

Part D Senior Savings (PDSS) Model CY2023 Overview and Application

CMS Innovation Center
March 2022



Disclaimer

This presentation was current at the time it was published or uploaded onto the web. Medicare policy changes frequently so links to the source documents have been provided within the document for your reference.

This presentation was prepared as a service to the public and is not intended to grant rights or impose obligations. This presentation may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

CMS Innovation Center Team

Laura McWright, Deputy Director, Seamless Care Models Group

Jason Petroski, Director, Division of Delivery System Demonstrations

Judy Geisler, PDSS Model Team Co-Lead

Trudel Pare, PDSS Model Team Co-Lead

Abigale Sanft, PDSS Model Team Member

Teddy Pitaktigul, PDSS Model Team Member

Agenda

- CY 2023 Part D Senior Savings (PDSS) Model Design
- CY 2023 PDSS Model Application
- Question and Answer

CY 2023 PDSS Model Design

Part D Program Current State Outside the Model



Special Rule for Supplemental Benefits - 1860D-14A(c)(2) of the Act and 42 C.F.R. § 423.2325(e)

“...where an applicable beneficiary has supplemental benefits with respect to applicable drugs under the prescription drug plan or MA-PD plan that the applicable beneficiary is enrolled in, the applicable beneficiary shall not be provided a discounted price for an applicable drug under this section until after such supplemental benefits have been applied with respect to the applicable drug” - Social Security Act 1860D-14A(c)(2)

Due to these financial disincentives, Part D sponsors generally do not offer supplemental benefits in the coverage gap for insulin.

Part D Senior Savings Model



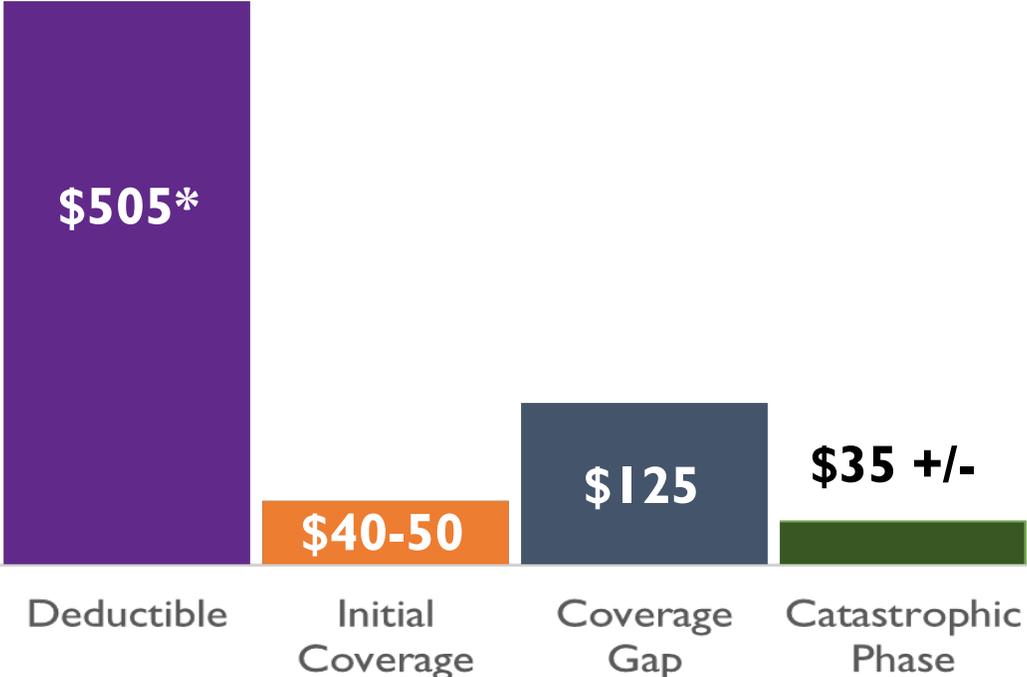
Broad set of formulary insulins available at a stable, predictable \$35 copay for a one-month's supply in the deductible, initial coverage, and coverage gap phases

