

CMS Updates the Part D Prescription Drug Benefit Manual – Chapter 13 & 14

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Last month, CMS updated Chapters [13](#) and [14](#) from the Part D Prescription Drug Benefit Manual (PDBM). These updates affect Part D plan sponsor operations as well as network and non-network pharmacies. In Chapter 13, CMS updated its guidance on premium and cost sharing subsidies for low-income beneficiaries under the Part D program. In Chapter 14, CMS updated its guidance on coordination of benefits. A selection of CMS's updates to those chapters are highlighted below:

Chapter 13 – Premium and Cost-Sharing Subsidies for Low-Income Individuals (updated September 14, 2018)

- Updates guidance on the months' and less than a month's supply and the related application of the daily cost-sharing rule.
- Makes minor modifications to guidance on refunds and recoupments of cost-sharing and premium amounts.
- Updates the process for plan sponsors to seek *Best Available Evidence* documentation on behalf of the beneficiaries.

Chapter 14 – Coordination of Benefits (updated September 17, 2018)

- Liberalizes the plan notification requirements to give plan sponsors flexibility to design the *Coordination of Benefits (COB)* notification process so long as a new enrollee COB letter and annual letter is delivered, if warranted.
- Clarifies situations when cash purchases for covered Part D drugs is reasonable, such as when a pharmacy offers discounted prices through "loyalty programs or pharmacy coupons" that are not subsidized by purchases of drugs covered by Part D.
- Clarifies plan sponsor's responsibility for adjudicating enrollee claims in accordance with *Medicare Secondary Payer (MSP)* requirements, and for identifying and recovering and

any *Coordination of Benefits*, *MSP*-related mistaken payments and submitting associated adjustments to CMS.

- Updates guidance on HIPAA business associate agreements in compliance with the 2013 changes to the HIPAA Privacy Rule, and encouraged plan sponsors to execute the *CMS Part D Transaction Facilitator BAA* without modifications (unless required by state regulations).
- Updates guidance on plan sponsors use of *Additional Beneficiary Information Initiatives* when making Part B and D coverage determinations. This follows CMS's announcement in the 2019 Final Call letter.

The updated chapters can be found on the CMS [website](#).

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National Law Review, Volume VIII, Number 283

Source URL: <https://natlawreview.com/article/cms-updates-part-d-prescription-drug-benefit-manual-chapter-13-14>