DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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**CENTER FOR MEDICARE**

**Date:** October 29, 2019

**To:** Medicare Advantage Organizations, Prescription Drug Plans, and Section 1876 Cost Plans

**From:** Amy Larrick Chavez-Valdez
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**Subject:** Contract Year 2020 Monitoring of Posted Comprehensive Formularies

Requirements pertaining to the dissemination of Part D information are found at 42 C.F.R. §423.128. Additional guidance can be found in Section 70 of the Medicare Communications and Marketing Guidelines (MCMG) and Section 30 of the Medicare Prescription Drug Benefit Manual, Chapter 6. Part D sponsors must include on their website their current drug list or formulary, including tier level and applicable quantity limit (QL) restrictions, prior authorization (PA), limited access (LA) and step therapy (ST) requirements. Part D sponsors must also post all ST and PA criteria documents. CMS monitors the posting and accuracy of these formulary documents. This memorandum provides a summary of the results of Contract Year (CY) 2019 monitoring and announces that this analysis will be performed again for CY 2020.

Please note that this analysis was formerly referred to as the Marketed versus Approved (MvA) Analysis, and will henceforth be referred to as the Posted versus Approved (PvA) Analysis.

## CY 2019 Results

In the November 6, 2018 HPMS memorandum entitled "Correction: Contract Year 2019 Monitoring of Marketed Comprehensive Formularies," CMS announced that we would be conducting a review comparing marketed formularies on plan websites for CY 2019 to CMS-approved HPMS formularies that would be effective January 1, 2019.

One hundred seventy-five Part D contracts were selected for inclusion in the CY 2019 MvA. We identified a targeted sample of drugs for review for each of the participating Part D plan contracts. After reviewing the marketed formularies on plan websites and analyzing the results, we determined that 3 of the 175 Part D contracts (1.71 %) had discrepancies, which included three LA discrepancies, whereby the plan was approved by CMS to have LA for a drug and the posted formulary did not indicate the LA status; and one PA discrepancy, whereby a plan listed a drug on their posted formulary with PA that was not approved by CMS for their CY 2019 formulary.

**CY 2020 Monitoring**

To ensure the accuracy of required formulary communication materials, CMS will again be conducting a review comparing the formularies posted on plan websites for CY 2020 to their approved formularies within HPMS that will be effective January 1, 2020. CMS will select a random sample of Part D plans for inclusion in the analysis, excluding PACE organizations. In addition to the random selection, new sponsors and sponsors with previously identified posted formulary concerns will be included. Employer Group Waiver Plans (EGWPs) that are selected but do not post a formulary on a plan website will be required to provide a PDF of their comprehensive formulary via email to FormularyBenefits@acumenllc.com. Part D sponsors that are selected for the CY 2020 analysis will be notified and provided additional information.

CMS will extract comprehensive formulary and utilization management documents from plan websites and compare these to the CMS-approved formulary effective January 1, 2020. For each posted formulary, CMS will identify a sample of drugs from the HPMS formulary file and match them to the posted formulary PDF or emailed version for selected EGWPs. Missing drugs or drugs with a posted tier, LA, or utilization management indicator that is more restrictive than that contained on the HPMS formulary file will be deemed a discrepancy. In addition to the review of drug samples, CMS will be reviewing online formulary and utilization management documents for compliance with other requirements set forth in guidance.

CMS will provide Part D plan sponsors for whom discrepancies are identified a workbook containing the discrepancies. Sponsors will be asked to submit responses to formulary discrepancies via designated response forms. In addition, it is our expectation that selected Part D sponsors will work aggressively to correct any confirmed errors as soon as possible. Identified discrepancies between the posted and approved formularies may subject your organization to a formal compliance action.

For questions regarding the posted versus approved analysis, please email PartDFormularies@cms.hhs.gov.