- Voluntary for eligible manufacturers, Part D sponsors, and beneficiaries for the 2023 plan year.
- Enhanced alternative standalone prescription drug plans (PDPs) and Medicare Advantage plans that offer prescription drug coverage (MA-PDs).
- Address the current coverage gap financial disincentive in the manufacturer coverage gap discount program outside the Model.
- Applies to enrollees who do not qualify for the Part D low-income subsidy.
- Limited to applicable drugs that are, or contain, a drug classified as insulin, where the manufacturer participates and the Part D sponsor offers supplemental benefits for.
- Plans may offer Part D Rewards and Incentives Programs through the Model.

Insulin Costs for Beneficiaries

Current Enhanced Plan

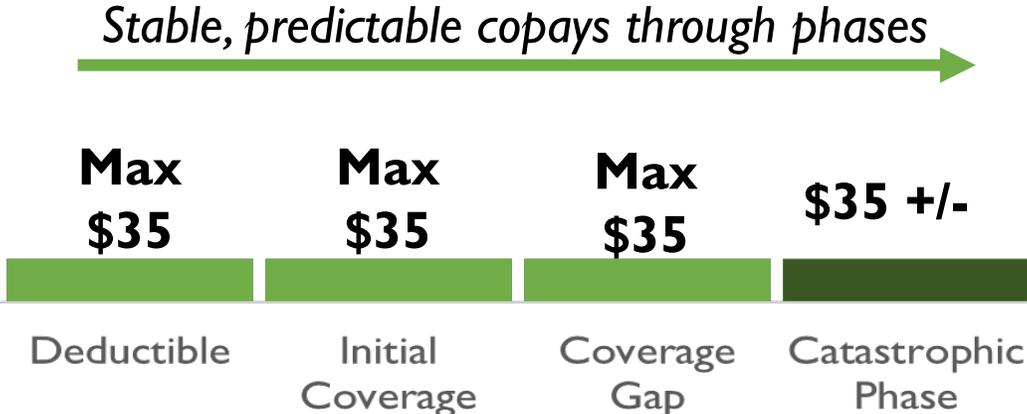
Beneficiary Cost for Month's Supply



vs

Model Enhanced Plan

Beneficiary Cost for Month's Supply



*Note: This is based on the CY 2023 Medicare Advantage and Part D Advance Notice, which is available online here: <https://www.cms.gov/files/document/2023-advance-notice.pdf>

Part D Senior Savings Plan Operations

- **Deductible:** Beneficiaries move through the deductible and initial coverage phases of the Part D benefit based on the total gross drug costs accumulated
- **Preferred vs. Non-preferred:** Plans **MAY** differ cost-sharing at preferred and non-preferred pharmacies and at mail.
- **One-month-supply:** Follow the plan's definition, consistent with current program regulations and guidance, of a one-month's supply.
- **Maximum \$35 copay:** Plans may lower the copay for one or more Model drugs below \$35.
- **List of Model Drugs:** The updated list of Model drugs is available on the Model website.
- **Tier placement:** The Model drug must be on a tier that is at least the copay or higher.
- **Low- Income Cost-sharing Subsidy (LIS):** Enrollees with LIS (including LIS 4) are not eligible.

Plan Eligibility and Participation

- **Eligibility:** Enhanced alternative plan benefit packages (PBPs) offered either as standalone prescription drug plans or through Medicare Advantage plans that offer prescription drug coverage. Chronic condition and institutional special needs plans may also join.
- **Requirements:** Include at least one vial dosage form at U-100 concentration and one pen dosage form at U-100 concentration for each of the different types of Model insulins, where available – rapid-acting, short-acting, intermediate-acting, and long-acting – at a maximum \$35 copay for one-month supply, through the deductible, initial coverage, and coverage gap phases of the benefit at all pharmacy types (preferred and non-preferred) and locations (retail and mail). *The catastrophic phase is not included in the Model's design.*
- **Standard Coverage for All Formulary Insulins:** CMS strongly encourages Part D sponsors to follow the same coverage rules for all Model insulins offered on formulary.

