Your questions answered

All you want to know about the Medicare Prescription Payment Plan (M3P)

Upcoming key milestone dates/timeline
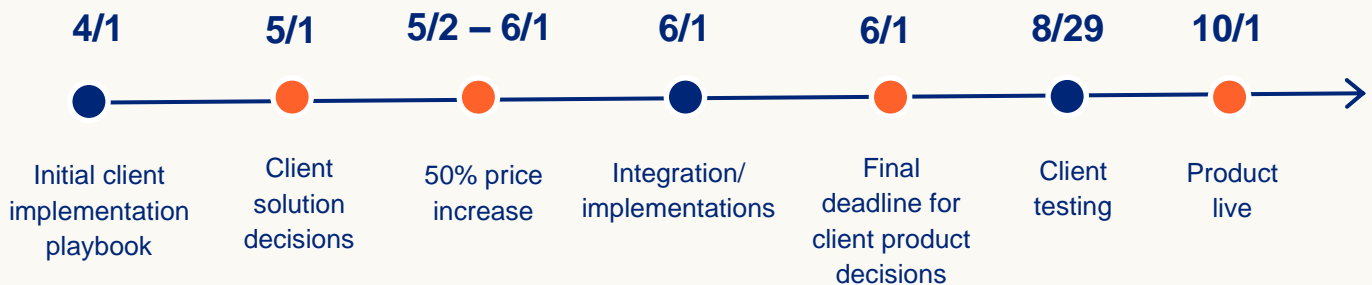
4/1	5/1	5/2 – 6/1	6/1	6/1	8/29	10/1
Initial client implementation playbook	Client solution decisions	50% price increase	Integration/ implementations	Final deadline for client product decisions	Client testing	Product live

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Overview

The Inflation Reduction Act (IRA) expanded Medicare benefits, lowering member drug cost through new benefit requirements, while reducing the Centers for Medicare & Medicaid Services (CMS) exposure to reinsurance payments by transitioning more of this cost to plan sponsors and pharmaceutical manufacturers.

Beginning January 1, 2025, all Medicare prescription drug plans (Medicare Part D plans) — including both stand-alone Medicare prescription drug plans and Medicare Advantage plans with prescription drug coverage — must offer enrollees the option to pay out-of-pocket drug costs in the form of capped monthly installments instead of paying at the pharmacy counter.

The program is available to anyone with Part D but Medicare enrollees who have high cost-sharing earlier in the plan year are more likely to benefit from the program by spreading those expenses throughout the benefit year. CMS will be developing tools to help Part D enrollees determine whether to participate during open enrollment for plan year 2025. Part D enrollees that do not opt-in during open enrollment may elect to participate at any time during the benefit year.

The Optum M3P solution

What is the Optum solution and components?

Optum will provide a solution to meet CMS guidelines and PBM responsibilities while offering enhanced options for existing customers who want to delegate additional services to Optum.

Optum is offering four solutions to align with customer M3P strategies:
1. **Fundamental:** Capabilities addressing the **standard PBM responsibilities**. **Capabilities**[1]
    - Receive member opt-in file
    - M3P claims processing
    - Pharmacy network management
    - M3P claims journal
2. **Preferred:** Capabilities addressing the **standard PBM responsibilities for those who elect to purchase technology solutions only**. **Fundamental Capabilities plus**
    - Opt-in/Out application programming interface (API) connectivity and digital tool

- Electronic payment processing
- Invoicing and payment notifications
- Lockbox payments and receivables
- Program member communications
- Client reporting

3. **Premier:** Capabilities addressing the **standard PBM responsibilities + ALL Business Process Operations (BPO) plan responsibilities**.
   Preferred Capabilities plus
   - Contact center
   - Collections outreach
   - Appeals and grievances
   - Annual CMS reporting

4. **Premier (EGWP):** Same capabilities as Premier

Will the Optum solution integrate with a third-party vendor?

Not currently. We are prepared to support data integration as defined by our fundamental product offering (feeds and connections). Any integration with third-party vendors beyond this is out of our current abilities due to compressed timelines to deliver our native solution.

Will we allow customers to customize any or all aspects of these solutions?

Customization **will not** be available for 2025 implementation. There is a potential to allow customization for the 2026 plan year.

Can a client select the Premier solution and keep appeals and grievances in-house?

Optum is considering some select operational exceptions on a case-by-case basis. Please work with the product team to assess impact.

Is "copay smoothing" the same program as M3P?

Yes. CMS originally named the program "copay smoothing" but has transitioned the name to "Medicare Prescription Payment Plan" aka M3P.

How has Optum validated their M3P solution satisfies the CMS requirements?

Compliance, cross-functional Optum subject matter experts, and independent consultants, have gone through a robust and thorough process to review, analyze, and interpret the available CMS requirements. The CMS requirements were then combined with operational requirements to design and build the M3P technology solution and operations.

