

Centers for Medicare & Medicaid Services **CY 2017 Out-of-Pocket Cost Model FAQs**

1. **Question:** Does Centers for Medicare & Medicaid Services (CMS) offer any alternative methods for calculating Out-of-Pocket Cost (OOPC) amounts for plan sponsors that do not have access to PC SAS?

Answer: CMS does not offer alternative tools for calculating OOPC values for plans that do not have access to SAS. We recommend that you continue to use the tools/methodology that you employed for calculating OOPC values for contract year (CY) 2016. However, plans are encouraged to use the OOPC model to ensure the plans offered in a given service area are meaningfully different from one another in terms of key benefits or plan characteristics such as cost sharing, benefits offered, or plan type. In addition, Medicare Advantage (MA) plans can use these tools in meeting total beneficiary cost (TBC) requirements. As discussed in the CY 2017 Call Letter, plans are expected to submit bids that comply with CMS requirements. Section 1876 Cost Plans are encouraged to use this model to prepare for implementing cost contract plan transition requirements related to enrollment conversion.

2. **Question:** What are the changes in the CY 2017 model compared with CY 2016?

Answer: The following lists the substantive changes to the model. The CY 2017 Out-of-Pocket Cost Model Methodology document describes the changes more thoroughly.

- Update of MCBS inflation and drug utilization factors provided by the Office of the Actuary (OACT).
- Update of Medicare Part A and B financing rates (Deductibles, Coinsurance, premiums) to 2016 values.
- Update of Part D policy parameters (deductible, initial coverage limit, gap coverage percentages, etc.) to 2017 values.
- Update of Part D input data using updated FRF, cross-reference, generic substitution, Medispan-FDB, and ADSF (Applicable/Non-Applicable) files.
- Update of Prescription Drug Event (PDE) data for drug price calculation.
- Made revisions to the SAS code that maps MCBS utilization data into PBP categories.
- Update of the SAS code to take into account 2017 PBP data structure and variable name changes.
- Modified the SAS code for Emergency Care and Urgently Needed Services calculations to incorporate the out of pocket maximum for coinsurance cost sharing.

- Modified the SAS code to incorporate PBP enhancement that allows plans to indicate if Emergency Care or Urgently Needed Services cost sharing applies to the plan level deductible.
- Modified the SAS code to reflect the Preventive Service definitions and their mapping process.
- Modified the SAS code to change the Outpatient Lab, Diagnostic Tests and Procedures, Therapeutic Radiation, Outpatient X ray, and Diagnostic Radiological Services utilization data to accommodate PBP changes for CY 2017.
- Modified the SAS code to incorporate PBP enhancement that allows plans to charge a separate deductible for PPO mandatory enhanced benefits.
- Modified the SAS code to incorporate PBP enhancement to account for “Per Admission” cost sharing as hospital benefit period and to check cost sharing incurred at the day of discharge for Inpatient Hospital Acute, Inpatient Hospital Psychiatric, and Skilled Nursing Facility.
- Revised the SAS code to incorporate the deductibles for Preventive and Comprehensive Dental.

3. **Question:** Are Dual Eligible Special Needs Plans (SNPs) excluded from the OOPC Model?

Answer: The OOPC tool will calculate the OOPC values for Dual Eligible Special Needs Plans (SNPs). However, beneficiary data for Dual Eligible Special Needs Plans (SNPs) were excluded from the MCBS data for the development of the OOPC model as it was deemed unrepresentative of the beneficiaries enrolling in these plans. Therefore, the resulting calculations may not be reliable for Dual eligible SNPs. The CMS Call Letter provides guidance regarding meaningful difference (MA and Prescription Drug Plan (PDP) organizations) and total beneficiary cost requirements (MA organizations). Also, please refer to the OOPC methodology document posted on the CMS website at: <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/OOPCResources.html> for further technical details.

4. **Question:** Will the CY 2017 OOPC model work with older versions of SAS or SAS versions other than PC SAS (e.g. SAS running on UNIX or Mainframe)?

Answer: The CY 2017 OOPC model has been tested on PC SAS Versions 9.3 and SAS 9.4. (The model also can be run using SAS Enterprise Guide). We expect the tool to run, with minor modifications, on older versions of SAS or SAS running on a different environment. However, CMS cannot guarantee a successful run.

5. **Question:** What is the approximate amount of free disk space necessary for the model to run?

Answer: It has been recommended that the model requires at least 3GB of RAM and about 30GB of free disk space. However, the actual disk space requirements are dependent on the number of plans being run at one time and the particular hardware/software configuration of a user. In such cases, additional free disk space may be needed.

6. **Question:** Does the CY 2017 OOPC Model require administrative rights on the computer to run?

Answer: Administrative privileges are not required to run this model on a PC.

7. **Question:** Does the CY 2017 OOPC Model require any SAS add-ins to run? Is base SAS 9.3 sufficient?

Answer: Base SAS 9.3 with SAS/ACCESS Interface to PC Files installed is needed to run the model.

8. **Question:** How can organizations obtain information about policy related questions regarding requirements for meaningful difference (MA and PDP organizations), total beneficiary cost (MA organizations), and implementing cost contract plan transition requirements related to enrollment conversion (section 1876 Cost Plans)?

Answer: Organizations are encouraged to review the CY 2017 Call Letter and related HPMS communications.

- For Part C policy related questions about meaningful difference and 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/DPAPMailbox/>
- 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