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DATE: October 6, 2006

TO: All Medicare Advantage, Prescription Drug Plan, Demonstration, 1876 Cost, and PACE Organizations

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SUBJECT: CY 2007 Plan Benefit Package (PBP) Update #7 Released to HPMS

CMS has released an update (dated 9/29/2006) to the CY 2007 PBP software to reflect the following changes to the Summary of Benefits (SB):

SB 1 – Premium and Other Important Information:

- The Original Medicare sentences have been updated to reflect the standard 2007 Medicare Part B premium amount of \$93.50.
- The Plan sentences have been updated to reflect the standard 2007 Medicare Part B premium amount of \$93.50.

SB 3 – Inpatient Hospital Care:

- The Original Medicare sentences have been updated to reflect the 2007 Medicare amounts.

SB 5 – Skilled Nursing Facility:

- The Original Medicare sentences have been updated to reflect the 2007 Medicare amounts.

SB 28 – Prescription Drugs:

- For plans that offer an Enhanced Alternative benefit and indicated Catastrophic (Post Threshold) cost sharing structures of “**No cost sharing**” or “**Cost Share Tiers**”, the sentence generation has been corrected from "After your total yearly drug costs (paid by both you and your plan) reach \$3850..." to “After your yearly out-of-pocket drug costs reach \$3850...”.
 - Please note that this PBP update will not affect any sentences generated for the Part D payment fixed capitated demos.

SB – Footnotes:

- The Part B Deductible footnote has been updated to reflect the 2007 Medicare amount of \$131.

Users should log into the Health Plan Management System (HPMS) and select Plan Bids > Bid Submission > Contract Year 2007 > Download and then download the PBP2007Update7.exe file into the directory where the PBP 2007 software is installed. Please refer to the PBP Enhancement Download page for complete instructions on how to install the update.

Please note that these SB changes have already been applied in HPMS. As a result, the correct amounts and sentences will automatically appear in your HPMS Summary of Benefits Report and on Medicare Options Compare (formerly known as Medicare Personal Plan Finder). There is no need to resubmit your plans.

In regard to the change in the Prescription Drugs section noted above, some Summary of Benefits documents were approved prior to this change and may already have been printed and distributed by some plans. As a result, we are encouraging all plans to look at Section 28 of their SBs to ensure that they are not affected by this change.

If you discover that your plan has been impacted by this change, you should do the following:

- Insert your plan information into the attached errata sheet.
- Upload the errata sheet in HPMS using code 7003 under file and use (we are waiving the 5-day hold).
- Send the errata sheet explaining the change to all members of the affected plan.

Please direct questions related to the SB errata sheet to your Part D account manager or regional office plan manager.

If you have questions about the PBP update or require technical assistance, please contact the HPMS Help Desk at 1-800-220-2028 or at hpms@cms.hhs.gov.

Attachment