



CENTER FOR MEDICARE

DATE: September 26, 2023
TO: Part D Sponsors
FROM: Vanessa S. Duran
Acting Director, Medicare Drug Benefit and C & D Data Group
SUBJECT: Model Notice Corrections

The purpose of this memorandum is to inform Part D sponsors that cover the costs of excluded drugs in the Catastrophic Coverage Stage of corrections to the Contract Year (CY) 2024 Annual Notice of Change (ANOC) and Evidence of Coverage (EOC).

CMS encourages Part D sponsors to reference the *2024 Annual Notice of Change and Evidence of Coverage Standardized Models Instructions* and the August 8, 2023, Model Notice Corrections memorandum for guidance on alterations, modifications, or deletions of standardized language that are permissible when populating the models.

Questions regarding this memorandum may be directed to your CMS Account Manager.

Below is a summary of the substantive and required corrections and their location within the documents:

1. ANOC model for HMO MAPD, PPO MAPD, DSNP, PFFS, Cost, and PDP

Summary of Issue: Cost-sharing changes were not included for plans that cover excluded drugs under an enhanced benefit with the same cost sharing as covered Part D drugs.

Issue location: Summary of Important Costs

Change Implemented: Add the following text as shown below (*change noted in red text*):

Stage	2023 (this year)	2024 (next year)
Part D prescription drug coverage (See Section <i>[edit section number as needed]</i> 2.5 for details.)	Catastrophic Coverage: <ul style="list-style-type: none">• During this payment stage, the plan pays most of the cost for your covered drugs.	Catastrophic Coverage: <ul style="list-style-type: none">• <i>[Plans that do not cover excluded drugs under an enhanced benefit, OR plans that do cover excluded drugs under</i>

- *[When applicable, plans must insert a brief explanation of what the member pays during this stage. For example: For each prescription, you pay whichever of these is larger: a payment equal to 5% of the cost of the drug (this is called **coinsurance**), or a copayment (\$4.15 for a generic drug or a drug that is treated like a generic, and \$10.35 for all other drugs.)]*

*an enhanced benefit but with the same cost sharing as covered Part D drugs in this stage, insert the following: During this payment stage, the plan pays the full cost for your covered Part D drugs **[insert if applicable: and for excluded drugs that are covered under our enhanced benefit]**. You pay nothing.]*

- *[Plans that cover excluded drugs under an enhanced benefit with cost sharing in this stage, insert the following 2 bullets:*
- *During this payment stage, the plan pays the full cost for your covered Part D drugs*
- *You may have cost sharing for drugs that are covered under our enhanced benefit.]*

2. EOC model for HMO MAPD, PPO MAPD, DSNP, PFFS, Cost, and PDP

Summary of Issue: Cost-sharing changes were not included for plans that cover excluded drugs under an enhanced benefit with the same cost sharing as covered Part D drugs.

Issue location: HMO MAPD, PPO MAPD, DSNP, PFFS, Cost, and PDP (Chapter 6, Section 7) PDP (Chapter 4, Section 7)

Change Implemented: Add the following text as shown below (*change noted in red text*):

*[Plans that do not cover excluded drugs under an enhanced benefit, OR plans that do cover excluded drugs under an enhanced benefit but with the same cost sharing as covered Part D drugs in this stage, insert the following: **Beginning in 2024, if you reach the Catastrophic***

Coverage Stage, you pay nothing for covered Part D drugs [insert if applicable: and for excluded drugs that are covered under our enhanced benefit].

3. EOC model for HMO MAPD, PPO MAPD, DSNP, PFFS, Cost, and PDP

Summary of Issue: Cost-sharing changes were not included for plans that cover excluded drugs under an enhanced benefit with the same cost sharing as covered Part D drugs.

Issue location: HMO MAPD, PPO MAPD, DSNP, PFFS, Cost, and PDP (Chapter 12) PDP (Chapter 10)

Change Implemented: Add the following text as shown below (*change noted in red text*):

Catastrophic Coverage Stage – The stage in the Part D Drug Benefit that begins when you (or other qualified parties on your behalf) have spent \$[insert 2024 out-of-pocket threshold] for Part D covered drugs during the covered year. During this payment stage, the plan pays the full cost for your covered Part D drugs [insert if applicable: and for excluded drugs that are covered under our enhanced benefit]. You pay nothing.