February 18, 2022

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Mr. William N. Parham, III
Director, Paperwork Reduction Staff
Office of Strategic Operations and Regulatory Affairs
U.S. Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

RE: Agency Information Collection Activities: Submission for OMB Review; Comment Request, [Document Identifier CMS–10621, CMS–10141 and CMS–10630]

Dear Mr. Parham:

The Pharmaceutical Care Management Association (PCMA) appreciates the opportunity to comment on the notice with comment period issued by the U.S. Centers for Medicare & Medicaid Services (CMS) entitled: "Agency Information Collection Activities: Proposed Collection; Comment Request," as published in the *Federal Register* on December 21, 2021.[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 266 million Americans with health coverage through Fortune 500 companies, health insurers, labor unions, Medicare, Medicaid, the Federal Employees Health Benefits Program, and plans offered for sale on the Exchanges established by the Affordable Care Act.

We appreciate the efforts by CMS to make non-regulatory readability and usability improvements to the Medicare Part D Explanation of Benefits (EOB) model document. The EOB is a significant communication between Part D plan sponsors and their enrollees and includes critical information to help beneficiaries manage their health care spending.

PCMA appreciates CMS's ongoing efforts in taking industry and beneficiary feedback into account in their proposed, redesigned 2023 Part D EOB model. Industry engagement is crucial to increase beneficiaries' understanding of their Medicare drug prescription use and associated costs. Ultimately, CMS's work should yield an improved and less confusing EOB experience for all beneficiaries. As PCMA has done in the past, we are pleased to provide attached to these comments a revised model EOB for consideration.

[1] 86 Fed. Reg. 72244, December 21, 2021.

The revised model EOB would make the following changes to CMS's CY 2023 model EOB:

1. **Move the "Lower Cost Alternative Drugs" field to its own section** under "Changes to our Drug List that affect drugs you take" and include drug strength and manufacturer information there as well, if applicable. We believe this change allows for improving the beneficiary's understanding of the alternative drug options as we can list more detailed information encouraging beneficiaries to discuss potential lower cost formulary alternatives with their doctor to learn if this may be the right option for them.

2. **Consolidate and move "Definitions/Glossary of Terms" to the end** of the document, thus reducing overall page-count of the model. There is a significant amount of duplicative content in the proposed model which makes it challenging for beneficiaries to navigate the information. Eliminating the duplicate definitions throughout the model allows beneficiaries to focus on the most important information up front in the first couple of pages. This change may reduce the model page count by two pages, returning health plans to the previous 2020 average page count of six.

3. **Remove the "Price Change Percentage (%)" field.** As previously communicated, we continue to receive beneficiary feedback that the Price Change Percentage (%) field is confusing and does not provide the informational value we believe CMS intended. Therefore, we would again like to propose the removal of this field.

Some of the formatting changes are problematic for users that have visual impairments or have especially long lists of dispensed drugs. For example, the additional columns in the Your Drug List table will make it difficult to prepare the table in a large font (size 14) when indicated. CMS should provide guidance as to what alterations we should use for large font EOBs so that everything fits nicely on the page and is still in a readable order. Further, the shading in the "**Important Things to Know about Your Drug Coverage"** and "**Changes to our Drug List that affect drugs you take"** can be difficult for individuals with certain visual acuity issues to read black text through. CMS should consider dropping the shading from the model altogether.

Beyond these changes, there are a few lingering areas where plans need guidance on how to implement the EOB in special cases.

- For adjustments or reprocessed claims, can CMS provide specific guidelines regarding how and when a reprocessed or adjusted claim appears on the EOB?

- While generally this new format lends itself better to support Employer Group Waiver Plans (EGWP), can CMS provide guidance on how maximum out-of-pocket (MOOP) plans could use this EOB format when MOOP consists of customer payments on claims that appear in both Chart 1 and Chart 2 of the EOB? How could we show

accumulations between the two charts? The current definitions may also need to be changed for these specific plan types.

- On the Your prescriptions for drugs covered by your plan's Supplemental Drug Coverage table, we appreciate that the model EOB no longer includes a display of Price Change or Lower Cost Alternatives for Supplemental Drugs. We don't see it in the exhibit for supplemental drugs, but the 2022 EOB had references to it in the model instructions for Supplemental Chart 2.

Additionally, as CMS is affording the industry the opportunity to improve the Medicare beneficiaries' experience with these mandatory communications, we encourage CMS to consider "pushing the envelope" of how and where Medicare beneficiaries can access their prescription drug information. Therefore, we are also proposing the following suggestions:

1. **Allow Plans Additional Formatting Flexibility** – The model Part D EOB should mirror the Part C EOB subregulatory formatting specifications, in which "MAOs that wish to use [Part C] EOBs that are different from the CMS-developed [Part C] EOB templates may do so, as long as the [Part C] EOB includes all of the information presented in the attached templates". This allows plans the creative license in the design and format of the Part D EOB as long as plans adhere to the required information, guidelines, and specifications set forth in the Part D EOB model.

2. **Remove Requirement for Beneficiaries to have to Opt-In to Electronic Delivery of the EOB** – Requiring mailing of EOBs, unless an enrollee opts-in to electronic delivery, was established as a policy in 2005. Seventeen years later, email and electronic delivery have been adopted by virtually all individuals and gained widespread appeal among consumers. We therefore recommend CMS allow plans to delivery EOBs electronically without prior authorization from the beneficiary in the same way as permitted for documents such as the Evidence of Coverage and formularies. This would significantly reduce administrative costs and would result in a more secure method of delivery than mailing.

3. **EOB Length** – There appears to be an opportunity to condense the document. For example, there are some duplicative definitions that could potentially be condensed to reduce the volume of the document. CMS should consider consolidating some definitions such as Out-of-Pocket Costs, Total Drug Costs, etc.

4. **Further Modifications to "Your Current Drug Payment Stage"** – For customers who moved through multiple benefit stages within the past month, it may cause confusion if there is not something to note that the payment stage listed is the state the customer ends the month in, as opposed to the stage for the claims in the EOB. Also, the messaging and visual may be duplicative. Can CMS add a footnote or messaging to

clarify the payment stage visualized versus what's in the EOB (if different)? Also, can plans have the flexibility to remove the stage messaging and just show the visual?

We wish to remind CMS that plans have the flexibility to exempt formulary tiers from the deductible. This creates a situation where some claims are still subject to the deductible, while others are not. Plans should be able to modify the definition of "deductible" to account for actual plan benefits, and to inform the beneficiary of their progress through the deductible for some claims and others stages for other claims. We suggest language such as "You have ended the month in the initial benefit stage. Be advised that you have not yet reached your plan deductible as no tier 1, 2, or 3 claims have been processed for the plan year," as applicable.

5. **Changes to our Drug List that effect drugs you take** – Can CMS make this page completely optional since there is a CMS Model Formulary Change Notification Letter? Also, regarding formatting, would the model call for alternated shading if there are multiple formulary changes?

Conclusion

PCMA is pleased with the ongoing stakeholder engagement CMS has undertaken in redesigning its model EOBs for the Part D program. These documents are important and plans and beneficiaries have learned much over the history of the program to better identify what people need to know and how to convey that information to them. If you have any questions on these suggestions and recommendations, please do not hesitate to contact me directly. I can be reached at tdube@pcmanet.org.

Sincerely,

Tim Dube

Tim Dube
Vice President, Regulatory Affairs

Enclosure