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DATE: August 6, 2015

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

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SUBJECT: Model Notice Corrections

This memorandum provides Medicare Advantage Organizations, Section 1876 Cost Plans and Prescription Drug Plans with corrections to the Contract Year (CY) 2016 model notices, including the Annual Notice of Change/Evidence of Coverage (ANOC/EOC) and the Part D EOB.

On May 12, 2015, CMS issued a memorandum announcing the issuance of certain CY 2016 model marketing materials, which included the CY 2016 ANOC/EOC standardized models for all plan types and the Part D EOB. This memorandum clarifies and corrects standardized language that plans must use in their CY 2016 ANOCs/EOCs, as appropriate for their plan type(s), and the Part D EOB. Below, please find a brief summary of each issue, a description of where in the models the issue is located, and the required corrections.

1. ANOC models for PDP, HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, and PFFS

Summary of issue: The language reflected in the chart for Stage 1: Yearly Deductible Stage requires better clarification for beneficiaries. Currently, the language in the ANOC states that beneficiaries will pay \$0 for drugs on tiers excluded from the deductible. This may not be accurate in all instances, as plan sponsors may choose to apply Pre-ICL cost-sharing or some other modified cost-sharing for tiers exempted in the deductible phase.

Issue location: HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, and PFFS: Section 2.6
PDP: Section 2.3

Action required: All organizations offering Part D benefits where beneficiaries may have cost sharing on tiers excluded from the deductible for 2015 and/or 2016 must update the language as instructed below:

In the chart titled, **Stage 1: Yearly Deductible Chart (for both 2015 and 2016)**, sponsors will enter the respective cost-sharing amount that a beneficiary would pay in a tier (or tiers) that is exempted from the deductible, rather than having the value displayed as \$0, as this may not be accurate for all plan sponsors.

2. EOC models for PDP, HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, and PFFS

Summary of issue: For branded drugs, the 50% discount provided by manufacturers excludes any dispensing fee for costs in the gap. The beneficiary would pay the dispensing fee on the portion of the cost, which is paid by the plan (5% in 2016).

Issue location: HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, and PFFS: Chapter 6, Section 6.1
PDP: Chapter 4, Section 6.1

Action required: All organizations offering Part D benefits must update the language as instructed below:

Replace the sentence, “You pay 45% of the negotiated price (excluding the dispensing fee) for brand name drugs” with the following text: “You pay 45% of the negotiated price and a portion of the dispensing fee for brand name drugs.”

3. EOC models for HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, PFFS, MSA, HMO-MA, and PPO-MA

Summary of issue: The preventive abdominal aortic aneurysm screening does not reflect current policy.

Issue location: HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, PFFS, MSA, HMO-MA, and PPO-MA: Chapter 4, Section 2.1, Medical Benefits Chart, “Abdominal aortic aneurysm screening”

Action required: Plans must update the language as shown below (changes are noted in red text).



Abdominal aortic aneurysm screening

A one-time screening ultrasound for people at risk. The plan only covers this screening if you **have certain risk factors and if you get a referral for it from your physician, physician assistant, nurse practitioner, or clinical nurse specialist.**

[Also list any additional benefits offered.]

There is no coinsurance, copayment, or deductible for beneficiaries eligible for this preventive screening.

4. Part D EOB model document for all Part D Sponsors

Summary of Issue: The instructions incorrectly state there is a 10-day marketing review for the Part D model EOB. Part D Sponsors must still use all model language with the permitted modifications listed in the instructions.

Issue location: Part D model EOB instructions for Part D Sponsors.

Action Required: There is no action required on the part of the Part D Sponsors. The phrase, “In order to qualify for a 10-day review,” has been removed from the instructions. The Part D model EOB has been updated and posted at the following website:

<https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Part-D-Model-Marketing-Materials.html>

Plans and Part D Sponsors should direct questions regarding this memorandum to their CMS Account Manager.