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TO: All Part D Plan Sponsors

FROM: Jennifer R. Shapiro, MPH, Acting Deputy Director, Medicare Drug Benefit and C & D Data Group

SUBJECT: Part D Payment for Drugs for Beneficiaries Enrolled in Hospice—2015 Guidance

DATE: May 9, 2014

On March 10, 2014, CMS issued a memorandum specifying our final Part D guidance for 2014 regarding Part D payment for drugs for beneficiaries enrolled in hospice. In that memorandum, we noted that we recognized there were many outstanding questions we were unable to address through sub-regulatory guidance and agreed rulemaking would be required to resolve most of those issues. It was our intention to undertake future rulemaking and had planned to propose regulatory changes to be effective for coverage year 2015. However, because many commenters on the December 6, 2013 guidance requested the opportunity to assist CMS in developing a standardized process for payment coordination between Part D sponsors and hospices, rather than propose changes, we included in the 2015 hospice prospective payment system proposed rule a request for comments on the changes we are considering under Part D. Therefore, the purpose of this memorandum is to announce our intention to continue the 2014 Part D hospice guidance through 2015. Sponsors should consider this as you develop your bids for coverage year 2015.

In the 2015 hospice proposed rule, we also request comments on changes we are considering to the hospice regulations, including definitions for the terms “terminal illness” and “related conditions” and requirements for hospices to coordinate with Part D sponsors. We encourage you to respond to these solicitations for comment not only on the Part D changes under consideration, but also to the hospice changes under consideration. In particular, we seek comment on the timeframes for hospice coordination and whether the definitions of terminal illness and related conditions will provide clear guidelines for making coverage determinations. The proposed rule is available on the Web at:

http://www.regulations.gov/#!documentDetail;D=CMS_FRDOC_0001-1469 ..

If you have any questions about guidance for 2015, please send your questions to PARTDPOLICY@cms.hhs.gov and include “Hospice” in the subject line to ensure prompt referral of the email to the correct subject matter expert. Please submit any comments on the proposed rule according to the instructions accompanying the publication of that document. Thank you.