

20.11 - Manufacturer Drug Discount Program

(Rev. 14, Issued; 09-30-11, Effective: 09-30-11, Implementation: 09-30-11)

Beginning January 1, 2011, discounts were available to applicable Medicare beneficiaries receiving applicable drugs while in the coverage gap. Generally, the discount on each applicable drug is 50% of the negotiated price (excluding dispensing fee). An applicable drug is covered under Part D only if the manufacturer has signed agreement with CMS to provide the discount on coverage gap claims for all of its applicable drugs and remains compliant with the terms of the agreement (assuming all other coverage criteria are met). Part D sponsors provide the discounts for applicable drugs in the coverage gap at the point-of-sale. A CMS contractor will coordinate the collection of discount payments from manufacturers and payment to Part D sponsors.

For additional details regarding the policies, and administration of, the Manufacturer Drug Discount program as it evolves, Part D sponsors should consult HPMS.

30 - Incurred/ “True Out-of-Pocket” (TrOOP) Costs

(Rev. 1, Issued: 07-03-08, Effective: 07-03-08, Implementation: 07-03-08)

Not all enrollee out-of-pocket expenditures are considered incurred (or “true-out-of-pocket,” or TrOOP, expenditures) for purposes of applicability toward beneficiary spending against the annual out-of-pocket threshold described in section 20.3.1. Sections 30.1 and 30.2 provide further detail on whether certain expenditures are TrOOP-eligible or not, and Table 3 provides a summary of those discussions.