



March 5, 2018

VIA ELECTRONIC DELIVERY

Demetrios Kouzoukas
Principal Deputy Administrator and Director
Center for Medicare
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue SW
Washington D.C. 20201

Re: Advance Notice of Methodological Changes for Calendar Year (CY) 2019 for Medicare Advantage (MA) Capitation Rates, Part C and Part D Payment Policies and 2019 Draft Call Letter

Dear Director Kouzoukas:

Sempre Health appreciates the opportunity to comment on the Advance Notice of Methodological Changes for Calendar Year (CY) 2019 for Medicare Advantage (MA) Capitation Rates, Part C and Part D Payment Policies and 2019 Draft Call Letter.¹

Founded in 2015, Sempre Health is a health technology company offering an innovative prescription drug copayment structure to patients and third-party payors. Sempre Health works collaboratively with third-party payors and pharmaceutical manufacturer business partners to introduce, develop, and operationalize dynamic copayment structures that allow patients to lower their copayment costs by engaging in certain behaviors aimed at improving medication adherence, such as refilling prescriptions by a particular time or consistently over time. Sempre Health supports CMS's efforts to make changes to the Medicare Advantage and the Part D Prescription Drug Benefit Programs to encourage uniform benefits. Our comments, detailed below, encourage CMS to finalize changes that do not stifle innovation in patient engagement.

¹ Advance Notice of Methodological Changes for Calendar Year (CY) 2019 for Medicare Advantage (MA) Capitation Rates, Part C and Part D Payment Policies and 2019 Draft Call Letter (Feb. 1, 2018), <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Advance2019Part2.pdf>, hereinafter "CY2019 Draft Call Letter."

Sempre Health encourages CMS to clarify that the flexibility in the Medicare Advantage uniformity requirements also apply to Medicare Part D.

Sempre Health appreciates the steps CMS has taken in the Draft Call Letter to clarify that Medicare Advantage plans may reduce cost sharing for certain covered benefits, offer specific tailored supplemental benefits, and offer lower deductibles for enrollees that meet specific medical criteria.² As CMS notes, this approach is permitted under the current statutory and regulatory framework. Sempre Health urges CMS to clarify that this same flexibility is consistent with the Part D uniform benefit requirements. Part D plans today offer differential benefits to differently situated beneficiaries, consistent with the Part D rules. For example, plans may offer lower cost-sharing on drugs, such as diabetes drugs, via formulary design as a means of encouraging adherence in a population for which adherence may pose a particular challenge. As long as the plan benefit design is not discriminatory, formulary structures designed to encourage adherence among certain patient groups are permissible. Plans are also permitted to target their medication therapy management programs to address specific medically needy populations. While these MTM programs must be available to all similarly situated beneficiaries, plans are not required to offer these benefits to all plan enrollees.

Similarly, differentiating cost-sharing via a dynamic copay program is consistent with the requirement for a uniform benefit design. Provided that dynamic copayments are made available in the same manner to all similarly situated beneficiaries, this variable cost-sharing is consistent with the Part D uniform benefit design requirement. For example, all patients enrolled in a particular plan that take a specific diabetes drug have the same copayment options at the same point in their prescription cycle. This copayment may vary based on patient behavior (e.g., whether they fill a prescription on time) but may not vary based on immutable qualities, and thus the copayments are available uniform basis to all similarly situated plan enrollees.

Sempre Health has designed a dynamic copay structure that varies patient copays at particular times as a means of encouraging patients to fill prescriptions for selected drugs in a manner consistent with how the drugs are prescribed. Payors select drugs for inclusion in the dynamic copay program, focusing on where sustained adherence to an included drug therapy is expected to improve patient outcomes and, thus, reduce overall costs of care. The dynamic copayment structure is funded by manufacturer discounts passed through at the point-of-sale in the form of lower cost-sharing. For example, an eligible patient may receive a text message that his or her copayment for a prescription will be a particular lower price (e.g., \$10) if the prescription is filled on time and a different higher price (e.g., \$25) if the prescription is filled late. At the point of sale, the patient pays the amount determined by Sempre's algorithm, according to the patient's coverage under the participating payor's health plan. These goals are consistent with the Part D program's goals related to medication therapy management programs, incentivizing patient adherence, by ensuring beneficiaries share in plan discounts via lower cost-sharing obligations and doing so in a manner that allows plans to focus on improving outcomes.

The dynamic copay model is, in essence, a more innovative and complex approach to formulary benefit design – it allows plans to create more granular formularies than typically have been offered via traditional formulary tiering systems. Sempre Health urges CMS to clarify that Part D plans have

² *Id.* at 184.

the flexibility to reduce cost sharing for certain covered drugs for enrollees that meet specific medical criteria, provided that similarly situated enrollees are treated the same.

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We appreciate your consideration of our comments on the Advance Notice of Methodological Changes for Calendar Year (CY) 2019 for Medicare Advantage (MA) Capitation Rates, Part C and Part D Payment Policies and 2019 Draft Call Letter. Please contact Anurati Mathur by phone at (408) 550-5246 or by email at anurati@semprehealth.com if you have any questions regarding our comments.

Sincerely,

A handwritten signature in black ink, reading "Anurati Mathur". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Anurati Mathur

CEO, Sempre Health