

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR DRUG and HEALTH PLAN CHOICE

TO: Medicare Advantage – Prescription Drug Organizations
Prescription Drug Plan Sponsors

FROM: Cynthia G. Tudor, Ph.D., Director, Medicare Drug Benefit and C&D Data Group

SUBJECT: Medicare Prescription Drug Benefit Manual – Chapter 5

DATE: January 7, 2010

CMS is pleased to release updated Chapter 5 of the Medicare Prescription Drug Benefit Manual (Benefits and Beneficiary Protections). The revisions to Chapter 5 contain changes previously released in the 2010 Call Letter and HPMS memoranda. Specifically, CMS:

- Added the definitions of Employer Group Waiver Plans (EGWPs) and Plan Benefit Package (PBP) to the definition section.
- Stipulated that sponsors will now identify gap coverage offerings in the PBP software using CMS-defined terms.
- Inserted Part D PBP renewal and crosswalk guidance.
- Requires that CMS account manager be notified of changes to its PBM at least 60 days prior to the effective date of a new contract with a new PBM, or the date of the new PBM would begin providing services to beneficiaries, whichever is earlier.
- Revised Home Infusion Access section to describe the outlier analysis CMS uses to evaluate home infusion access.
- Clarified that Part D sponsors that currently have independent contracts with pharmacies belonging to a Pharmacy Services Administration Organization (PSAO) are only required to offer standard terms and conditions to pharmacies under the PSAO with no pre-existing contract with the sponsor.
- Provided clarification to our pharmacy access policy during a Federal disaster or public health emergency declaration.
- Added a section that describes the expectations of Part D sponsors when shortages impact the offering of drug products on plan formularies.
- Added a section on waiver authority for plans in the territories.

The manual revisions are available at
http://www.cms.hhs.gov/PrescriptionDrugCovContra/12_PartDManuals.asp.

Any questions regarding this manual chapter may be directed to Christine Hinds on (410)786-4578, or via email at christine.hinds@cms.hhs.gov.