

# CY 2012 Out-of-Pocket Cost (OOPC) Model

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# What is OOPC?

- OOPC stands for Out-of-Pocket-Costs.
- A plan's OOPC value is the monthly out-of-pocket costs for the average Medicare beneficiary based on utilization captured in the Medicare Current Beneficiary Surveys (MCBS) and applied to the Plan Benefit Package (PBP) and formulary (if applicable).

# Purpose

- CMS uses the OOPC values to evaluate annual bid submissions for meaningful difference and Total Beneficiary Cost (TBC).
- The OOPC Model is a tool for plans to run various benefit structures through the software to calculate an OOPC value.
- Plans will use their own CY 2012 PBP and formulary data in the software.
- The model being released is a modified version of the code used to generate the OOPC values for the Medicare Plan Finder.

# Overview

- The OOPC model will be posted on the CMS website at: [http://www.cms.gov/PrescriptionDrugCovGenIn/10\\_OOPCResources.asp#TopOfPage](http://www.cms.gov/PrescriptionDrugCovGenIn/10_OOPCResources.asp#TopOfPage)
- A link to this page will also be on the Medicare Advantage resources page at: [http://www.cms.gov/HealthPlansGenInfo/25\\_MA\\_Resources.asp#TopOfPage](http://www.cms.gov/HealthPlansGenInfo/25_MA_Resources.asp#TopOfPage)
- The model package (**OOPC\_2012\_Plan\_V1.ZIP**) consists of a set of input datasets (SAS transport format) and a series of SAS programs.
- Plans will download the OOPC Model and follow directions for copying the SAS programs and data that serve as other inputs.
- Plans will make minor edits and execute several small SAS programs.
- SAS programs import PBP, formulary, and other input data, calculate person/plan-level costs, summarize costs to the plan level, and output a plan-level Excel file.

# Resource Requirements

- The OOPC Model user should be familiar with PC file management and have experience with PC SAS.
- Requires a PC with a fast processor and at least 3GB of RAM is preferred.
- PC SAS (Version 9.1 or later), Excel and Access.
- Generation of the OOPCs is inherently time-consuming.
- Processing requires running about 13,000 sample beneficiaries and their health care utilization through plan benefits.
- Elapsed time to run 100 plans can exceed one hour.

# Input Datasets Included in the Model

- SAS datasets are created from the 2005/2006 MCBS containing beneficiary characteristics and their Medicare utilization.
- Other SAS datasets:
  - formulary reference files
  - drug names
  - cross-reference files

# Plan Provided Datasets

- Datasets that plans need to provide:
  - Plan list
  - PBP data
  - Drug Formulary data

# Plan Provided Input Datasets: Plan List

- File name: **PLANFILE.TXT**
- This is a text file that lists the plans to be used for each calculation of OOPCs.
- Format: contract id, plan id, segment id
- Example:

H9999001000

H9998002000

S9999001000

S9998001000

S9997002000

# Plan Provided Input Datasets: PBP Data

- Plans use PBP software to enter their data for bid submission.
- CY2012 version of PBP software will be available in HPMS April 8, 2011.
- PBP data are automatically stored in an Access database. Tables that are created using the PBP system are read by the SAS program.

# Plan Provided Input Datasets: Drug Formulary Data

- Plans with Part D benefits must provide three files that describe their formulary.
- File name: **FORMULARY.TXT**
- This is a tab-delimited file that lists the drugs for each plan formulary.
- Format: formulary identifier, RxCUI, and a Tier level identifier (1-6).
- Example:

00019999	72036	1
00019000	72037	1
00019001	72080	2
00019002	72046	3

# Plan Provided Input Datasets: Drug Formulary Data

- File name: **GAP\_DRUGS.TXT**
- This is a tab-delimited file of all plans and the RxCUIs for each plan with partial tier gap coverage.
- Format: contract id, plan id, RxCUI
- Example:

H9999001 72036

H9999001 72037

S9999001 72046

S9999001 72058

# Plan Provided Input Datasets: Drug Formulary Data

- File name: **PLAN\_FORMULARY.TXT**
- This is a tab-delimited file that lists all plan and formulary relationships.
- Format: contract id, plan id, formulary id
- Example:

H9999001 00019999

H9998002 00019000

H9997003 00019001

S9999001 00019002

S9998001 00019003

# Programs Run by the Plan

- **The three main programs of the model that plans will run include:**
  - **CIMPORT.SAS:** converts SAS transport files into SAS datasets.
  - **PARTD\_FORM.SAS:** converts Part D-related formulary files into SAS datasets.
  - **OOPCV1P.SAS:** supplies user-defined parameters needed to run the OOPC Model.

# Other Programs Used by the Model

- **There are many other programs used by the model, but these do not require modification by plans.**
  - **OOPCV1M.SAS:** reads PBP data and converts it to SAS datasets. Other SAS programs estimate monthly plan OOPCs for various PBP-based categories.
  - **PBP\_IMPORT.SAS:** imports the user-created PBP tables and creates the SAS input dataset.
  - **Other programs:**
    - Various other conversion programs.
    - Cost-sharing calculation programs.
    - Merging programs.

# Part C OOPC Changes from CY 2011 to CY 2012

- To keep Part C categories stable, additional mammography and preventive pelvic categories for the non-Medicare category are excluded in the cost-sharing.
- Preventive services at \$0 cost sharing will not be considered a separate category for OOPC.
- Cardiac Outpatient Rehabilitation Facility category was eliminated.
- Cardiac Rehabilitation category was expanded to include Pulmonary Rehabilitation.
- Maximum out-of-pocket limit values will continue to be applied.

