



**MEDICARE-MEDICAID COORDINATION OFFICE**

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DATE: April 11, 2022

TO: Medicare-Medicaid Plans

FROM: Lindsay P. Barnette  
Director, Models, Demonstrations, and Analysis Group

SUBJECT: Medicare-Medicaid Plan Submission of Plan Benefit Packages for Contract Year 2023

The purpose of this memorandum is to provide an overview of enhancements to the Plan Benefit Package (PBP) software for Medicare-Medicaid Plans (MMPs) for contract year (CY) 2023 and to direct MMPs to CY 2017 guidance that remains unchanged for CY 2023.

For information that remains unchanged for CY 2023, MMPs can refer to the following sections and subsections in the CMS memorandum titled “Medicare-Medicaid Plan Submission of Plan Benefit Packages for Contract Year 2017,” dated April 11, 2016, and issued through the Health Plan Management System (HPMS)<sup>1</sup>:

- Data Entry for Medical and Other Non-Drug Services
  - Plan Type
  - Medicare Benefits
  - Medicaid and Demonstration-Specific Benefits
  - Integration of Medicare and Medicaid Benefits
  - Supplemental Benefits
- Data Entry for Drug Coverage
  - Tier Models
  - Part D Drug Cost Sharing Reductions
  - Drug Cost-Sharing Requirements (subsection remains unchanged except for updated low income subsidy (LIS) cost-sharing amounts stated later in this memorandum)
  - MMP-Specific Section Rx Data Entry Requirements
- PBP Notes

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<sup>1</sup> See the HPMS Memos Archive – Annual (Qtr2 – 2016) on the CMS website at:  
[www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/HPMS-Memos-Archive-Annual-Items/SysHPMS-Memo-Archive-2016-Qtr2](http://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/HPMS-Memos-Archive-Annual-Items/SysHPMS-Memo-Archive-2016-Qtr2).

- Plan Copy Feature

In addition to changes made to further accommodate more integrated benefit data entry by MMPs in previous cycles, CMS has made modifications to the PBP software for CY 2023 that affect MMPs.

On April 8, 2022, CMS released the CY 2023 PBP software in HPMS. MMPs use the PBP software to annually submit a benefit package that integrates Medicare, Medicaid, and demonstration-specific benefits.

All PBPs for CY 2023 must be submitted **no later than 11:59 p.m. PDT on June 6, 2022**. In accordance with Article II, Plan Benefit Submission and Review, in the Three-Way Contract, MMPs are required to complete the following items as part of a complete bid submission:

- Service Area Verification
- Plan Crosswalk (NOTE: This is only for renewing contracts in CY 2023.)
- Formulary Submission
- Formulary Crosswalk
- PBP Submission

After submission of the bid, MMPs are also required to submit the Additional Demonstration Drug (ADD) file and any other supplemental formulary files **by 11:59 a.m. EDT on June 10, 2022**.

## **Data Entry for Medical and Other Non-Drug Services**

### ***CY 2023 PBP Enhancements (Sections A, B, C, D, and Rx)***

No enhancements to MMP-specific fields in the PBP software for CY 2023 appear in Sections A, C, D, and RX. The following enhancements appear in Section B:

- 14c12, Medical Nutrition Therapy (MNT) benefit related to Coverage for Non-Medicare covered diseases has been revised. Request to specify and describe in Notes field has been removed.
- 14c14, Re-admission Prevention, questions asking user to describe the meal benefit under this have been removed. A Note is required when meals are selected under 14c14.

- 16a, Preventive Dental Services and 16b, Comprehensive Dental Services, separate notes fields have been added for each subcategory (enhanced benefits) under 16a and 16b. The General 16a and 16b Notes fields have been removed. Notes requirements, i.e., cost sharing ranges and “other, describe” selections, apply to each individual subcategory based on the data entry.

