



CENTER FOR MEDICARE

DATE: November 3, 2023

TO: Medicare Advantage Organizations, Prescription Drug Plans, and
Section 1876 Cost Plans

FROM: Vanessa S. Duran
Acting Director, Medicare Drug Benefit and C & D Data Group

SUBJECT: Contract Year 2024 Monitoring of Posted Comprehensive Formularies

Requirements pertaining to the dissemination of Part D information are found at 42 CFR §§ 423.128 and 423.2265(c). Additional guidance is available in the Medicare Communications and Marketing Guidelines (MCMG) in conjunction with the “Part D Communication Materials” HPMS memorandum from November 1, 2018, and Section 30 of the Medicare Prescription Drug Benefit Manual, Chapter 6.

Part D sponsors must post their current formulary on their website, inclusive of drug tier level, applicable quantity limit (QL) restrictions, prior authorization (PA), limited access (LA), and step therapy (ST) requirements. Part D sponsors must also post all ST and PA criteria documents. CMS monitors the posting and accuracy of these formulary documents. This memorandum provides a summary of the results of Contract Year (CY) 2023 monitoring and announces that CMS will again perform the Posted versus Approved (PvA) Analysis for CY 2024.

CY 2023 Results

In the October 20, 2022, HPMS memorandum entitled “Contract Year 2023 Monitoring of Posted Comprehensive Formularies,” CMS announced that we would be conducting a review comparing posted formularies on plan websites for CY 2023 to CMS-approved HPMS formularies that would be effective January 1, 2023.

We selected one plan each from 175 Part D contracts for inclusion in the CY 2023 PvA. We identified a targeted sample of drugs to review for each of the participating Part D plans. After comparing the posted formularies on plan websites to the CMS-approved HPMS formularies for the sample drugs, we determined that 30 of the 175 Part D plans (17.1 percent) had discrepancies. These discrepancies included the following: fourteen plans posted their approved formulary with an inaccurate formulary ID number and/or version number; eleven plans had unclear or undefined abbreviations; two plans did not post the date of their last formulary update; two plans posted outdated formularies which led to the posting of erroneous PAs, STs, QLs, tiers; and one defined standard plan posted their formulary with tiers suggestive of a tiered benefit.

We remind Part D sponsors that pursuant to 42 CFR § 423.2262(a)(1)(iii), Part D sponsors may not “engage in activities that could mislead or confuse Medicare beneficiaries or misrepresent the Part D sponsor.” Plans that participate in Medicare Part D are expected to use the Part D Model

Formulary (Abridged and Comprehensive) as guidance.

CY 2024 Monitoring

To ensure the accuracy of required formulary communication materials, CMS will again be conducting a review comparing the formularies posted on plan websites for CY 2024 to their approved formularies within HPMS that will be effective January 1, 2024. CMS will select a random sample of Part D plans for inclusion in the analysis. In addition to the random selection of plans, a sample of new sponsors and sponsors with previously identified posted formulary concerns will be included. CMS will notify and provide additional information to selected Part D sponsors for the CY 2024 analysis.

CMS will extract comprehensive formulary and utilization management documents from plan websites and compare these to the CMS-approved formulary effective January 1, 2024. CMS will identify a sample of target drugs and compare the HPMS formulary file of included plans with their posted formulary PDF. In addition to the targeted drug sample review, CMS will also be reviewing online formulary and utilization management documents for general compliance.

CMS will notify any Part D plan sponsors for whom discrepancies are identified via email, and depending on the nature of the discrepancy, CMS may provide Part D plan sponsors with a response form workbook for download and completion. We expect that selected Part D sponsors will work aggressively to correct any confirmed errors in a timely manner, by the indicated date.

For questions regarding the Posted versus Approved Analysis, please email PartDFormularies@cms.hhs.gov.