a number of potential revisions to the Standardized Format (approved by OMB on October 15, 2021).

Those changes to the Standardized Format did not affect the frequency of instructions, frequency of collection, or the use to which the information is put. Importantly, the changes in this 2024 iteration relative to burden estimates have no impact on the content of the Standardized Format document.

### 9. Payments/Gifts to Respondents

There are no payments/gifts to respondents associated with the Standardized Format. However, there is a Part D Star Rating measure associated with the CMR completion rate, which provides Part D sponsors with an incentive to respond.

### 10. Confidentiality

CMS will adhere to all statutes, regulations, and agency policies. MTM program materials, including the Standardized Format, that address issues unique to individual members are not subject to review by CMS. Healthcare providers, including those providing MTM services to beneficiaries, are subject to HIPAA privacy and security requirements.

### 11. Sensitive Questions

The discussion of sensitive issues is inherent in the delivery of healthcare and interactions between patients and their healthcare providers. Accordingly, sensitive issues are likely to be discussed during CMRs and recorded on the Standardized Format. For example, the medication action plan may include a discussion of a beneficiary's failure to comply with their medication therapy, and the personal medication list may include certain medications and conditions that are considered "sensitive" such as mental health disease or HIV/AIDs. These interactions and the use of the Standardized Format are subject to HIPAA privacy and security requirements.

### 12. Burden Estimates

### *Wage Estimates*

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' (BLS's) May 2023 National Occupational Employment and Wage Estimates for all salary estimates ([https://www.bls.gov/oes/2023/may/oes\\_nat.htm](https://www.bls.gov/oes/2023/may/oes_nat.htm)). In this regard, the following Table presents BLS' mean hourly wage, our estimated cost of fringe benefits and other indirect costs(calculated at 100 percent of salary), and our adjusted hourly wage. The adjusted wages are used to derive our cost estimates.

National Occupational Employment and Wage Estimates

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Benefits and Other Indirect Costs (\$/hr)	Adjusted Hourly Wage (\$/hr)
Pharmacist	29-1051	64.81	64.81	129.62

As indicated, we are adjusting our employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and other indirect costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. Nonetheless, we believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

### *Requirements and Associated Burden Estimates*

To estimate the cost of preparing the CMR, we note that the CMR is a clinical consultation service and therefore must be administered by a pharmacist, physician, nurse practitioner, or other clinician. Currently, 100 percent of MTM programs employ pharmacists to conduct CMRs, which is the basis of the hourly wage estimate.

The regulatory requirement to provide MTM services, including the Standardized Format, is the responsibility of the plan.

The burden upon Part D Plans to conduct annual, interactive comprehensive medication reviews (CMRs) with written summaries and action plans using the Standardized Format includes:

- A.** Time and effort to conduct CMRs using the Standardized Format (as discussed in this section 12), and,
- B.** Printing and postage costs to mail the written summaries to beneficiaries (as discussed in section 13 of this Supporting Statement).

The number of Part D contracts (849) with an approved MTM program is based on the number of MTM program submissions for CY 2024.

### Conducting CMRs with the Standardized Format

Using 2023 Part D enrollment data, we estimate that the program size is 7,954,197 out of a total of 54,503,892 Part D enrollees, or 14.6%. The average rate of beneficiaries that accept the CMR offer is 70.9%.

Number of MTM Enrollees Who Will Receive a CMR

Item	Number	Source
Number of enrollees in Part D contracts with MTM under current criteria	7,882,987	Internal CMS data
Number of enrollees in Part D contracts with MTM with proposed criteria	7,954,197	Internal CMS data
Estimated % of Part D enrollees targeted for MTM	14.6%	Internal CMS Data
Estimated CMR acceptance rate (% of MTM targeted who will receive a CMR)	70.9%	Internal CMS data
Number of Part D enrollees under new criteria who will receive a CMR	5,639,526	7,954,197*0.709

The total cost below is based on our estimate that conducting CMRs and preparing the Standardized Format will require 40 minutes (0.6667 hr) with an average cost of \$86.42/CMR (or \$129.62/hr \* 0.6667 hr).

Regulation under Title 42 of the CFR	Annual Frequency	No. Responses (per respondent)	Total Responses	Time per Response	Total Annual Time (hours)	Labor Cost (\$/hr)	Total Cost (\$)
423.153(d)	Annual	1	5,639,526 (Total CMRs)	0.6667 hr	3,759,872	129.62	487,354,609

*Information Collection Instruments and Instruction/Guidance Documents*

Medication Therapy Management Program Standardized Format (No changes)

See <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/MTM> (if you have trouble opening the link, you may need to copy/paste the URL into your web browser).

13. Capital Costs

There are no capital costs associated with the Standardized Format. However, there are fulfillment costs related to the provision of the CMR summary.

