

## Approved Part D EGWP Waivers

*[Note: This list of approved EGWP waivers for Part D covers basic waivers extant since 2008. We plan to update this document – in the meantime please consult HPMS memos for waivers announced since its creation. Chapter 12 of the Prescription Drug Benefit Manual covers EGWPs. For EGWP matters related to Part C, please consult Chapter 9 of the Medicare Managed Care Manual.]*

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
<b>Enrollment</b>				
<u>Requirement waived/modified:</u> 42 CFR 423.104(b) (Availability of prescription drug plans)  <u>Waiver or Modification:</u> EGWPs may restrict enrollment solely to those Medicare-eligible individuals who are also eligible for the employer/union sponsor's employment-based retiree health coverage.	20.1.1		X	X
<u>Requirement waived/modified:</u> 42 CFR 423.512(a) (Minimum enrollment requirements)  <u>Waiver or Modification:</u> The minimum enrollment requirements at 42 CFR 423.512(a) do not apply.	20.1.2		X	X
<u>Requirement waived/modified:</u> 42 CFR 423.38(b) (Annual coordinated election period timing)  <u>Waiver or Modification:</u> EGHP sponsored enrollments in EGWPs or individual PDPs do not have to comply with the timing of the Medicare annual coordinated election period. However, plans must accept valid requests for disenrollment at any time.	20.1.3	X	X	X
<u>Requirement waived/modified:</u> 42 CFR 423.32(b)(i) (Individual enrollment applications)  <u>Waiver or Modification:</u> PDP sponsors may group enroll/disenroll EGHP Part D eligibles, as outlined in section 30.1.6 of Chapter 3 of the PDBM.	20.1.4	X	X	X
<u>Requirement waived/modified:</u> 42 CFR 423.38(c)(8)(ii) (Special Election Periods)  <u>Waiver or Modification:</u> EGHP Part D eligibles are eligible for SEPs, as provided in section 20.3.8 of Chapter 3 of the PDBM. The employer/union sponsor's eligibility rules determine when the SEP may be used. The SEPs also apply to beneficiaries disenrolling from an employer-sponsored EGWP or	20.1.5	X	X	X

## Approved Part D EGWP Waivers

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
individual PDP in order to enroll in an individual PDP not sponsored by an employer/union.				
<p><u>Requirement waived/modified:</u> Procedures outlined in section 10.4 of Chapter 3 of the PDBM (when an entity receives a Transaction Reply Code (TRC) 127 after submitting an electronic enrollment transaction to CMS)</p> <p><u>Waiver or Modification:</u> PDP is not required to provide each beneficiary with a notification or other contact specified in Chapter 3 of the PDBM when a TRC 127 is received. The PDP sponsor can immediately resubmit the enrollment with the proper RDS override flag. Sponsors should maintain records to support the use of this alternate process for these Part D eligibles.</p>	20.1.6	X	X	X
<p><u>Requirement waived/modified:</u> Appendix 1 (Summary of Notice Requirements) of Chapter 3 of the PDBM (Notice requirements)</p> <p><u>Waiver or Modification:</u> Certain notices (5a, 13a, 24, 25, 27, 28, 29, and 30) are not applicable to EGHP sponsored enrollments in individual PDPs or EGWPs. In general the other notice requirements apply. However, applicable model notices can be customized to the extent that modifications will more clearly and accurately reflect the plan offered by each EGHP. The PDP sponsor retains responsibility for proper and timely dissemination of the notices; however, the PDP sponsor and the EGHP sponsor can enter into an agreement where the EGHP sponsor agrees to disseminate particular notices to the Part D eligibles on the PDP sponsor's behalf.</p>	20.1.7	X	X	X
<p><u>Requirement waived/modified:</u> 42 CFR 423.30(b) (Coordination with MA Plans)</p> <p><u>Waiver or Modification:</u> [EFFECTIVE CY2009] Waiver of the prohibition on simultaneous enrollment in an MA plan and a PDP for EGHP sponsors. EGHP sponsor may enroll beneficiaries in both an 800 series local coordinated MA-only plan and an 800 series PDP.</p> <p><u>Conditions:</u> CMS requires that the separate medical and prescription drug vendors work closely together with the EGHP sponsor to provided coordinated care and disease management services</p>	20.1.8		X	

