DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTERS FOR MEDICARE & MEDICAID SERVICES

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TO: All Current and Prospective Medicare Advantage, Prescription Drug Plan, Section
                 1876 Cost, and PACE Organizations

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SUBJECT: Updates and Timeline for the Contract Year 2026 Plan Benefit Package

This memo provides a preview of key Plan Benefit Package (PBP) changes and a high-level
timeline of the events for Contract Year (CY) 2026. CMS will develop a narrated recording to
demonstrate the upcoming changes as well as release additional technical guidance over the
coming months in preparation for the PBP production release.

Upcoming PBP Changes

Medicare Advantage

- Benefit Offerings

    o Service Category 5 "Partial Hospitalization" in Medicare Services has been
      renamed as "Partial Hospitalization/Intensive Outpatient Program Services."
      Rather than a single Service Category 5 checkbox, there are separate
      checkboxes for Partial Hospitalization (5a) and Intensive Outpatient Program
      Services (5b).

    o The checkbox for "Three (3) pint Deductible Waived (9d)" has been removed
      from the Benefit Offerings Non-Medicare Services page and from benefit
      picklists throughout PBP. A 3-pint deductible waived question "Do you
      waive the deductible for the first three pints of blood?" has been added under
      Benefit Details 9d.

    o Service Category 13a "Acupuncture – Number of Treatments" in Non-
      Medicare Services has been changed to "Acupuncture Treatments."

- Benefit Details

  - Out-of-Network (OON) cost sharing questions have been added to the Benefit Details screens for benefits that can be offered OON. This includes separate notes fields for OON. OON groups are removed from Cost Share Groups. The Point-of-Service (POS) group functionality remains in place.

  - Service Category 5 - This has been renamed to "Partial Hospitalization/Intensive Outpatient Program Services" and split into Partial Hospitalization (5a) and Intensive Outpatient Program Services (5b). 5a and 5b include separate cost sharing data fields.

  - Service Category 8a and 8b - The following on-screen note has been added: "Ensure the cost sharing range does not include cost sharing for Medicare-covered preventive services that are included in 14a and 14e."

  - Service Category 9d - The question "Do you waive the deductible for the first three pints of blood?" has been added to the Medicare Service Category "Outpatient Blood Services (9d)" Benefit Details page.

  - Service Category 13a - "Acupuncture – Number of Treatments" in Non-Medicare Services has been changed to "Acupuncture Treatments."

  - Service Category 13b - The question "Indicate mode of delivery for the OTC Items" has been added with the following response options: Catalogue Purchase; Claims Processing; Debit Card; Reimbursement; and Other. If the user selects "Other," a text box is enabled to enter the description with a limit of 200 characters.

  - Service Category14c7 - Separate notes fields have been added for Web/Phone-based technologies and Nursing Hotline. A note is required for Web/Phone-based technologies. The note is optional for Nursing Hotline.

  - All Service Categories - The character limit for maximum plan benefit coverage, maximum enrollee out-of-pocket cost, and benefit unlimited "Other, Describe" periodicity fields have been increased from 200 to 300 characters.

  - All Medicare Service Categories - The "CMS defined standard bid data" note has been removed from Medicare Service Categories that offer Standard Bid for In Network.

  - The OON Coinsurance percentage and the Copayment limit amount will be restricted based on the CY 2026 MOOP limits for LPPO and RPPO D-SNP plans.

  - **NOTE:** Given the extensive changes to the OON data entry section of the PBP, the year-to-year copy feature (CY 2025 to CY 2026) will not be available for OON groups. Users will have the ability to copy OON benefits within the CY 2026 benefit year.

- VBID/MA Uniformity Flexibility/SSBCI

  - VBID Hospice-related questions, screens, and related text have been removed.

  - For SSBCI, the text on the Package Selection page has been updated.

  - SSBCI Reduction in Cost Sharing (19a) and Additional Benefits (19b) Packages - The list of disease states/chronic conditions has been updated to be consistent with 42 CFR 422.2 Severe or disabling chronic conditions.

  - MA UF and SSBCI Reduction in Cost Sharing (19a) and Additional Benefits (19b) Packages - The field limit for describe all "Other" chronic conditions/disease states (Other 1, Other 2, Other 3, Other 4, and Other 5) has been expanded to 100 characters.

  - MA UF Reduction in Cost Sharing (19a) and Additional Benefits (19b) Packages - The following questions have been added to the screens: "Does the enrollee need to have a combination of diseases selected to qualify?" and "Does the enrollee need to have all diseases selected to qualify?"

  - Service Categories 13d, 13e, and 13f - For MA UF Additional Benefits Packages (19b) - New fields have been added so that plans can define other benefits for 13d, 13e and 13f, separate from the plan's mandatory supplemental benefits.

  - Service Category 13i10 - For SSBCI Additional Benefits Packages (19b), the following questions have been added to collect more information on covered benefits in 13i10: General Supports for Living:

    - "Are you offering housing support such as rent or mortgage assistance as a covered benefit under General Supports for Living?"

