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**MEMORANDUM**

**DATE:** April 17, 2008

**TO:** All Current and Prospective Medicare Advantage (MA), Prescription Drug Plan (PDP), and 1876 Cost Plan Sponsors Offering Part D Employer/Union-Only Group Waiver Plans

**FROM:** Brenda J. Tranchida, Director  
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**SUBJECT:** HPMS Technical Plan Bidding Instructions for Organizations Offering Part D Employer/Union-Only Group Waiver Plans in Contract Year 2009

Starting in contract year (CY) 2008, Part D entities that offer employer/union-only group waiver plans (EGWPs) were no longer required to complete Part D Bid Pricing Tool (BPT) submissions. Please see 2008 Employer Group Waiver Policy – Elimination of the Requirement for Entities Offering EGWPs to Submit Part D Bids, February 28, 2007. This waiver policy has been extended to CY 2009. As noted in the memo, this waiver policy applies to all MA, PDP, and 1876 Cost organizations offering Part D EGWPs (i.e., “800 series” EGWPs) as well as to employers/unions that directly contract with CMS to offer Part D benefits to their retirees (i.e., “Direct Contract” EGWPs).

Note: CMS’ employer group waiver authority applies only to Part D, not to Parts A or B of the Cost Plan. Thus, section 1876 Cost Plan Sponsors may only offer “800 series” Part D coverage as an optional supplemental benefit and may not offer customized “800 series” A/B benefits.

CMS has also modified the corresponding Plan Benefit Package (PBP) submission requirement for all EGWPs offering Part D.

The following table outlines the HPMS PBP and BPT submission requirements for each type of Part D EGWP for the 2009 contract year:

	A	B
<b>PBP Section / BPT</b>	<b>MA-PD “800 series” EGWP and Direct Contract MA-PD EGWP</b>	<b>PDP and 1876 Cost “800 series” EGWP and Direct Contract PDP EGWP</b>
PBP Section A	Yes	Yes
PBP Sections B, C,	Yes	No

and D		
PBP Rx Section	No	No
MA BPT	Yes	No
PD BPT	No	No

Plans that fall under column A will download and install the 2009 PBP software, create their 2009 plans, and download their plan-specific data into the software, per the usual process. Column A plans will complete sections A, B, C, and D of the 2009 PBP software, but the Rx Section of the PBP will be disabled. Column A plans will also complete the MA BPT.

Plans that fall under column B will download and install the 2009 PBP software, create their 2009 plans, and download their plan-specific data into the software, per the usual process. While no actual data entry is required in Section A of the PBP for PDP plan types, plans are still required to open Section A, review the plan information, and exit Section A with validation.

All plans outlined in column A and B are required to upload their plans into HPMS, per the usual process. In addition, these plans are still required to meet all applicable pre-upload submission requirements to upload plans into HPMS.

Note: Plans that fall under column B are required to complete the upload process as a mechanism for establishing their official set of plan IDs for the 2009 contract year in HPMS.

If you have any technical questions regarding this memo, please contact Sara Walters at either (410) 786-3330 or [Sara.Walters@cms.hhs.gov](mailto:Sara.Walters@cms.hhs.gov). If you have any questions regarding this employer group waiver policy, please contact Usree Bandyopadhyay at (410) 786 – 6650 or [Usree.Bandyopadhyay@cms.hhs.gov](mailto:Usree.Bandyopadhyay@cms.hhs.gov). Thank you.