

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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MEDICARE DRUG BENEFIT AND C & D DATA GROUP

Date: September 19, 2017
To: All Stand-Alone Prescription Drug Plan (PDP) Sponsors
From: Jennifer R. Shapiro
Acting Director, Medicare Drug Benefit and C & D Data Group
Subject: CY 2018 Total Beneficiary Cost (TBC) Methodology for Stand-Alone Prescription Drug Plans (PDPs)

As was done for CY 2017, CMS will publish the CY 2018 Total Beneficiary Cost (TBC), along with a comparison to CY 2017 values. The TBC is the sum of the plan-specific Part D premium and the estimated beneficiary out-of-pocket costs, as calculated using CMS' Out-of-Pocket Cost (OOPC) Model.

This memorandum serves as a notice to PDP sponsors that the CY 2018 TBC Methodology and the TBC Calculations will be posted on the CMS webpage at <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/ProgramReports.html>, in the fall of 2017. Additional information can be found in the attached CY 2018 TBC Methodology document.

Part D sponsors may review their plan-specific data prior to the public posting of the PDP TBC calculations. Plan-specific data are currently available for review and may be accessed in HPMS by selecting: Quality and Performance > Performance Metrics > Costs > PDP Total Beneficiary Costs. We ask that you review the results for your plan(s) by September 27, 2017 and direct any questions to the Part D Benefits resource mailbox at PartDBenefits@cms.hhs.gov.

Attachment:

1. CY 2018 PDP Total Beneficiary Cost Methodology