## Approved Part D EGWP Waivers

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
between the MA and PD portions of the benefit.				
<b>Service Areas</b>				
<u>Requirement waived/modified:</u> “Nexus test” requiring PDP sponsors to offer PDPs to individual beneficiaries as a condition of offering 800 series EGWPs  <u>Waiver or Modification:</u> [EFFECTIVE CY2008] PDP sponsors are no longer required to offer PDPs to individual beneficiaries as a condition of offering 800 series EGWPs. This applies to entities renewing 800 series PBPs, as well as entities offering 800 series plans for the first time.	20.2.1		X	
<u>Requirement waived/modified:</u> Requirement that PDP sponsors cover beneficiaries in the service areas in which they operate.  <u>Waiver or Modification:</u> Coverage can extend to all of their Part D eligibles, regardless of whether they reside in one or more other PDP regions in the nation.  <u>Condition:</u> Direct contract PDPs should ensure that their defined service areas include all geographic areas in which their Part D eligibles may reside (e.g., national service area).	20.2.2			X
<b>Marketing</b>				
<u>Requirement waived/modified:</u> 42 CFR 423.2262, 2264, and 2266 (Approval of marketing materials and enrollment forms)  <u>Waiver or Modification:</u> Prior review and approval requirements for all marketing materials and enrollment forms are waived for EGWPs. Therefore, the restriction against communicating with Medicare eligible beneficiaries prior to October 1 <sup>st</sup> does not apply.	20.3.1		X	X
<u>Requirement waived/modified:</u> Rules prohibiting entities from offering customized materials.  <u>Waiver or Modification:</u> EGWPs may customize materials to the extent that the customized materials	20.3.2.1. 1	X	X	X

## Approved Part D EGWP Waivers

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
<p>more clearly and accurately describe the benefits available to EGHP Part D eligibles. The waiver also allows customized dissemination materials to the extent that these customized materials will more clearly and accurately describe the benefits available to employer/union sponsors' Part D eligibles (e.g., an individual PDP plus non-Medicare supplemental drug coverage designed to “wrap around” or enhance the individual PDP coverage, or employer/union sponsor subsidization or payment of premium amounts for its Part D eligibles in individual PDPs).</p> <p>Materials should accurately reflect the actual premium amount the beneficiary pays when supplemental coverage, if any, and any corresponding EGHP subsidization (or LIS) is taken into account. Alternatively, sponsors should substitute language in lieu of actual amounts that direct the enrollee to the EGHP sponsor for more information about premium amounts.</p> <p>Customized materials must not be submitted through HPMS. Beginning in 2009, PDP sponsors are no longer required to submit information copies of these dissemination materials to CMS prior to use.</p> <p><u>Conditions:</u> CMS reserves the right to request and review these materials in the event of beneficiary complaints or for any other reason in order to ensure the information accurately and adequately informs beneficiaries about their rights and obligations under the plan. PDP sponsors may retain one “template” version of dissemination materials if materials are identical for multiple EGHP sponsors except for EGHP identifier information.</p>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.111(a)(3)1 (Issuance of materials 15 days before the beginning of the AEP)</p> <p><u>Waiver or Modification:</u> [EFFECTIVE CY2009] A combined ANOC/EOC, LIS rider, and formulary must be received by enrollees no later than 15 days before the beginning of the plan’s AEP. The timing for other dissemination materials that may be based on the start of the Medicare plan (i.e., calendar) year should be appropriately based on the EGHP sponsor’s plan year.</p>	20.3.2.1. 2	X	X	X
<p><u>Requirement waived/modified:</u> 42 CFR 423.128 (Dissemination of Part D plan information)</p>	20.3.2.2	X	X	X