Optum is not able to share internal system design and process documentation with clients, as that level of detail is proprietary to the Optum solution. However, as with all delegated services offered by Optum to plan sponsors, plan sponsors will have the opportunity to test and validate that our processes and member connections are in alignment with CMS requirements. In addition to end-to-end testing, Optum will share communication templates, user interface designs, and tool demonstrations. Client feedback during the testing process will be crucial to the success of the M3P program in 2025.

Solution pricing and payment

What is the pricing for this program?

Product tier	Description	Capabilities	Pricing
Fundamental	Core PBM functionality and capabilities PBM must provide to be M3P compliant	• Receive plan sponsor member opt-in file • Claims processing • Pharmacy Network Management • M3P claims journal	• **$0** • Implementation fee
Preferred	Clients who elect to purchase the technology solutions to achieve M3P compliance with no delegated services for operational staffing solutions.	*Fundamental capabilities plus* • Opt-in/Out tool and digital experience • Electronic payment tool • Invoicing and payment notifications • Lockbox payments and receivable • Program member communications • Client reporting	• Implementation fee • **First 5%** of applicable/Part D population: **$0.50 PMPM** • M3P utilizers above initial **5%**: **$100 PUMPY** • Lettering fees; must be done by Optum Rx
Premier	Clients who elect to purchase the technology solutions and the operational staffing solutions to achieve M3P compliance	*Fundamental and Preferred capabilities plus* • Contact center • Collections outreach • Appeals and grievances • Annual CMS reporting	• Implementation fee • **First 5%** of applicable/Part D population: **$1.00 PMPM** • M3P utilizers above initial **5%**: **$120 PUMPY** • Lettering fees must be done by Optum Rx
EGWP (Employer Group Waiver Plan)	Optum Rx EGWP clients	*Same as Premier*	• Implementation fee: **Fixed PMPY** • **First 5%** of applicable/Part D population: **$1.00 PMPM or $300 PUMPY** • M3P utilizers > **4%** and <=**8%**: **$180 PUMPY** • M3P utilizers > **8%**: **$60 PUMPY**

Per utilizing member per year = PUMPY
The PUMPY will be charged when the member enrolls in the Optum M3P solution, not by claim received.

How is the implementation fee determined?
The implementation fees are structured to account for the complexity of the client integration – larger clients will have more member portal integration, time spent on requirements, trainings, implementation staff resources, testing implications, etc. Optum has also scaled for client size, which results in the PMPM reduction by size. We enforce a $50,000 per client minimum which reflects our costs.

Implementation Fee: one-time fee based on eligible Part D membership covering all technical and non-technical setup costs. To be billed in Q4 2024 based on October 2024 CMS enrollment data, final reconciliation of the fee will occur following the Annual Enrollment Period close in February 2025.

Eligible Part D Membership	Per Member	Applied Minimum
<25k lives	$10	$50k
25k-1M lives	$5	-
>1M lives	$1	-

Is the implementation fee charged annually or only at initial purchase? What if requirements change year-over-year?
- The implementation fee is charged at initial implementation. This implementation fee is not included in any bundled per member per month (PMPM) fees, i.e., Employer Group Waiver Plan (EGWP).
- Any modification required as part of CMS guidance will be administered without additional implementation charges.
- If changes to CMS guidance are deemed very disruptive, Optum may consider an additional implementation fee.

Is the PMPM (base) fee fixed or variable?
The base fee is the PUMPY fee but spread across the initial 5% of utilizers. The base fee is fixed for all utilizations between 0% and 5%. This amount is converted to a PMPM for plan cost predictability, servicing as a floor for expected cost.

If a plan does not hit the 5% threshold, can they expect the PMPM fee or less based on actual percentage (%) of utilization?
The base fee is our floor, so while we expect almost all plans to have more utilization than the 5% base, we are not "pro-rating" costs if the plan does not meet the threshold. This provides a predictable cost for the plan.

If a customer has Medicare Advantage (MA-only), will that membership be executed from the initial percentage (%) of utilizer calculation?
Yes. MA-only members are excluded from the M3P program, since they do not have Part D benefits.

Are Low Income Subsidy (LIS) members excluded from the initial percentage (%) of utilizer calculation if they qualify for $0 copays?

- No. LIS members will be included in the initial utilizer calculation since their copayment assistance may vary. Once outside of the initial utilizer percentage, the customer will only be charged (PUMPY) if the LIS member enrolls in the program.
- Per CMS guidance: all Part D members (including members with $0 or low copay – LIS members, dual-eligible members, IHS members) are eligible to participate in M3P and should have the chance to opt-in, if needed.

What transaction fees should the plan expect to be charged and for which interactions?

