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DATE: April 8, 2022

TO: All Medicare Advantage Organizations and Part D Plan Sponsors

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SUBJECT: Contract Year 2023 Bid Review Out-of-Pocket Cost Models

The purpose of this memorandum is to announce that the Contract Year (CY) 2023 Bid Review Out-of-Pocket Cost (OOPC) Models in SAS software will be available on the CMS.gov website on or about April 8, 2022. The CY 2023 Bid Review OOPC Models for Part C and Part D allow stand-alone Prescription Drug Plans (PDPs) and Medicare Advantage Organizations (MAOs) to calculate OOPC values for each of their plan offerings for CY 2023.

PDPs and MAOs are encouraged to run their plan benefit structures through the SAS OOPC models to ensure that their plan offerings are consistent with the information set forth in the “Contract Year (CY) 2023 Final Part D Bidding Instructions” memorandum issued in the Health Plan Management System (HPMS) on February 3, 2022 (available on CMS.gov within the February Week 1 HPMS memos [zip file](#)) and Part C benefits information provided by CMS. MAOs will need to calculate their Part C and Part D OOPC values separately and combine them for their total OOPC value. As in the past, all MA plans (including those that do not include a Part D benefit) will have both a Part C and a Part D OOPC value.

As a reminder, sponsors and plans can view their CY 2022 OOPCs in HPMS.

Part D OOPCs can be viewed in HPMS under: Quality and Performance > Performance Metrics > Reports > Costs > Part D Out-of-Pocket Costs.

Part C OOPCs can be viewed in HPMS under: Quality and Performance > Performance Metrics > Reports > Costs > Part C Out-of-Pocket Costs.

All documentation and instructions associated with running the OOPC models will be posted on the CMS website on the [OOPC Resources page](#) on or about April 8, 2022.

Technical Specifications:

The CY 2023 Bid Review OOPC Models were developed and tested using the following:

- SAS Version 9.4 on 64-Bit workstations and Excel 2016; and
- WinZip to unzip the OOPC Model package.

Sponsors will need the following files to input into the models:

- A list of contract/plan/segment numbers;
- Plan Benefit Package (PBP) data; and
- Drug formulary data.

Detailed information on all the files provided in the models and the instructions on the sequence of executing these files will be provided in a Technical User Guide, available on the OOPC Resources page on or about April 8, 2022 (link provided below).

Questions:

- For Part C policy related questions, such as Total Beneficiary Cost (TBC), please submit inquiries to [MA Benefits Mailbox](#).
- For Part D policy related questions about meaningful difference, please submit an email to PartDBenefits@cms.hhs.gov.
- For technical questions about the Bid Pricing Tool, please submit an email to Actuarial-Bids@cms.hhs.gov.
- For technical questions about the OOPC models, please submit an email to OOPC@cms.hhs.gov.

Technical Resources:

Item(s)	Location	Expected Date
<ul style="list-style-type: none">• 2023 SAS OOPC Models• Technical User Guide• 2023 OOPC Methodology• OOPC FAQs	CMS OOPC Resources page	April 8, 2022
CY 2023 PBP Software	HPMS	April 8, 2022