## Approved Part D EGWP Waivers

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
<p><u>Waiver or Modification:</u> When the EGHP sponsor is subject to alternative dissemination requirements (e.g., those required by ERISA) and the EGHP sponsor complies with such alternative requirements, the specific dissemination requirements under 42 CFR 423.128 are waived.</p> <p><u>Conditions:</u> CMS reserves the right to request and review these materials in the event of beneficiary complaints or for any other reason it determines to ensure the information accurately and adequately informs Medicare beneficiaries about their rights and obligations under the plan. PDP sponsors are required to retain these dissemination materials and provide access to these written materials to CMS (or its designees) in accordance with 42 CFR 423.504(d) and 423.505(d) and (e).</p>				
<p><u>Requirement waived/modified:</u> CMS and Marketing Guidelines ID requirements.</p> <p><u>Waiver or Modification:</u> EGWP sponsors may provide enrollees with one combination member ID incorporating medical, Part D, and employer-sponsored non-Medicare supplemental benefits. It is permissible to include the name and/or logo of the EGHP sponsor on the ID card; this is not considered co-branding.</p>	20.3.3		X	X
<p><u>Requirement waived/modified:</u> “Doing Business As” (DBA) requirements.</p> <p><u>Waiver or Modification:</u> 800 series sponsors may use different names for DBA purposes. For HPMS purposes only, these entities will be restricted to entering one DBA name.</p>	20.3.4		X	
<b>Premiums</b>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.265(c) (Uniform premium requirement)</p> <p><u>Waiver or Modification:</u> EGHP sponsors can subsidize different premium amounts for different classes of enrollees provided: (1) such classes are reasonable and based on objective business criteria (e.g., years of service, date of retirement, business location, job category, and nature of compensation (LIS eligibility is not an acceptable class)); (2) premiums do not vary for individuals within a given</p>	20.4	X	X	X

## Approved Part D EGWP Waivers

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
<p>class of enrollees; and (3) the EGHP sponsor does not charge an enrollee for prescription drug coverage provided under the PDP more than the sum of his/her monthly beneficiary premium attributable to basic prescription drug coverage and 100% of the monthly beneficiary premium attributable to his/her non-Medicare Part D benefits (if any). All direct subsidy payments received from CMS must be passed through to reduce the amount the beneficiary pays.</p> <p><u>Conditions:</u> PDP sponsors offering 800 series plans are required to obtain in writing from EGHP sponsors their agreement that they will satisfy the requirements of the waiver with respect to premiums. PDP sponsors will be required to retain these agreements with EGHP sponsors and provide access to written agreements to CMS (or its designees) in accordance with 42 CFR 423.504(d) and 423.505(d) and (e).</p>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.265(c) (Uniform premium requirement)</p> <p><u>Waiver or Modification:</u> PDP sponsors offering 800 series plans can negotiate with and vary the premium amount charged to different EGHP sponsors, including the ability to “experience rate” EGHP sponsors to determine premiums.</p>	20.4		X	
<p><u>Requirement waived/modified:</u> 42 CFR 423.265(c) (Uniform premium requirement)</p> <p><u>Waiver or Modification:</u> PDP sponsors offering 800 series plans can vary premium and cost-sharing between defined market areas within the same employer/union sponsored group plan.</p> <p><u>Conditions:</u> The market areas (geographic areas) within the employer sponsored group plan with premium variation must be based on objective market information demonstrating verifiable differences in drug costs between these market areas. The PDP sponsor must have documentation validating the drug cost variation in these market areas comprising the plans and must retain this documentation for inspection or audit by CMS (or its designees) in accordance with 42 CFR 423.504(d) and 423.505(d) and (e).</p>	20.4		X	

## Approved Part D EGWP Waivers

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
<b>Premium Withhold</b>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.293(a) and 422.262 (f) (Requirement to permit PDP enrollees, at their option, to pay premiums through premium withhold)</p> <p><u>Waiver or modification:</u> No premium withhold option available to enrollees. PDP sponsors must bill the beneficiary or EGHP sponsor directly.</p>	20.5		X	X
<b>Providing Information to CMS about Part D</b>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.48 (Providing information about Part D coverage)</p> <p><u>Waiver or modification:</u> Since EGHP sponsored PDPs are not available for general enrollment, the requirement to report certain information annually to CMS for purposes of inclusion on MPDPF and Medicare &amp; You is waived.</p>	20.6		X	X
<b>Providing Specific Information on an Internet Website</b>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.128(d)(2) (Providing specific information on an Internet website)</p> <p><u>Waiver or modification:</u> PDP sponsors will not be required to provide any information concerning EGWPs on the sponsor's Internet website, since these kinds of EGHP-sponsored PDPs are not available for general enrollment.</p>	20.7		X	X
<b>Retail Pharmacy Access</b>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.120(a)(1) (Retail pharmacy access standards)</p> <p><u>Waiver or modification:</u> Retail pharmacy access standards are waived.</p> <p><u>Conditions:</u> The PDP sponsor must attest that its networks are and will continue to be sufficient to meet the needs of its Part eligibles, including situations involving emergency access. CMS may review</p>	20.8		X	X