M3P transaction fees are outlined in the following chart:

Fee Type	Pass-through Cost	Definition
ACH Debit Processing	$0.02 per debit	Cost levied by processor for facilitating a member bank transfer.
Card Processing – Authorization Fee	$0.03 per transaction	Cost levied by processor for authenticating and authorizing a credit/debit card transaction. Per successful or failed payment authorizations.
Card Processing – Network Interchange	2.5% of transaction	Cost levied by card network processor for processing a credit/debit card transaction.
Exception Item – Failed ACH Debit	$4 per item	Cost levied by processor for returned ACH debit, including return messaging to merchant.
Exception Item – Card Dispute Fee	$15/payment	Cost levied by processor when not resolved in favor of Optum/M3P.

How is Optum estimating lettering volume and subsequent costs?

While the lettering fees are all pass-through costs ($2.00 per letter sent), we are providing estimates based on enrollment and not fixed fees.

The CMS requirements indicate member communications for the following scenarios:
- M3P likely to benefit notice – for members with $600 copay at POS – 20% of members
- M3P participation request form – 100% of members
- Acceptance of election into M3P – ~8% of members projected to opt in and utilize M3P
- Initial Notice of Failure to make M3P payments – 7% of utilizing members
- Finale Notice of Failure to make M3P payments (Termination Notice) – 5% of utilizing members
- Notification of voluntary removal from M3P – 5% of utilizing members

We can provide lettering cost estimates if customers share their projections.

Can customers use credits as payment for the M3P solution?
- We will accept Pharmacy Management Allowance (PMA) credit but the M3P solution cannot be added to the PMA as part of the sales process.
- We will also accept Innovation Credits on a case-by-case basis.
- We will not accept the following credits: Implementation Credits, Strategic Growth Credit, Cross Optum Credits, Net New Life Credit, or Optum Advisory Services (OAS) Credit.

Are there limits to how the credits can be used?
Credits can fund the annual admin cost, implementation fee, and lettering costs ($2.00 per letter sent).

If credits are used, how will Optum invoice for the M3P solution?
Optum will generate an invoice for the full amount including implementation, program costs and lettering charges, as applicable. The customer will pay the full invoice and will reimburse up to the credit amount.

If the customer has credits across lines-of-business, it will be the customer's responsibility to manage credit use.

Does the customer get a refund if their member(s) disenroll(s)?
Customers are only charged a per utilizer credit or one-time fee if the member utilizes the M3P program. Refunds will not be issued if their member(s) disenrolls after utilizing the program.

Please describe the banking structure Optum is setting up. Who owns the bank account?
UnitedHealth Group (UHG) Corporate Treasury is responsible for maintaining the relationship with the Optum bank and works closely with the Optum Finance team to manage it.

What does the process look like to transfer member payments from Optum to the plan sponsor? What is the frequency?
Optum will pay plan sponsors monthly via Automated Clearing House (ACH).

Will a Return on Investment (ROI) or Performance Guarantee (PG) be offered?
We will not offer an ROI guarantee for this product. We will offer a PG on operationality at launch on January 1, 2025, of 50% of implementation fees.

Parameters around the PG will be determined within the contract contingent on completion without any material or systemic compliance defects.

What is the duration of the contract with the customer?
- Initial contract terms are valid for one year.
- The Account Management team will add an amendment to the existing Statement of Work (SOW).

Ideal customers and timeline

Which customers are eligible to purchase the Optum M3P solution?
- For the 2025 launch, **only existing PBM customers are eligible to purchase this solution**. This includes Optum Rx direct (carve-out) and UnitedHealthcare (carve-in).
- In addition, and because this is a CMS mandated program, **customers must have their Part D coverage with Optum**.
- **Pharmacy Technology Services customers are not able to purchase** the Optum M3P solution for the 2025 plan year.
- **Sales opportunities outside of current PBM business** are expected for the 2026 plan year.

Who are the ideal customers for each M3P option?
1. **Fundamental: Optum customers** electing **basic functionality** which plan sponsors should expect from their PBM to be M3P compliant. These customers will have the capability to build many solution components in-house or select and integrate with an external vendor.
2. **Preferred: Optum customers** that elect to purchase **technology solutions only**. These customers will maintain contact center services in-house.
3. **Premier: Optum customers** that **elect to delegate all M3P responsibilities** including contact center services.
4. **Premier (EGWP): Optum customers** that are part of EGWP will be opted in to the M3P Premier solution.

There is **no minimum or maximum life count** requirement to purchase any of the solutions.

What are the key milestone dates/timeline for the M3P product?
Refer to the timeline on page 1 of these FAQs.

