



## **CMS NEWS**

FOR IMMEDIATE RELEASE

January 15, 2021

Contact: CMS Media Relations

[CMS Media Inquiries](#)

### **Changes to Medicare Advantage and Part D Will Provide Better Coverage, More Access and Improved Transparency for Medicare Beneficiaries**

*Final rule continues to strengthen the popular private Medicare health and drug plans.*

Today, the Centers for Medicare & Medicaid Services (CMS) issued a final rule that further advances the agency's efforts to strengthen and modernize the Medicare Advantage and Part D prescription drug programs. The changes finalized today are generally effective for the 2022 plan year and will potentially lower enrollee cost sharing on some of the most expensive prescription drugs. This final rule will allow enrollees to know in advance and compare their out-of-pocket payments for different prescription drugs. The changes will result in an estimated \$75.4 million in savings to the federal government over ten years.

"The changes in this final rule provide desperately needed transparency on the out-of-pocket costs for prescription drugs that have been obscured for seniors," said CMS Administrator Seema Verma. "It will strengthen Part D plans' negotiating power with prescription drug manufacturers so American patients can get a better deal."

As part of the administration's commitment to promoting price transparency and lowering prescription drug prices, the final rule will require Part D plans to offer a real-time benefit comparison tool starting January 1, 2023, so enrollees can obtain information about lower-cost alternative therapies under their prescription drug benefit plan. Enrollees would be able to compare cost sharing to find the most cost-effective prescription drugs for their health needs. For example, if a doctor

recommends a specific cholesterol-lowering drug, the enrollee could look up what the co-pay would be and see if a different, similarly effective option might save the enrollee money. With this tool, enrollees will be better able to know what they will need to pay before they are standing at the pharmacy counter. This follows a similar CMS requirement that Part D plans support a prescriber real-time drug benefit tool that went into effect January 1, 2021. Congress codified a similar requirement for prescriber real-time benefit tools in the recently enacted Consolidated Appropriations Act, 2021 (Public Law No. 116-260).

In the Medicare Part D program, enrollees choose the prescription drug plan that best meets their needs. Many plans offering prescription drug coverage place drugs into different “tiers” on their formularies. Today, all drugs on a plan’s specialty tier – the tier that has the highest-cost drugs – have the same level of cost sharing. Under the final rule, CMS is allowing Part D plans to have a second, “preferred” specialty tier with a lower cost sharing level than their other specialty tier. This change gives Part D plans more tools to negotiate better deals with manufacturers on the highest-cost drugs and lower out-of-pocket costs for enrollees in exchange for placing these products on the “preferred” specialty tier.

Under the Part D program, plans currently do not have to disclose to CMS the measures they use to evaluate pharmacy performance in their network agreements. CMS has heard concerns from pharmacies that the measures plans use to assess their performance are unattainable or otherwise unfair. The measures used by plans potentially impact pharmacy reimbursements. Therefore, CMS is requiring Part D plans to disclose pharmacy performance measures to CMS, which will enable CMS better understand how such measures are applied. CMS will also be able to report pharmacy performance measures publicly to increase transparency on the process and to inform the industry in its new efforts to develop a standard set of pharmacy performance measures.

For a fact sheet on the Contract Year 2022 Medicare Advantage and Part D Final Rule (CMS-4190-F2), please visit: <https://www.cms.gov/newsroom/fact-sheets/contract-year-2022-medicare-advantage-and-part-d-final-rule-cms-4190-f2-fact-sheet>

The final rule can be downloaded from the Federal Register at: <https://www.federalregister.gov/public-inspection/2021-00538/medicare-and-medicaid-programs-contract-year-2022-policy-and-technical-changes-to-the-medicare>

Get CMS news at [cms.gov/newsroom](https://www.cms.gov/newsroom), sign up for CMS news [via email](#) and follow CMS on Twitter CMS Administrator [@SeemaCMS](#), and [@CMSgov](#).