## Approved Part D EGWP Waivers

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
the adequacy of the pharmacy networks and potentially require expanded access in the event of beneficiary complaints or for other reasons in order to ensure that a plan's network is sufficient to meet the needs of its enrollees.				
<b>Submission of EGWP Bids and Requirements Concerning EGWP Supplemental Coverage</b>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.265(b) (Requirement to submit a bid)</p> <p><u>Waiver or modification:</u> [EFFECTIVE 2008] PDP sponsors no longer submit EGWP bids.</p> <p><u>Conditions:</u> For 800 series EGWPs, any supplemental prescription drug coverage is provided separately pursuant to a private agreement with the EGHP sponsor. Any EGWP supplemental coverage cannot reduce the value of the standard Part D benefit design.</p> <p>EGWP sponsors must ensure that the total EGHP sponsored plan provides at least standard prescription drug coverage, including a deductible no higher than the defined standard coverage deductible and catastrophic coverage is provided after the annual OOP threshold is reached.</p>	20.9		X	X
<b>EGWP Cost-Sharing</b>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.104(e)(5) (Alternative prescription drug coverage)</p> <p><u>Waiver or modification:</u> The requirement when offering alternative prescription drug coverage to offer defined standard coverage for costs incurred between the deductible and initial coverage limit is waived. Thus, for example, an EGWP may require beneficiary cost-sharing that, on average is greater than 25%, but may still satisfy the actuarial equivalence requirements by offering a lower deductible or by providing coverage in the coverage gap.</p>	20.10		X	X
<b>CMS EGWP Part D Payment</b>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.329(a)(1) (Basis of the risk adjusted direct subsidy)</p>	20.11.1		X	X

## Approved Part D EGWP Waivers

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
<p><u>Waiver or modification:</u> The Part D risk adjusted direct subsidy payment for all EGWPs is based on the national average monthly bid amount and the national base beneficiary premium (not on bid amount).</p>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.329(c) (Catastrophic reinsurance payment methodology)</p> <p><u>Waiver or modification:</u> CMS does not make a prospective payment for reinsurance; instead, we include all EGWPs in the normal Part D reinsurance year-end reconciliation. The year-end process results in full reinsurance payments.</p>	20.11.2		X	X
<p><u>Requirement waived/modified:</u> 42 CFR 423.336 (Risk corridor payments)</p> <p><u>Waiver or modification:</u> Risk corridor payments are not available to EGWPs.</p>	20.11.4		X	X
<b>Low-Income Subsidies</b>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.800(b) (Administration of low-income premium subsidy (LIPS) payments)</p> <p><u>Waiver or modification:</u> EGWP sponsors are responsible for identifying EGHP sponsor LIS Part D eligibles and passing through the LIPS amount payments made by CMS on behalf of these Part D eligibles to reduce their premium contributions.</p> <p><u>Conditions:</u> EGWP sponsors must ensure that any LIPS amount paid on an LIS beneficiary's behalf accrues first to the benefit of the LIS eligible EGHP Part D eligible. If the sum of the enrollee's monthly premium and the EGHP sponsor's monthly premiums (i.e., total monthly premium) is less than the monthly low-income premium subsidy amount, any portion of the LIPS amount above the total monthly premium must be returned directly to CMS.</p> <p>EGWP sponsors must retain documents and/or working papers supporting adherence to these requirements. They must retain all of these documents and must provide access to documentation for</p>	20.12.1		X	X

