

# INTRODUCTION

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Since Contract Year (CY) 2000, the Centers for Medicare and Medicaid Services (CMS) Health Plan Management System (HPMS) has supported the electronic submission of Adjusted Community Rate Proposals (ACRPs). Medicare Advantage (MA) organizations, formerly known as Medicare+Choice (M+C) organizations, have used HPMS to download the client-server Adjusted Community Rate (ACR) Proposal and Plan Benefit Package (PBP) software needed to prepare their plan submissions, create their proposed plan structures for the upcoming contract year, download the client-server ACRP Pre-Upload Validation Tool (APV) needed to identify fatal errors and other warnings prior to submission, and upload their completed ACRP submissions to the Centers for Medicare & Medicaid Services (CMS). Currently, MA organizations are required to upload ACRPs for several reasons: when submitting an initial application, when submitting a service area expansion (SAE) request, during the annual contract renewal process, when requesting a mid-year benefit enhancement (MYBE), when requesting a new mid-year plan, and when requesting a correction to an existing, approved plan.

Under the Medicare Modernization Act (MMA), the current ACRP process is replaced by a new Bid Submission process. Though certainly different in several key regards, there are significant similarities between the ACRP and Bid Submission processes. CMS will use the Bid Submission process to receive, negotiate, and approve the plan benefit packages to be offered by both MA organizations and the new standalone Prescription Drug Plans (PDPs). The basic framework of the Bid Submission process (i.e., download of bid preparation software, creation of plan structures, and upload of bid submissions) will be modeled after the current ACRP submission process in HPMS.

The Bid Submission is comprised of the Bid Pricing Tool (BPT) and the PBP software, which designated Medicare Advantage (MA) and Prescription Drug Plan (PDP) organizations must prepare and submit to CMS. The BPT spreadsheets and the PBP software were developed by the Centers for Medicare & Medicaid Services (CMS) to set a standardized protocol for collecting the pricing and plan benefit information of MA and PDP organizations. The BPT is the pricing document, whereas the PBP is a description of the plan benefits, premiums, and cost sharing.

The BPT filing is a collection of spreadsheets submitted by MA and PDP organizations that justify the benefits offered and the premiums and cost sharing charged by each plan. The BPT ensures that each plan offers a minimal set of benefits and that premiums and cost sharing do not exceed lawful amounts.

The PBP tool enables organizations to electronically enter plan benefits data into a standard record format and create data records to be sent to CMS. This information is used to support the regulatory process by providing CMS with a mechanism for objectively collecting benefit information. It also provides CMS with information to

analyze trends. In addition, the standardized Summary of Benefits (SB), required for marketing review, is generated based on the data entered in the PBP.

Based on an annual review of comments received from the Medicare industry and changes in Medicare policy, CMS has continued to modify the BPT spreadsheets and the PBP Tool to improve the data collection functionality and the SB display of the data.

HPMS will support the process for local MA and MA-PD plans, regional MA and MA-PD plans, and standalone PDP plans. HPMS will also provide this systems support for other types of plans who are required to submit a bid, such as demonstration plans.

The following chapters of this User's Manual detail the process by which an MA and PDP should prepare and submit their Bid for Contract Year 2007.