## **Data Entry for Drug Coverage**

### ***Drug Cost-Sharing Requirements***

When a tier only includes Medicare Part D drugs, plans may enter copayment minimum and maximum amounts reflecting one of the following options for each Part D only tier:

- For tiers with only Medicare Part D generic drugs: The minimum copayment amount that can be entered is \$0, and the maximum copayment amount that can be entered is \$4.15.<sup>2</sup>
- For tiers with only Medicare Part D brand drugs: The minimum copayment amount that can be entered is \$0, and the maximum copayment amount that can be entered is \$10.35.<sup>2</sup>
- For tiers with only Medicare Part D brand and generic drugs: The minimum copayment amount that can be entered is \$0, and the maximum copayment amount that can be entered is \$10.35.<sup>2</sup>

## **CMS-State Joint Review**

CMS and the states will jointly review the PBPs. CMS ensures that all Medicare Parts A, B, and D benefits have been adequately captured, and the states verify that all Medicaid and demonstration-specific benefits have been adequately captured. The Medicare-Medicaid Coordination Office has been working with all states participating in the capitated financial alignment model to develop guidance for their MMPs on Medicaid and demonstration-specific benefits for CY 2023. States will begin releasing guidance to their MMPs in early April 2022 to ensure that MMPs have ample time to submit their PBP submissions by June 6, 2022.

## **PBP Corrections**

CMS provides some degree of flexibility to MMPs with respect to PBP revisions after the time of final PBP approval. This flexibility is necessary to accommodate certain mid-year changes unique to MMPs, including but not limited to mid-year legislative changes to Medicaid benefits, as well as the timing of payment rate finalization.

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<sup>2</sup> See the HPMS Memos Archive – Weekly (WK 1 February 1-4, 2022) on the CMS website at: <https://www.cms.gov/httpseditcmsgovresearch-statistics-data-and-systemscomputer-data-and-systemshpms-hpms-memos-archive/hpms-memos-wk-1-february-1-4>

CMS applies the following criteria to MMP requests to change or correct PBPs:

- PBP revisions to add or remove plan-offered supplemental benefits between the time of the release of the National Average Monthly Bid Amount in late July and sign-off of PBPs in HPMS in mid-August 2022 are permissible. This timeframe allows plans to accommodate any approved benefit changes in their required documents (including the Annual Notice of Changes, Evidence of Coverage/Member Handbook, and Summary of Benefits) during the Annual Election Period.
- Rate-related PBP corrections are permissible during the Center for Medicare’s annual correction window in early September 2022 (see the posted CY 2023 Medicare Parts C and D Annual Calendar in HPMS for more information<sup>3</sup>), but only for purposes of adding supplemental benefits to PBPs. MMPs that elect to correct their PBPs should work with their contract management team on an appropriate member communication strategy (e.g., issuance of corrected or revised information for materials that have already been mailed to members; corrections or updates of hard copy and online versions of other materials for prospective members). We clarify that there will be no compliance penalty for a PBP correction provided an MMP meets these conditions.
- PBP corrections unrelated to rates and supplemental benefits that are requested during the Center for Medicare’s annual correction window in early September 2022 (see the posted CY 2023 Medicare Parts C and D Annual Calendar in HPMS for more information<sup>3</sup>) will be considered changes due to plan error. As such, these PBP corrections (or any resultant corrections to MMPs’ Annual Notice of Changes and/or Evidence of Coverage/Member Handbook, which are submitted in HPMS through the errata submission process in the Marketing Review Module) may be subject to compliance action, regardless of whether they are positive or negative changes.
- Any PBP corrections after the Center for Medicare’s annual correction window in early September 2022 will be considered on a case-by-case basis. In cases where a PBP correction is due to a mid-year legislative change to Medicaid benefits (or a benefit change made in a three-way contract amendment) and an MMP’s previously approved PBP submission included a more generous supplemental benefit than the new Medicaid or demonstration benefit, the MMP will be required to continue to provide the more generous supplemental benefit for the remainder of the contract year. PBP corrections (or any resultant corrections to MMPs’ Annual Notice of Changes and/or Evidence of Coverage/Member Handbook, which are submitted in HPMS through the errata submission process in the Marketing Review Module) due to plan error may be subject to compliance action, regardless of whether they are positive or negative changes.

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<sup>3</sup> See [hpms.cms.gov/app/ng/home/](https://hpms.cms.gov/app/ng/home/) and scroll down to the “Download the Calendar” link at the bottom of the page on the left.

## **Resources for More Information**

To access the CY 2023 plan creation module, PBP and BPT software, and corresponding technical instructions, plan and bid consultant users should use the following navigation path in HPMS: HPMS Homepage > Plan Bids > Bid Submission > Contract Year 2023.

Please direct any questions regarding the contents of this memorandum to the Medicare-Medicaid Coordination Office at [MMCOCapsModel@cms.hhs.gov](mailto:MMCOCapsModel@cms.hhs.gov).