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**DATE:** April 8, 2011

**TO:** All Current and Prospective Medicare Advantage, Prescription Drug Plan, Cost, PACE, and Demonstration Organizations and Bid Consultants

**FROM:** Cynthia G. Tudor, Ph.D., Director  
Medicare Drug Benefit and C & D Data Group

**SUBJECT:** Release of the 2012 Plan Benefit Package and Bid Pricing Tool Software and Related Technical Bidding Guidance for Part D Employer/Union-Only Group Waiver Plans

CMS is pleased to announce the release of the Contract Year (CY) 2012 Plan Benefit Package (PBP), Bid Pricing Tool (BPT), and plan creation functionality in the Health Plan Management System (HPMS).

To access the 2012 plan creation module, PBP and BPT software, and corresponding technical instructions, plan and bid consultants users should use the following navigation path in HPMS: HPMS Homepage > Plan Bids > Bid Submission > Contract Year 2012 > Bid 2012 Start Page.

**Technical Bidding Instructions for Organizations Offering Part D Employer/Union-Only Group Waiver Plans in Contract Year 2012**

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Part D organizations that offer employer/union-only group waiver plans (EGWPs) are not required to complete Part D BPT submissions. This waiver has been in effect since the release of the February 28, 2007 HPMS memo entitled “2008 Employer Group Waiver Policy - Elimination of the Requirement for Entities Offering EGWPs to Submit Part D Bids.” This waiver remains in effect for CY 2012.

As noted in the 2007 memo, this waiver policy applies to all MA, PDP, and 1876 cost plan organizations offering Part D EGWPs (i.e., “800 series” EGWPs) as well as to employers/unions that directly contract with CMS to offer Part D benefits to their retirees (i.e., “Direct Contract” EGWPs).

Note: CMS’ employer group waiver authority applies only to Part D, not to Parts A or B of the 1876 cost plan. As a result, section 1876 cost plan sponsors may only offer “800 series” Part D coverage as an optional supplemental benefit and may not offer customized “800 series” A/B benefits.

The following table outlines the HPMS PBP and BPT submission requirements for each type of Part D EGWP for the 2012 contract year:

	A	B
<b>PBP Section / BPT</b>	<b>MA-PD “800 series” EGWP and Direct Contract MA-PD EGWP</b>	<b>PDP and 1876 Cost “800 series” EGWP and Direct Contract PDP EGWP</b>
PBP Section A	Yes	Yes
PBP Sections B, C, and D	Yes	No
PBP Rx Section	No	No
MA BPT	Yes	No
PD BPT	No	No

Plans that fall under column A will download and install the 2012 PBP software, create their 2012 plans, and download their plan-specific data into the software, per the usual process. Column A plans will complete sections A, B, C, and D of the 2012 PBP software, but the Rx Section of the PBP will be disabled. Column A plans will also complete the MA BPT.

Plans that fall under column B will download and install the 2012 PBP software, create their 2012 plans, and download their plan-specific data into the software, per the usual process. While no actual data entry is required in Section A of the PBP for PDP plan types, plans are still required to open Section A, review the plan information, and exit Section A with validation.

All plans outlined in column A and B are required to upload their plans into HPMS, per the usual process. In addition, these plans are still required to meet all applicable pre-upload submission requirements to upload plans into HPMS.

Note: Plans that fall under column B are required to complete the upload process as a mechanism for establishing their official set of plan IDs for the 2012 contract year in HPMS.

For questions regarding this memo, please contact Sara Silver at either 410-786-3330 or [Sara.Silver@cms.hhs.gov](mailto:Sara.Silver@cms.hhs.gov).

For technical assistance with HPMS, please contact the HPMS Help Desk at 1-800-220-2028 or [hpms@cms.hhs.gov](mailto:hpms@cms.hhs.gov).