



Summary: Advance Notice of Methodological Changes for Calendar Year (CY) 2021 for Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies – Part II

Notice of Availability Publication Date: February 5, 2020

Comments Due: March 6, 2020

On February 5, 2020, the Centers for Medicare & Medicaid Services (CMS) released [Part II of the Advance Notice of Methodological Changes for Calendar Year \(CY\) 2021 for Medicare Advantage \(MA\) Capitation Rates and Part C and Part D Payment Policies](#), outlining proposed payment changes and other requirements for plan sponsors participating in MA and the Part D program for the upcoming contract year. In a departure from previous years, CMS did not include a Draft Call Letter with this release. The Part D Bid Instruction and Annual Calendar were also pulled out of the Draft Call Letter and are available separately on CMS' website.

Major provisions in the Advanced Notice include:

- New Star Ratings measures.
- Updates to the Part C and D risk adjustment models.
- Changes to dispensing and vaccine administration fees in the Part D coverage gap.

Comments on Advance Notice must be submitted to CMS by March 6, 2020. You may provide feedback via email to advocacy@amcp.org on any provisions included in the Advanced Notice. AMCP's final comments will be available on the AMCP website and included in the Legislative-Regulatory Briefing Newsletter that is distributed to all AMCP members.

The following is a summary of key sections in the Advance Notice that may be of interest to AMCP members:

A. Star Ratings Measures

- a. Medication Adherence Measures: The Pharmacy Quality Alliance (PQA) maintains three medication adherence measures and has recommended that these measures be updated to risk adjust for sociodemographic status including age, gender, dual eligibility/low-income (LIS) status, and disability status. CMS states that it is considering these changes for the 2024 Star Ratings (measurement year 2022).
 - The Medication Adherence Measures are for Hypertension (RAS Antagonists), Diabetes Medications, and Cholesterol (Statins).
- b. Generic Utilization – CMS states its intention to develop measures assessing generic and biosimilar utilization in the Part D program. CMS notes that generic dispensing and substitution rates are high, on average, across the Part D program but the agency sees the remaining branded prescription fills as a significant opportunity to

reduce Medicare program costs and to lower out-of-pocket costs for beneficiaries. CMS seeks comments on the following potential measure concepts:

- Generic Substitution Rate.
 - Generic Therapeutic-Alternative Opportunity Rate.
 - Biosimilar Utilization Rate.
- c. Initial Opioid Prescribing – PQA developed and endorsed three initial opioid prescribing measures aimed at providing Part D plans with additional tools to monitor initial opioid prescriptions that increase risk for chronic opioid use disorder. The measures include:
- Initial Opioid Prescribing at High Dosage.
 - Initial Opioid Prescribing for Long Duration.
 - Initial Opioid Prescribing for Long-Acting or Extended Release Opioids.
- CMS plans to begin reporting only the Initial Opioid Dispensing for Long Duration in the Patient Safety Reports for the 2020 measurement year and to add this measure to the display page for 2023 (2021 data). CMS plans to perform additional analyses on the other two measures to monitor for any notable utilization trends in the future.
- d. Net Promoter Score (NPS) – NPS is a measure focused on loyalty existing between an organization and a consumer. Consumers are asked to answer the question “How likely is it that you would recommend [organization] to a friend or colleague?” using a 0-10 scale, with the greater the value, the more likely there is a favorable recommendation. The NPS is calculated by subtracting the percentage of respondents offering a score of 0-6 from the percentage of respondents offering a score of 9-10, resulting in a score ranging from -100 to 100.
- CMS seeks feedback on potentially adding a question related to NPS or customer loyalty to the MA and Part D CAHPS survey for use in developing a future Part C and D Star Rating measure.

B. Updates to the Part C and Part D Risk Adjustment Models

- a. CMS proposes to continue the implementation of the new MA risk adjustment methodology, basing 75% of risk adjustment on the new methodology for 2021, up from 50% in 2020. The remaining 25% will be based on the old methodology.
- The new methodology utilizes the eligible diagnoses from the Encounter Data System, while the old methodology uses eligible diagnoses from the Risk Adjustment Processing System for calculating risk scores.

C. Dispensing and Vaccine Administration Fees

- a. CMS proposes that Part D plans pay 75% of dispensing and vaccine administration fees for applicable drugs in the coverage gap.
- Beneficiaries would pay the remaining 25%.
- b. This continues the mandated phase-in of reductions in beneficiary cost sharing for drugs in the coverage gap phase of the Part D benefit.