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DATE: December 21, 2018

TO: All Medicare Advantage Organizations (MAO), Prescription Drug Plan (PDP) Sponsors, Medicare-Medicaid Plans, and 1876 Cost Plans

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SUBJECT: Medicare Plan Finder (MPF) Plan Version of Out-of-Pocket Cost (OOPC) Model for CY 2019

The purpose of this memo is to announce that the updated 2019 Out-of-Pocket Cost (OOPC) model is available for Medicare Advantage Organizations (MAO), Prescription Drug Plans (PDP), Medicare-Medicaid Plans and Section 1876 Cost Plans to calculate their CY 2019 OOPC values. This version closely reflects the values currently displayed in the Medicare Plan Finder (MPF) and is referred to as the CY 2019 MPF Plan Version.

The model may be accessed at: <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/OOPCResources.html>. CMS encourages stand-alone PDPs and MAOs to run their plan benefit structures through the updated OOPC model to test their current benefit design in preparation for CY 2020 bids. The OOPC values displayed in the version released today are based on CY 2019 approved bids; these values will be used in the baseline Total Beneficiary Cost (TBC) calculation for evaluating the TBC change between CY 2019 and CY 2020, and may be used in forecasting CY 2020 bids. The CY 2020 OOPC Plan Model Version will be released in April 2019.

The updates to this model include:

- Updated Medicare Current Beneficiary Survey (MCBS) utilization and inflation factors. The CY 2019 MPF Plan Version includes 2013 and 2015 MCBS utilization and cost data, which reflect CY 2019 levels. The April 10, 2018 model used 2012 and 2013 MCBS utilization and cost data which reflected CY 2018 levels.
- Updated 2019 deductibles and coinsurance for Medicare Part A and Part B.
- Updated Formulary Reference Files (FRF). The CY 2019 MPF Plan Version uses the CY 2019 FRF released in September 2018, associated cross-reference files

and generic substitution data files. The April 10, 2018 Plan Model used the CY 2019 FRF released in March 2018.

- Dental utilization information about individual services (e.g., number of cleanings, exams, x-rays, fillings, root canals, etc.) is absent from the data for the MCBS survey year 2013. Dental service data has been imputed for this year based upon historical dental service data. For 2015, actual dental utilization was reported.

Organizations can view their CMS generated CY 2019 MPF Plan Version OOPC values in HPMS. These data closely match the data currently published on the MPF, varying slightly as a result of incorporating the updated FRF released in September 2018 while current MPF values are based on the FRF released in July 2018. MAO OOPC values can be viewed in HPMS under: **Quality and Performance > Performance Metrics > Costs > Part C Out-of-Pocket Costs**. PDP OOPC values can be viewed in HPMS under: **Quality and Performance Metrics > Costs > Part D Out-of-Pocket Costs**. Please note, previous versions of the OOPC and TBC data will continue to be accessible in HPMS.

As indicated in the chart below, the CY 2019 MPF Plan Version of the OOPC model uses a different version of the drug list (DRUGLIST.RXCUI.xpt) than will be used in the CY 2020 OOPC Plan Model to be released in April 2019. The drug list for the CY 2019 MPF Plan Version incorporates information from the September 2018 version of the CY 2019 FRF and other input sources (NDC databases, FDA Brand/Generic definitions, and Generic Substitution, 2017 and 2018 Prescription Drug Event average prices). The CY 2020 Plan Model Version will incorporate the updated March 2019 versions of these files for CY 2020. The resulting differences from the two different drug list files may not be reflected by the OOPC model change factor and may yield OOPC value differences. It will be the responsibility of the plan sponsors to address significant OOPC value differences through the benefit and formulary design.

OOPC Model	Drug List
CY 2019 MPF Plan Version (released today)	Derived from CY 2019 FRF released September 2018
CY 2020 OOPC Plan Model (to be released April 2019)	Derived from CY 2020 FRF to be released March 2019

For technical and policy related questions the following resources are available:

- For Part C policy related questions, such as TBC, please contact <https://mabenefitsmailbox.lmi.org>
- For Part D policy related questions about meaningful difference, please submit an email to partdbenefits@cms.hhs.gov
- For Section 1876 Cost Plan transition policy related questions, please contact <https://dpap.lmi.org/>
- For technical questions about the Bid Pricing Tool, please submit an email to actuarial-bids@cms.hhs.gov

For technical questions about the OOPC model, please submit an email to OOPC@cms.hhs.gov