



March 26, 2024

Submitted electronically via federal eRulemaking Portal: www.regulations.gov

Mr. William B. Parham, III
U.S. Centers for Medicare & Medicaid Services (CMS)
Office of Strategic Operations and Regulatory Affairs
Division of Regulations Development
7500 Security Boulevard
Baltimore, Maryland 21244–1850

RE: The Medicare Advantage and Prescription Drug Programs: Part C and Part D Medicare Advantage Prescription Drug (MARx) System Updates for the Medicare Prescription Payment Plan Program (CMS-10887; OMB 0938-New)

Dear Mr. Parham:

The Pharmaceutical Care Management Association (PCMA) appreciates the opportunity to submit comments on the U.S. Centers for Medicare & Medicaid Services' (CMS) proposal to collect new information relating to beneficiary-level data elements specific to the Medicare Prescription Payment Plan Program (the "Program").¹

PCMA is the national association representing America's pharmacy benefit managers (PBMs), which administer prescription drug plans and operate specialty pharmacies for more than 275 million Americans with health coverage through Fortune 500 companies, health insurers, labor unions, Medicare, Medicaid, the Federal Employees Health Benefits Program, and through the exchanges established by the Affordable Care Act. Our members work closely with plans and issuers to secure lower costs for prescription drugs and achieve better health outcomes.

The Inflation Reduction Act (IRA) established the Medicare prescription payment plan (M3P) that requires Medicare Part D plans with prescription drug coverage to offer enrollees the option to pay out-of-pocket prescription drug costs in the form of capped monthly payments instead of all at once at the pharmacy. This information collection request (ICR) pulls through an important aspect of M3P: how can plans track a beneficiary's past enrollment and disenrollment experience in the program? Beginning CY 2025, CMS is proposing to require Part D plans to submit beneficiary-level data elements related to the Program. Specifically, to effectively monitor the program, Part D plans will be required to report specified data elements related to the Program at the beneficiary, contract, and Plan Benefit Package (PBP) levels into the MARx system via a program-specific transaction. One such data element that Part D plans will be required to submit is "election termination reason code (voluntary versus involuntary)" which includes "any changes to an enrollee's status in the Program (enrollee is terminated from the program due to failure to pay, enrollee voluntarily ends their participation in the program)."

¹ 89 Fed. Reg. 5239 (Jan. 26, 2024).



PCMA appreciates CMS's recognition that the data reported by plans through MARx will serve important purposes toward program compliance, CMS's research needs, and beneficiary needs. We stress that information collected regarding the Program can and should be used to monitor enrollee behavior with respect to Program participation, compliance, and reasons for termination from the Program, including delinquent and unpaid cost-sharing payments. Proper accounting of this information, and mechanisms to preclude noncompliant beneficiaries from re-enrolling in the Program with a new Part D plan, will be vital to ensuring the ongoing success of the Program.

As we explained in our comments to CMS's Draft Part One Guidance on the Program, Part D plans are concerned that the Program lacks sufficient incentives for enrollees to make the required monthly payments, and that unpaid amounts may ultimately contribute to higher costs in the Part D program, including increased premium exposure for enrollees. We believe there needs to be stronger incentives for members to pay their monthly payments owed their current, and former, plans. Given that some enrollees may be delinquent with payments, CMS must use the information collected from Part D plans on the Program to confirm when a beneficiary not paying their monthly bills creates a risk of fraud, waste, and abuse, necessitating further action, including preclusion from further participation in the Program, regardless of whether the individual enrolls in a new Part D plan. Further, the data reported into MARx is accessible to all Part D plan sponsors. It should be available for plan use when evaluating whether a beneficiary should be allowed to enroll in M3P in subsequent years, especially, if they have switched plans. We note that any magnitude of delinquency will eventually put pressure on bid pricing resulting in an increase in non-benefit expenses as a way to address bad debt-related losses. Specifying this guardrail in both beneficiary enrollment forms and plan guidance will help reduce some of the uncertainty plans face going forward.

We also have some specific recommendations related to Appendix A, specifically, M3P data layout example in Table 6: M3P Change Transaction-TC 93. Our comments and recommendations related to this section are as follows:

- Item 1: For **Beneficiary Identifier**, CMS should remove all references to the Medicare Beneficiary Identifier conversion and the Health Insurance Claim Number.
- Item 15: For M3P **End Date**, the current specifications for the field state that the Transaction Reply Codes will be rejected if the M3P end date is not the last day of the month. For participants that opt out, the M3P end date should be the date that the plan processes the opt-out. Beneficiaries that call in and opt out will expect the program to be turned off immediately.
- Item 16: For M3P **Election Reason Code**, the two values for this field are named Voluntary and Involuntary. We suggest that CMS should rename the field as "M3P Termination Reason Code."

In order to preserve the integrity of the Program, we urge CMS to use the information collected from Part D plan sponsors to monitor enrollee's behavior with respect to the Program and develop stronger incentives for enrollees to make the required monthly payments.

We appreciate the opportunity to comment on this proposal to collect new information with respect to the Program. We look forward to continued engagement with the agency to ensure



successful implementation of the Program, which will require addressing the risk of beneficiaries' non-payment of monthly payments, with limited repercussions against the beneficiary. If you need any additional information, please reach out to me at tdube@pcmanet.org.

Sincerely,

Tim Dube

Tim Dube
Senior Vice President, Policy & Regulatory Insights

cc: Debjani Mukherjee, Senior Director, Regulatory Affairs, PCMA