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**DATE:** December 21, 2018

**TO:** All Medicare Advantage Organizations, Part D Plan Sponsors, 1876 Cost Plans and Programs of All-Inclusive Care for the Elderly (PACE)

**FROM:** Amy Larrick Chavez-Valdez, Director  
Medicare Drug Benefit and C & D Data Group

**SUBJECT:** Medicare Prescription Drug Benefit Manual / Chapter 13 - Premium and Cost-Sharing Subsidies for Low-Income Individuals / Section 60.4.2 Application to Months' / Days' Supplies

On October 3, 2018, CMS released a revised Medicare Prescription Drug Benefit Manual Chapter 13 - Premium and Cost-Sharing Subsidies for Low-Income Individuals (Chapter) via HPMS. The Chapter is available online at <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/PartDManuals.html>.

In Section 60.4.2 of the Chapter, "Application to Months' / Days' Supplies", we included a new second and third paragraph about the daily cost-sharing rate requirement at 42 CFR § 423.100 and § 423.153(b)(4). The third paragraph included examples to calculate a daily cost-sharing rate for LIS individuals. We have received information that these examples have caused confusion for Part D sponsors and their pharmacy benefit managers (PBMs). Therefore, please disregard the third paragraph until such time that we release a new version of Chapter 13.

Please send any questions on this memo to [PARTDPOLICY@cms.hhs.gov](mailto:PARTDPOLICY@cms.hhs.gov).