

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



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MEMORANDUM

DATE: November 9, 2006

Memorandum to: All Part D Plan Sponsors

From: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group

Subject: Part D Sponsors Generic Dispensing Rate (GDR) Performance Metrics

As CMS strives to support performance improvement, a new module has been developed in HPMS for generic dispensing rate (GDR) data. This module can be accessed through the "Contract Management"/"Part D Performance Metrics" page. Part D plan sponsors now have the ability to view GDR information for only their current contracts. Data submitted by Part D sponsors for the first and second quarter of 2006 were summarized at contract level for use in calculation of generic dispensing rates. The generic dispensing rates for each quarter, as well as a first-half 2006 cumulative rate, have been calculated for each Part D contract.

The GDR performance metrics focus on the percent of generic prescriptions dispensed per contract for each reporting period and the cumulative rate. CMS believes that monitoring utilization of generic drugs helps to control Part D drug costs and promotes access to affordable prescription drugs for beneficiaries. These data will be released publicly.

Again, thank you for your continued support of the Medicare prescription drug benefit. If you have any questions or comments about these data, please submit via email to PartDMetrics@cms.hhs.gov and put "GDR" in the subject line.