Sponsors either use their own pharmacists or hire vendors (who also use pharmacists) to conduct the CMR (see section 12 of this Supporting Statement), then the sponsor or vendor mails or delivers the CMR to the beneficiary. On average we estimate:

Cost per item/page	Cost per CMR (7 pages)
Postage (metered mailing)	\$0.64 + 0.24 for additional ounce
Paper: \$0.007 per page	\$0.049 (\$0.007 * 7 pages)
Toner: \$0.007 per page	\$0.049 (\$0.007 * 7 pages)

Envelope: \$0.044 each	\$0.044 (\$0.044 * 1 envelope)
Total Fulfillment Cost	\$1.022/CMR
TOTAL	\$5,763,595 (\$1.022/CMR x 5,639,526 CMRs/year)

14. Cost to Federal Government

The cost to develop the currently approved Standardized Format was approximately \$270,000. Other than development costs, there are no additional costs to the Federal Government associated with use of the Standardized Format. CMS will not collect the written summaries prepared by MTM programs using the Standardized Format.

15. Changes to Burden

This iteration is associated with our November 26, 2024 (date posted for public inspection) proposed rule (CMS-4208-P, RIN 0938-AV40). The rule is scheduled to publish on December 10 (89 FR TBD).

The rule proposes to increase the number of CMRs due to the expanded targeting criteria. The change accounts for an increase in the number of Part D enrollees in contracts with MTM programs, as well as the cost of printing and postage for CMR summaries.

Expanded Targeting Criteria We have revised our active burden to conduct CMRs by plus 962,241 responses (from 4,677,285 to 5,639,526 responses) and plus 641,526 hours (from 3,118,346 hr).

Respondents/Responses			Time per Response (hr)	Total Time		
Active	Proposed	Difference		Active	Proposed	Difference
4,677,285	5,639,526	962,241	0.6667 hr (No Change)	3,118,346	3,759,872	641,526

Overall, our labor related costs have increased by \$83,154,600 (\$404,200,009 to \$487,354,609)

We are not proposing changes to the Standardized Format document.

Printing and Postage We also adjust our fulfillment estimate by plus \$983,410 (from \$4,780,185 to \$5,763,595).

16. Publication/Tabulation Dates

Not applicable.

17. Expiration Date

The expiration date is displayed in the footnotes on each page of the MTM Standardized Format.

## 18. Certification Statement

There are no certification statements.

### **B. Collections of Information Employing Statistical Methods**

While this collection of information request does not employ statistical methods, sponsors are required to submit certain data to CMS regarding their MTM programs pursuant to the Part D Reporting Requirements (see OMB control number 0938-0992). Sponsors already report the number of beneficiaries eligible for MTM and the number of beneficiaries who opted out of the MTM program, the receipt of the CMR, the number of targeted medication reviews, number of prescriber interventions, and the change(s) in therapy directly resulting from the MTM interventions. These data will enable CMS to perform more robust analysis of the MTM programs and interventions, evaluate the revised MTM requirements, and identify additional best practices.

### **C. Terms of Clearance**

OMB Terms of Clearance Prior to the re-submission of this information collection (IC), CMS will assess linguistic preferences across the respondent population and translate this IC into additional languages as appropriate in order to increase accessibility and reduce health disparities. It is the expectation that CMS will translate this form into more languages than English and Spanish, but the number of additional languages will be based on the agency's assessment of population needs, but these languages could include both Traditional and Simplified Chinese, Vietnamese, Korean, Tagalog, Arabic, French, and Russian. This request is supported by the principles and priorities set forth in the memorandum titled "Improving Access to Public Benefits Programs Through the Paperwork Reduction Act" (April 13, 2022), the Executive Order 13985 on "Advancing Racial Equity and Support for Underserved Communities Through the Federal Government" (January 20, 2021), Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency" (August, 11, 2000) and the culturally and linguistically appropriate services (CLAS) standards.

CMS Response Per 42 CFR 423.2267(e)(43) and (e)(44), the CMR written summary which, in accordance with § 423.153(d)(1)(vii)(B) and (D), Part D sponsors must provide to all MTM program enrollees who receive a CMR and the safe disposal information that, in accordance with § 423.153(d)(1)(vii)(E), Part D sponsors must provide to all plan enrollees targeted for MTM all required materials subject to the standards for required materials and content. Accordingly, the requirements in § 423.2267(a) and (d) related to formatting and delivery that apply to all required materials and content are also applicable to the CMR and safe disposal information. Similarly, plan sponsors must provide translated materials for the CMR and safe disposal information when the five percent language threshold under § 423.2267(a)(2) has been reached.

Annually, CMS provides Part D sponsors with an analysis providing the languages that meet or surpass the five percent language threshold in their service areas. For 2024, the majority of Part D sponsors had a least one part of their service area meeting the five percent language threshold for Spanish. CMS provides the Spanish translation of the MTM materials because of the impact having a single translation has on consistency and cost containment across the program.

Although CMS does not provide the translations in other languages, Part D sponsors are required to provide the translated materials in the languages reaching the five percent threshold. We are exploring contracting funding to also translate into Chinese, Korean and Vietnamese, in addition to Spanish.