

HPMS E-Mail

Date: April 3, 2024

Subject: Correction to Contract Year (CY) 2025 Final Part D Bidding Instructions

CMS is notifying Part D plan sponsors of a correction to the February 1, 2024 HPMS memorandum entitled “Contract Year (CY) 2025 Final Part D Bidding Instructions” (see the [HPMS Weekly Memo Archive](#)). Specifically, in the section titled “Specialty Tiers” starting on page 4, we provided a reference to 42 CFR § 423.104(d)(2)(iv)(D) that describes the methodology for establishing the maximum allowable cost sharing for the specialty tier based on the plan’s deductible. Beginning in CY 2025, the initial coverage limit (ICL) will be eliminated and, therefore, the methodology codified at § 423.104(d)(2)(iv)(D)(3) will no longer be valid. CMS addresses this issue in the [Final CY 2025 Part D Redesign Program Instructions](#). We refer interested parties to section 170 of that document for further details.