## Approved Part D EGWP Waivers

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
<p>inspection or audit by CMS (or its designee) in accordance with 42 CFR 423.504(d) and 423.505(d) and (e).</p> <p>EGWP sponsors must enter into written agreements with EGHP sponsors which require the employer/union to comply with these requirements and to retain and provide documents upon request to the PDP sponsor evidencing the EGHP sponsor's adherence to such requirements. These written agreements should reflect any assumption by EGHP sponsors of these duties.</p>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.800(b) (Administration of low-income premium subsidy (LIPS))</p> <p><u>Waiver or modification:</u> When a PDP sponsor does not or cannot directly bill EGHP Part D eligibles, we waive the up-front reduction requirement and permit the PDP sponsor to directly refund the amount of the LIPS to the LIS beneficiary.</p> <p><u>Conditions:</u> The amount of the refund cannot exceed the amount of the monthly premium contributions by the Part D eligible and/or the EGHP sponsor. In addition, the PDP sponsor must refund these amounts to the beneficiaries within a reasonable time period, not to exceed 45 days from the date the PDP sponsor receives the LIPS amount payment of the LIS eligible enrollee. Alternatively, the PDP sponsor and the EGHP sponsor may agree that the EGHP sponsor will be responsible for reducing up-front the premium contributions required for its Part D eligibles who are LIS eligible. When the EGHP sponsor is not able to reduce up-front the premium, the PDP sponsors and the EGHP sponsor may agree that the EGHP sponsor will directly refund to the Part D eligible the amount of the LIPS up to the monthly premium contribution previously collected from the Part D eligible. The refund on behalf of the PDP sponsor must be completed within 45 days of the date the PDP sponsor receives from CMS the LIPS payment for the LIS enrollee.</p> <p>EGWP sponsors must retain documents and/or working papers supporting adherence to these requirements. They must retain all of these documents and must provide access to documentation for inspection or audit by CMS (or its designee) in accordance with 42 CFR 423.504(d) and 423.505(d) and (e).</p>	20.12.1		X	X

## Approved Part D EGWP Waivers

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
EGWP sponsors must enter into written agreements with EGHP sponsors which require the employer/union to comply with these requirements and to retain and provide documents upon request to the PDP sponsor evidencing the EGHP sponsor's adherence to such requirements. These written agreements should reflect any assumption by EGHP sponsors of these duties.				
<p><u>Requirement waived/modified:</u> 42 CFR 423.329(d)(2)(i) (Prospective LIS cost-sharing payments)</p> <p><u>Waiver or modification:</u> [EFFECTIVE CY2008] CMS does not pay interim prospective LICS amounts to EGWPs because these amounts are derived from Part D bids, which EGWPs no longer submit.</p> <p><u>Conditions:</u> CMS will make LICS payments during the normal year-end reconciliation process.</p>	20.12.2		X	X
<b>Non-Calendar Year EGWPs</b>				
<p><u>Requirement waived/modified:</u> Calendar year plan benefit packages.</p> <p><u>Waiver or modification:</u> EGWPs may establish non-calendar year PBPs.</p> <p><u>Conditions:</u> Non-calendar year EGWPs are subject to certain rules: (1) all required submissions are due at the same time as for calendar-year EGWPs; (2) the plan must be actuarially equivalent to defined standard coverage for the portion of the plan year falling in a given calendar year (the calendar year in which the plan year starts if no benefit design changes are made); (3) Medicare direct subsidy payments are based on the national average monthly bid amount for the calendar year the subsidy is paid; (4) LIS payments and reconciliations are determined based on the calendar year for which the payments are made; (5) PDE data are reported to CMS on a plan-year basis (though reconciled on a calendar year basis); (6) Certain benefit parameters (e.g., premiums, cost-sharing amounts) may be administered on a non-calendar plan year basis, while others (e.g., formulary, deductible, GCDS, and TrOOP) may be administered on a calendar year basis; (6) enrollees may disenroll from the plan and enroll in another plan through an SEP.</p>	20.13		X	X

