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DATE: November 4, 2024

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

FROM: Vanessa S. Duran
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SUBJECT: Contract Year 2025 Monitoring of Posted Comprehensive Formularies

Requirements pertaining to the dissemination of Part D information are found at 42 CFR §§ 423.128 and 423.2265(c). Additional guidance is available in the Medicare Communications and Marketing Guidelines (MCMG) in conjunction with the “Part D Communication Materials” HPMS memorandum from November 1, 2018, and Section 30 of the Medicare Prescription Drug Benefit Manual, Chapter 6.

Part D sponsors must post their current formulary on their website, inclusive of drug tier level, 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) 2024 monitoring and announces that CMS will again perform the Posted versus Approved (PvA) Analysis for CY 2025.

CY 2024 Results

In the November 3, 2023, HPMS memorandum entitled “Contract Year 2024 Monitoring of Posted Comprehensive Formularies,” CMS announced that we would be conducting a review comparing posted formularies on plan websites for CY 2024 to CMS-approved HPMS formularies that would be effective January 1, 2024.

We selected one plan each from 175 Part D contracts for inclusion in the CY 2024 PvA analysis. We identified a targeted sample of drugs to review for each of the participating Part D plans. After comparing the posted formularies on plan websites to the CMS-approved HPMS formularies for the sample drugs, we determined that 45 of the 175 Part D plans (25.7 percent) had discrepancies. These discrepancies included the following: seventeen plans posted their approved formulary with an inaccurate formulary ID number and/or version number; thirteen plans did not accurately post the date of their last formulary update; twelve plans had unclear or non-defined abbreviations or were missing the footnote indicating where to find information on the symbols and abbreviations; six plans posted outdated formularies which led to the posting of erroneous PAs, STs, QLs, tiers; five defined standard plans posted their formulary with tiers suggestive of a tiered benefit, and four plans did not differentiate between brand and generic name drugs displayed on their posted formularies.

We remind Part D sponsors that pursuant to 42 CFR § 423.2262(a)(1)(iii), Part D sponsors may not “engage in activities that could mislead or confuse Medicare beneficiaries or misrepresent the Part D sponsor.” Plans that participate in Medicare Part D are expected to use the Part D Model Formulary (Abridged and Comprehensive) as guidance.

CY 2025 Monitoring

To help ensure the accuracy of required formulary communication materials, CMS will again be conducting a review comparing the formularies posted on plan websites for CY 2025 to their approved formularies within HPMS. CMS will select a random sample of Part D plans for inclusion in the analysis. In addition to the random selection of plans, a sample of new sponsors and sponsors with previously identified posted formulary concerns will be included. CMS will notify and provide additional information to selected Part D sponsors for the CY 2025 analysis.

CMS will extract comprehensive formulary and utilization management documents from plan websites and compare these to the CMS-approved formulary effective January 1, 2025. CMS will identify a sample of target drugs and compare the HPMS formulary file with their posted formulary PDF. In addition to the targeted drug sample review, CMS will also be reviewing online formulary and utilization management documents for general compliance.

CMS will communicate discrepancies identified via email, and depending on the nature of the discrepancy, CMS may provide the Part D plan sponsor with a response form workbook for download and completion. We expect that selected Part D sponsors will work aggressively to correct any identified errors promptly, by the indicated date.

For questions regarding the Posted versus Approved Analysis, please email PartDFormularies@cms.hhs.gov.