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MEMORANDUM

TO: All Part D Sponsors

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

RE: Model Explanation of Benefits (EOB) Updates - Issued for Public Comment

DATE: May 25, 2007

The Centers for Medicare & Medicaid Services (CMS) is issuing the draft, updated Explanation of Benefits (EOB) (last updated on November 7, 2005) for a one week public comment period. The comment period ends June 4, 2007.

The most recent update of the EOB has changed in several ways including:

- Section 1 has been added to document costs that may carryover when a beneficiary changes plans;
- Section 2 contains a table that tracks the beneficiary's progress through the benefit;
- Section 3 tracks each claim during the month; and
- Section 4 provides notice of upcoming formulary changes.

In addition, the language in this version of the EOB has been consumer tested and is consistent with messaging in other CMS documents.

We would also like your input on the timeframe for implementation. We recognize that there will be necessary systems changes that will have to take place before the updated EOB can be put into production. Please let us know what you think a reasonable timeframe for implementation would be.

Comments on the updated EOB must be received by CMS no later than 5:00 p.m. Eastern Time, June 4, 2007. Comments must be submitted via e-mail to CMS.PDPMarketingDocuments@cms.hhs.gov, with "Explanation of Benefits Update - 07" in the subject line of the email.

To assist CMS in the review of comments received, please utilize the attached comments template (in Microsoft Word).

Thank you for your thoughtful comments.