## Approved Part D EGWP Waivers

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
<p><u>Requirement waived/modified:</u> Section 50.9, Chapter 14 of the PDBM (TrOOP and GDS balance transfer requirements)).</p> <p><u>Waiver or modification:</u> Non-calendar year plans must report TrOOP and GDS balance transfers to a new plan of record as a calendar year accumulation when a beneficiary switches plans mid-year. EOBs must reflect the benefit design and TrOOP and GDS accumulation coinciding with the non-calendar plan benefit year.</p>	20.13		X	X
<b>Formulary</b>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.120 (Submission of each formulary variation)</p> <p><u>Waiver or modification:</u> PDP sponsors may submit a base formulary for use with its EGWPs. PDP sponsors may enhance the approved formulary without the need to resubmit for review and approval.</p>	20.14		X	X
<p><u>Requirement waived/modified:</u> 42 CFR 423.120 (Formulary change requirements)</p> <p><u>Waiver or modification:</u> Non-calendar year EGWP sponsors may elect to convert to the conditionally approved formulary for the next calendar year on January 1, provided they provide appropriate beneficiary notice as specified in 42 CFR 423.120(b)(5). Alternatively, non-calendar year EGWP sponsors whose plan start date occurs after the conditional approval of the formulary for the following calendar year may elect to use that formulary for the entire non-calendar plan year.</p>	20.14.1		X	X
<b>Call Center Requirements</b>				
<p><u>Requirement waived/modified:</u> 42 CFR 423.128(d)(1) (Call center hour requirements)</p> <p><u>Waiver or modification:</u> Part D beneficiary call center hour requirements are waived for EGWPs. These entities can operated call center hours for their EGHP only enrollees that differ from the Part D requirements for plans offered to individual beneficiaries.</p> <p><u>Conditions:</u> PDP sponsors must ensure that a sufficient mechanism is available to respond to</p>	20.15		X	X

## Approved Part D EGWP Waivers

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
beneficiary inquiries during normal business hours. CMS may review the adequacy of these call center hours and potentially require expanded beneficiary customer service call centers in the event of beneficiary complaints or for other reasons in order to ensure the call center hours are sufficient to meet enrollee needs.				
<u>Requirement waived/modified:</u> Part D call center performance requirements.  <u>Waiver or modification:</u> Part D call center performance requirements are waived for EGWPs.	20.15		X	X
<b>Direct Contract EGWP Waivers</b>				
<u>Requirement waived/modified:</u> 42 CFR 423.4 (Prohibition on governmental entities as Part D sponsors)  <u>Waiver or modification:</u> Governmental entities may apply to sponsor a direct contract EGWP for their retirees.	20.16.1			X
<u>Requirement waived/modified:</u> 42 CFR 423.401(a)(1) and 423.504(b)(2) (State Licensure)  <u>Waiver or modification:</u> A direct contract EGWP applying to become a PDP solely for purposes of providing prescription drug coverage to its retirees will not have to meet state licensure requirements as a condition of being a PDP sponsor.  <u>Condition:</u> CMS requires that these entities meet certain financial solvency standards (see Appendix 1 of the 2009 solicitation for new Direct Contract PDPs dated 1/24/08) to demonstrate fiscal soundness.	20.16.2 and 20.16.3			X
<u>Requirement waived/modified:</u> 42 CFR 423.504(b)(4)(iv)-(v) (Bonding and Insurance)  <u>Waiver or modification:</u> On a case-by-case basis, CMS may provide flexibility to Direct Contract PDPs by waiving bonding and insurance requirements upon a demonstration that different federal or	20.16.4			X

## Approved Part D EGWP Waivers

Waiver	Chapter 12 Section	Applicability		
		Indiv. Plan	EGWP: 800 Series	EGWP: Direct Contract
state legal standards (e.g., ERISA bonding requirements) are satisfied.				
<p><u>Requirement waived/modified:</u> 42 CFR 423.504(b)(4)(i)-(iii) (Administrative and Management Arrangements)</p> <p><u>Waiver or modification:</u> Administrative and management arrangements required under 42 CFR 423.504(b)(4)(i)-(iii) are waived if the EGHP sponsor (or to the extent applicable, the business associate with which it contracts for prescription drug benefit services) is subject to ERISA fiduciary requirements or similar state or federal law standards. Such entities are still subject record retention standards applicable to other Part D sponsors under 42 CFR 423.505(d).</p>	20.16.5			X
<p><u>Requirement waived/modified:</u> 42 CFR 423.514(a) (Reporting requirements)</p> <p><u>Waiver or modification:</u> CMS modifies these reporting requirements for Direct Contract EGWPs to allow information to be reported to enrollees and to the general public to the extent required by other law (including ERISA or securities laws), or by contact.</p>	20.16.6			X