Part D Rewards and Incentives (RI) Programs



Permissible Part D RI program designs, with focus on promoting improved health outcomes, medication adherence, and the efficient use of health care resources:

- May be designed to target enrollees with pre-diabetes or diabetes who participate in a disease state management programs specific for pre-diabetes or diabetes.
- Provide RI for plan sponsor medication therapy management program participation, including review of all of an enrollee's medications & focus on pre-diabetes or diabetes.
- Provide RI for enrollees with pre-diabetes or diabetes who participate in preventive health services, such as receiving Part D covered vaccines
- Allow enrollees with pre-diabetes or diabetes to engage and better understand their Part D plan benefit, costs, and clinically-appropriate coverage alternatives
- Part D Sponsors participating in more than one CMMI Model have a combined, aggregate RI cap of \$600.

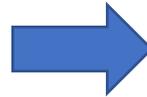
CY 2023 PDSS Model Application

Application Process

Pharmaceutical Manufacturers

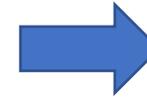
The following manufacturers are participating for CY 2023:

1. Eli Lilly and Company
2. Mannkind Corporation
3. Mylan Specialty L.P., a Viartis Company
4. Novo Nordisk, Inc, and Novo Nordisk Pharma, Inc.
5. Sanofi-Aventis, U.S., LLC



CMS

CMS has posted the list of Model drugs on the Model website available here:
<https://innovation.cms.gov/innovation-models/part-d-savings-model>



Part D Sponsor

Submit a completed application by April 8th.

Part D Sponsors will finalize participation in the Part D bid process on June 6th, and submit a supplemental file by June 10th.

<https://innovation.cms.gov/innovation-models/part-d-savings-model>

Application Process

- All applications are due to CMS by April 8th at 11:59PM PDT.
- Applications should be submitted for one (1) Parent Organization, as listed in HPMS.
- Both elements of the application should also contain the same Parent Organization ID, as listed in HPMS in the Contract Information Extract.
- If you are offering a Part D RI Program, additional information is included this year in the application to support the design and submission of RI Program proposals.

Qualtrics (Online Application)

- Submitted online through Qualtrics link.
- Includes information on organization contacts, Part D RI, and confirms organization intent to meet Model requirements.

Excel Template

- Submitted via email to PartDSavingsModel@cms.hhs.gov.
- Includes plan participation information, drug coverage details, and any additional organization contacts.

Key Resources and Dates for PDSS

- PDSS Model Website: <https://innovation.cms.gov/innovation-models/part-d-savings-model>
- CY 2023 Part D Sponsor Request for Applications (RFA):
<https://innovation.cms.gov/media/document/partd-senior-sav-cy23-sponsor-rfa>
- PDSS Model Fact Sheet: <https://innovation.cms.gov/media/document/partd-senior-sav-cy23-fs>
- CY 2023 Part D Sponsor Application: https://cms.gov1.qualtrics.com/jfe/form/SV_8oB9AvgORDf1XF4
- HPMS Memo (CY 2023 Applications): <https://innovation.cms.gov/media/document/partd-sensav-sponsorrfa-hpms-memo>
- CY 2023 VBID Model Overview Webinar Registration Link:
<https://acumenllc.webex.com/acumenllc/onstage/g.php?MTID=e8a2ee786ad10bab3e4c10c60c30db7f>

April 8, 2022

- Part D Sponsor Applications for the Model are due.

June 6, 2022

- Part D Sponsors confirm participation with bid submission in alignment with the Model.

3rd Quarter, 2022

- CMS and Model Participants sign Addendum to the CY 2023 Part D Sponsor Contract.

Thank you for joining us!

Please email us with any questions about the Part D Senior Savings Model at PartDSavingsModel@cms.hhs.gov