

# CMS NEWS

**FOR IMMEDIATE RELEASE**

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Contact: CMS Media Relations Group

(202) 690-6145

## **CMS makes improvements to Medicare drug & health plans**

*Rate Announcement & Call Letter address 2013 payments & other program updates*

*Final rule strengthens beneficiary protections, codifies coverage gap discount program*

The Centers for Medicare & Medicaid Services (CMS) today issued final regulations for Medicare Advantage (MA) and prescription drug benefit (Part D) programs to improve benefits and the quality of care for seniors and people with disabilities enrolled in these programs.

“Thanks to the Affordable Care Act, people with Medicare are getting more value from their Medicare Advantage and prescription drug plans,” said CMS Acting Administrator Marilyn Tavenner. “The changes we’re implementing today will lower costs for people with Medicare and ensure that they can choose the health plan that works for them.”

CMS announced the estimated growth rate for 2013 and other policies for its participating health and drug plans for Payment Year 2013. The Rate Announcement and Final Call Letter are combined into a single guidance document and establish updates to payment methodologies, other policies, and program operations for Part C organizations and Part D sponsors. The policies will become effective January 1, 2013, as required by law. “These policy changes will help keep costs low and make Medicare stronger,” said Jonathan Blum, CMS Deputy Administrator and Director of the Center for Medicare.

Highlights of the 2013 Rate Announcement and Final Call Letter include:

- • An estimated annual growth rate of 3.07%, which will sustain a stable MA landscape for next year (2013);
- • 2013 Part D Benefit Parameters, including improved coverage in the coverage gap;
- • Guidance on limiting year-over-year cost increases for MA beneficiaries;
- • New guidance to strengthen controls against prescription drug abuse.

The drug and health plan program updates, effective January 1, 2013, will help continue the trend of lower premiums and stable or improved benefits that beneficiaries in these programs have experienced over the last two years. Earlier this year, CMS announced that MA premiums had

dropped 7 percent over the past year while enrollment increased by about 10 percent. Based on the 2013 policies announced today, CMS looks forward to retaining access to MA plans as an affordable option for people with Medicare and ensuring that drug and health plan sponsors are accountable to America's senior and disabled beneficiaries for improved quality of care and stable cost-sharing for the coming year.

CMS also published the final 2013 C and D rule today. Highlights of the final rule include:

- Next steps in implementation of the Part D Coverage Gap Discount Program under the Affordable Care Act;
- Greater flexibility for doctors to assist beneficiaries in drug coverage appeals;
- Better reporting of prescriber identifiers to improve program oversight and detect fraud;
- New authority to remove consistently poor performing MA and Part D plans from the program;
- Permitting certain dual eligible special needs plans (D-SNPs) to offer additional supplemental benefits beyond those that other MA plans may offer.

For information on today's final rule, please go to:

<http://www.ofr.gov/inspection.aspx?AspxAutoDetectCookieSupport=1>

Fact sheets for the Final Rule and 2013 Rate Announcement and Final Call Letter are available at:

<http://www.cms.gov/apps/media/press/factsheet.asp>

Public comments on the proposed rule are posted at [www.regulations.gov](http://www.regulations.gov).

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