

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Beneficiary Choices
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MEDICARE PLAN PAYMENT GROUP

Date: October 23, 2006

To: All Part D Plan Sponsors

From: Tom Hutchinson
Director

Subject: **Attestation of Part D Pricing Approach**

On July 20, 2006, we released guidance addressing how Part D Sponsors should report drug costs for plan years 2006 and 2007. This guidance permits Part D Sponsors that use a PBM to use either the lock-in amount or the pass-through amount as the basis for:

- calculating beneficiary cost sharing;
- accumulating gross covered drug costs;
- calculating TrOOP;
- reporting drug costs on the Prescription Drug Event (PDE) record; and
- developing bids submitted to CMS.

In this guidance, we stated that in order to ensure transparency in bid development, Part D Sponsors would be required to submit an attestation for all Part D plans, through HPMS and hardcopy, which identifies the pricing approaches (lock-in or pass-through) that were used in the development of the 2006 and 2007 bids.

You can now access this attestation of pricing approach on HPMS using the following navigation path: HPMS Homepage > Plan Bids > Bid Submission > CY 2007 (or 2006) > Upload > Attestation of Pricing Approach.

You must prepare and mail the attestations of pricing approach for plan years 2006 and 2007 to CMS **by November 17, 2006**.

For technical assistance, contact the HPMS Help Desk at either 1-800-220-2028 or hpms@cms.hhs.gov. For other questions, contact Meghan Elrington at (410) 786-8675 or meghan.elrington@cms.hhs.gov.