# Part D OOPC Changes from CY 2011 to CY 2012

- The discount for generic drugs in the Coverage Gap changed from 7% to 14%.
- The Formulary Reference File (FRF) has been updated for the 2012 formulary submission.

# Instructions for Creating OOPCs

Step 1: Create an Access database for plans using PBP software.

Step 2: Create a text file (**PLANFILE.TXT**) that lists the plans.

Step 3: Create three text files for the plan formulary information:

- **FORMULARY.TXT**
- **PLAN\_FORMULARY.TXT**
- **GAP\_DRUGS.TXT**

# Instructions for Creating OOPCs (continued)

Step 4: Copy **OOPC\_2012\_PLAN\_V1.ZIP** to a working directory and unzip contents to that directory.

Set up or point to directories:

- Programs (example: c:\oopc\programs)
- Input files (example: c:\ oopc\input)
- PBP tables (example: c:\ PBP2012)
- Formulary files (example: c:\oopc\formulary)
- Output spreadsheet file (example: c:\oopc\output)
- Copy Model programs and input files to the appropriate subdirectories.

# Instructions for Creating OOPCs (continued)

Step 5: Edit the program **CIMPORT.SAS** so that the location (directory) of the input data is specified. Model programs are provided with default directory locations.

Program: **CIMPORT.SAS**

Description: Imports the input files to the OOPC Process.

- %LET DATALOC = %STR(c:\oopc\input\);

Run **CIMPORT.SAS**. Check SAS log file for errors.

# Instructions for Creating OOPCs (continued)

Step 6: Import the **FORMULARY.TXT**, **PLAN\_FORMULARLY.TXT** and **GAP\_DRUGS.TXT** files by editing the **PARTD\_FORM.SAS** program.

Program: **PARTD\_FORM.SAS**;

Description: Creates SAS files for three tab-delimited files;

- %LET DIR =C:\OOPC\formulary;

Run **PARTD\_FORM.SAS**. Check SAS log file for errors.

Note: Once import/data preparation steps have been completed, they do not need to be repeated unless changes are made to the formulary.

# Instructions for Creating OOPCs (continued)

Step 7: Edit the program **OOPCV1P.SAS** to indicate the main directory for SAS programs and input files, and location and name of the output spreadsheet file.

Program: OOPCV1P.SAS;

Description: Main OOPC program;

- %LET INPUT = c:\oopc\input;
- %LET OUTPUT = c:\oopc\output\RUN1;

Run **OOPCV1P.SAS**. Check SAS log file for errors.

# Contents of the Output File

- The estimated average monthly cost for the plan/segment will display by PBP-based benefit category.
- **Total** displays the sum of the categories, excluding **Part D**.
- **PartD** displays the Part D monthly cost estimate.
- **Grand\_Total** displays the sum of all categories

# Contents of the Output File Example

## Sample Content

CONTR	PLAN	SEGM	ORG	PLAN_	YEAR	Inpati	Psych	Physic	Lab	Durabl	Part_B	Preven	Medica	Eye_Ex	Hearing	Total	PartD	Grand_T	
H9999	001	000	Org 1	Plan 1	2012	30.261	0.4767	1.0803	0	3.8423	0.52878	23.701	0.0038	0	0.023	128.95	98.682	227.63	
H9998	002	001	Org 2	Plan 2	2012	34.789	0.6128	1.3943	0	3.9978	0.52878	32.856	0	0	0.0377	109.96	108.56	218.51	
H9997	001	002	Org 3	Plan 1	2012	36.837	0.6128	1.3943	0	3.8423	0	23.701	0.0038	0	0.0377	109.96	98.682	208.64	
H9996	001	005	Org 4	Plan 1	2012	30.261	0.4767	1.0803	0	3.8423	0.52878	32.856	0.0038	0	0.023	109.96	98.682	208.64	
S9999	001	000	Org 5	Plan 1	2012													120.27	120.27
S9998	010	000	Org 6	Plan 10	2012													96.166	96.166

# Rerunning the Model

- Plans have the ability to rerun the model.
- After changing input files, Rerun **OOPCV1P.SAS**, changing the Excel output file name.
- **Change Plan Benefits for a Plan:** Rerun PBP data entry
- **Change Plans:** Rerun PBP data entry, change plan and formulary .txt files
- **Change Formulary files/Same plan:** Change formulary .txt. files

# Documentation

- The OOPC model and supporting documentation will be provided on the CMS website on the “OOPC Resources” page:  
[http://www.cms.gov/PrescriptionDrugCovGenIn/10\\_OOPCResources.asp#TopOfPage](http://www.cms.gov/PrescriptionDrugCovGenIn/10_OOPCResources.asp#TopOfPage)
- Information to be included:
  - OOPC methodology document
  - 2012 OOPC SAS Model
  - 2012 OOPC Model User’s Guide
  - CMS Points of Contact

# Plan Resources – Points of Contact

- For Part C policy related questions about meaningful difference and Total Beneficiary Cost (TBC), contact:  
<https://mabenefitsmailbox.lmi.org/>
- For Part D policy related questions about meaningful difference, email:  
[partDbenefits@cms.hhs.gov](mailto:partDbenefits@cms.hhs.gov)
- For technical questions about the Bid Pricing Tool, email: [actuarial-bids@cms.hhs.gov](mailto:actuarial-bids@cms.hhs.gov)
- For technical questions about the OOPC model, email: [OOPC@cms.hhs.gov](mailto:OOPC@cms.hhs.gov)

# Questions & Answers

- Q: If a plan has no benefit changes between CY 2011 and CY 2012, would the OOPC value be the same for both years?
- A: No. Changes to the PBP structure and required formulary drugs will generate changes in the OOPC value.

# General Questions and Answers