    - "Are you offering utilities assistance as a covered benefit under General Supports for Living?"

- Cost Share Groups

  - OON group screens have been removed. OON cost sharing questions have been moved to Benefit Details screens. POS groups remain in place.

  - The acronym for Reductions in Costs Sharing has been corrected to "RICS."

  - The rule to restrict POS groups from adding a coinsurance percentage greater than 50% for Medicare services only or Medicare and Non-Medicare services has been removed.

  - RICS packages have been restricted from adding service categories that do not have In Network cost sharing or OON cost sharing information.

- Section Rx

    o In Rx Setup, Part D plans offering the enhanced alternative (EA) drug benefit type will be able to designate a single tier formulary structure. The question "Number of tiers in the Part D benefit" will include an option to indicate one (1) tier.

    o In Rx Cost Share, the response options for the question "Indicate the area(s) throughout the Part D benefit where the increase in actuarial value of benefits is reflected" has been updated to include "Deductible waived for at least one tier."

    o In Rx Cost Share, when the plan selects "Reduced Initial Coverage Phase cost shares" for the question "Indicate the area(s) throughout the Part D benefit where the increase in actuarial value of benefits is reflected," plans will be prompted to respond to "With respect to reduced Initial Coverage Phase cost shares, describe how this plan fulfills the requirements to increase the actuarial value of benefits above the actuarial value of defined standard prescription drug coverage, consistent with 42 CFR 423.104(f)(1)(ii)(B)(2):"

    o In Rx Cost Share, the question "Indicate the Out-of-Network (OON) cost sharing structure for this plan" has been revised to "Indicate the Out-of-Network (OON) cost sharing structure for this plan (note: must comply with statutory requirements for covered insulins, ACIP-recommended adult vaccines, catastrophic claims, and selected drugs)."

    o In Rx Cost Share, the response options for the question "For excluded drugs only, how does this plan apply cost sharing beyond the Medicare Part D Annual Out-of-Pocket threshold?" have been updated to include:

        o No cost sharing,

        o Cost-Share Tiers (Same cost sharing as the ICP), and

        o Cost-Share Tiers (Different cost sharing than the ICP)

      The Post OOP cost sharing will be prepopulated to zero if "No cost sharing" is selected for all tiers. The Post OOP cost sharing will be prepopulated to match the Standard Retail 1-month value if "Cost-Share Tiers (Same Cost sharing as the ICP)" is selected for all tiers. The Post OOP cost sharing fields will be available for unique cost sharing on tiers with excluded drugs if "Cost-Share Tiers (Different cost sharing than the ICP)" is selected.

    o Initial Coverage Phase Tier Screens - The Daily Copayment 1-month fields in each Tier screen will be auto-calculated based on the location supply and copayment values entered by the user. The calculated values cannot be modified.

    o Initial Coverage Phase Tier Screens - The following tooltip has been added to the Average Expected Cost-Sharing Amount fields on each tier screen:

        The "Average Expected Cost-Sharing" represents the amount in dollars that a beneficiary would be expected to pay, on average, at a network

Retail Pharmacy for a 1-month supply of drugs on a coinsurance tier. As outlined on page 208 of the Final CY 2020 Call Letter, we review these amounts to compare copay and coinsurance cost-sharing impacts. If the coinsurance value for a non specialty tier is greater than the standard benefit of 25%, we compare the average expected cost-sharing amounts to the established copay thresholds to determine whether the coinsurance values are discriminatory.

- o In Rx Insulin, plans will be required to attest that they comply with the Inflation Reduction Act provision that requires, new for CY 2026, that cost sharing for insulins will not exceed: the lesser of $35, 25% of MFP (for selected insulins) or 25% negotiated price (for non-selected insulins).

- o In Rx Insulin, coinsurance fields have been added to the tier screens. The coinsurance cannot exceed 25% or the coinsurance entered for that tier for Non-Insulin drugs.

- o Plans will be able to select their "Tier Includes" field for their highest offered tier when it is also their exceptions tier.

CY 2026 PBP Schedule

The table below provides a high-level timeline for CY 2026 PBP-related activities.

Date	Event
December 2, 2024	Release of draft API/JSON structures for CY 2026.
December 16, 2024	Release of final API/JSON structures for CY 2026.
January 6, 2025	Industry PBP API testing begins for CY 2026.
January 6 - 31, 2025	Plan preview of the CY 2026 PBP module on the HPMS sandbox website.
February 3 - 21, 2025	Plan testing of the CY 2026 PBP module on the HPMS sandbox website.
April 11, 2025	Release of the CY 2026 PBP in production.

Draft CY 2026 PBP API/JSON Structures

The draft CY 2026 PBP API/JSON documentation will be available in the **Documentation** section of the publicly-available HPMS landing page (https://hpms.cms.gov). Please direct questions about the PBP API to hpmstechsupport@softrams.com.

For questions regarding this memo, please contact the HPMS Help Desk at hpms@cms.hhs.gov or 1-800-220-2028.