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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 2018

The purpose of this memo is to announce that the updated 2018 Out-of-Pocket Cost (OOPC) model is available for Medicare Advantage Organizations (MAO), 1876 Cost Plans, and Part D sponsors to calculate their CY 2018 OOPC values. This version reflects the values currently displayed in the Medicare Plan Finder (MPF) and is referred to as the CY 2018 MPF Plan Version.

The model may be accessed at: <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/OOPCResources.html>. CMS encourages stand-alone Prescription Drug Plans (PDPs) and MAOs to run their plan benefit structures through the updated OOPC model to test their current benefit design in preparation for CY 2019 bids. The OOPC values displayed in the version released today are based on CY 2018 approved bids; these values will be used in the baseline TBC calculation for evaluating the TBC change between CY 2018 and CY 2019, and may be used in forecasting CY 2019 bids. The CY 2019 OOPC Plan Model Version will be released in April 2018.

The updates to this model include:

- Updated Medicare Current Beneficiary Survey (MCBS) utilization and inflation factors. The CY 2018 MPF Plan Version includes 2012 and 2013 MCBS utilization and cost data, which reflect CY 2018 levels. The April 11, 2017 model used 2011 and 2012 MCBS utilization and cost data which reflected CY 2017 levels.
- Updated 2018 deductibles and coinsurance for Medicare Part A and Part B. OOPC estimates will be affected if plans tie cost-sharing to any of these values.
- Updated Formulary Reference Files (FRF). The CY 2018 MPF Plan Version uses the CY 2018 FRF released in July 2017, associated cross-reference files, and generic substitution data files. The April 11, 2017 Plan Model used the CY 2018 FRF released in

March 2017.

- 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 years 2012 and 2013. The total dollar value for each dental visit provided by the 2012-2013 MCBS continues to be used for estimating dental costs for MAO plans that do not offer supplemental dental benefits. For the 2018 OOPC model, dental service data has been imputed, based upon historical dental service data. The estimated allocation of total costs per dental visit between preventive and comprehensive services has been revised to better reflect the historical cost of individual services.

Organizations can view their CMS generated CY 2018 MPF Plan Version OOPC values in HPMS. These data match the data currently published on the MPF. 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 > Performance Metrics > Costs > Part D Out-of-Pocket Costs.

As indicated in the chart below, the CY 2018 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 2019 OOPC Plan Model to be released in April 2018. The drug list for the CY 2018 MPF Plan Version incorporates information from the July 2017 version of the CY 2018 FRF and other input sources (NDC databases, FDA Brand/Generic definitions, and Generic Substitution, 2016 and 2017 Prescription Drug Event average prices). The CY 2019 Plan Model Version will incorporate the updated March 2018 versions of these files for CY 2019. 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 2018 MPF Plan Version (released today)	Derived from CY 2018 FRF released July 2017
CY 2019 OOPC Plan Model (to be released April 2018)	Derived from CY 2019 FRF to be released March 2018

Previous versions of the OOPC and TBC data will continue to be accessible in HPMS.

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

- For Part C policy related questions, such as Total Beneficiary Cost (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