When will the Optum M3P product be available for sale?
- Sales go-live date: **March 28, 2024**
- Opt-in tool go-live dates: Prior to the Medicare Annual Enrollment Period (AEP) – **10/15/24-12/7/24**
- M3P program go-live date: **January 1, 2025**

When will customers need to decide if they want to elect the Optum M3P solutions?
- Based on the implementation timeline for 2025 launch, customers will need to **decide by May 1, 2024.**
- If the customer decides to purchase the Optum M3P solution after **May 1, 2024, the price will increase by 50 percent**. This pricing adjustment is implemented to account for the additional resources and efforts required to accommodate late decisions and ensure a smooth onboarding process for the customer.
- We will **"close the sales window"** on **June 1**.

What about current EGWP customers?
Optum customers that are part of EGWP will be opted in to the M3P EGWP solution.

What if the customer decides they want to change solutions (i.e., originally choose Preferred (before May 1) but now want Premier (after the May 1st) deadline?
We would accept the change request if made **before June 1, 2024**; however, there would be an increased charge as implementation timelines will be condensed for Optum and the customer.

Implementation

When does implementation process begin?
Implementation will start two weeks after the customer's final product selection.

What is the implementation process?
The client implementation playbook is in development and will include file format and API templates aligned to the different solution tiers. Please contact the Implementation Program Manager for details.

How will Optum help the plan sponsor prepare to operate? Will Optum share detailed process flows, standard operating procedures (SOPs), and technical architectures for Optum business and/or M3P operations?

Optum is not able to share internal system design and process documentation with plan sponsors, as that level of detail is proprietary to the Optum solution. However, Optum will help plan sponsors prepare for operational readiness by educating plan sponsor teams on what should be provided to Optum, what Optum will provide to plan sponsors, and will highlight operational interdependencies between Optum and the plan sponsor.

Optum will do this through staged packets of artifacts and knowledge sharing – including conceptual flows for how things will work, file layouts/technical specifications, user interface designs, tool demonstrations, tool user guides, train the trainer sessions, and more. Plan sponsor teams should expect to analyze the operational impact on the plan sponsor's teams/systems, design processes, and conduct workforce training to implement and manage the plan sponsor portion of the M3P operations.

The Optum different product offerings allow plan sponsors to take on more or less of the operating responsibility. During the 2026 sales cycle, if plan sponsors have concerns about their operational readiness given their current product selection, during the 2026 sales cycle, Optum will be happy to speak to the plan sponsor about the benefits of our Premier product. Under Premier, the plan sponsor can allow Optum to take on almost all the operating responsibility for the M3P program.

M3P product security architecture

Are the Optum M3P solutions cloud-based offerings? If yes, what cloud platform would be used?

The Optum M3P solutions will be a mix of Microsoft Azure Cloud and On-Premise.

Is the Optum M3P solution a completely new Software as a Service (SaaS) offering? Is the solution based on capabilities from other trusted vendors to Optum?

The Optum M3P solution is a completely new Optum managed product, not a SaaS offering.

Will Optum support integration from customer platform using an application programming interface (API)?

The Fundamental product will support API connectivity. The cost for this functionality is included in the pricing. The Preferred and Premier products will not support API connectivity.

Will Optum support requests for API integration from customers with the Preferred or Premier solutions?

Optum will not support requests from Preferred or Premier customers for API integration. The Preferred and Premier solutions can support batch-load functionality, if requested.

How does Optum keep member(s) information secure? How does it prevent Man-in-the-middle (MITMs) and Disk Operating System attacks (DoS)?

We are following the Optum enterprise security standards. We are open to a security review at a future date.

Will customer data reside in any server that is physically present outside the U.S.?

Data will not reside on any server physically outside of the U.S.

Member experience

Who is eligible to enroll in the M3P program?

Per CMS, this program will be available for all Medicare eligible members including those with Part D benefits, enrolled in an EGWP product or part of a Dual-Eligible Special Needs Plan (D-SNP), and exempts plans who uniformly have a $0 cost share to all its enrollees. Members must be current on their plan premium payments.

When can Part D enrollees opt-in to the Optum M3P solution?

Starting with plan year 2025, Part D enrollees may opt-in to the program prior to the beginning of a plan year, or in any month during a plan benefit year. Members can opt out of the M3P program at any time of the year.

How will members opt-in or opt-out under the Optum solution?
- **Fundamental:** Members will opt-in or opt-out through their plan sponsor and Optum will receive eligibility files.
- **Preferred and Premier:** The Optum solution will integrate with the plan sponsor's platform through batch functionality. Members will also have the option

to enroll or disenroll from the program by calling the Optum customer service center, using the member portal (election year only), and by mail.

Will the election form be housed on the member portal or open enrollment portal so the member can download the form if they choose not to enroll electronically?
The downloadable election form will be accessible through the member portal. It will not be housed on any open enrollment portals unless there is an existing open enrollment portal for the client, and they specifically request we maintain it annually. This approach ensures that the election form is readily available to members through the designated portal while streamlining the process for managing open enrollment materials.

Will members receive a new or additional member identification card?
No. This program does not require a separate or new member identification card.

Will members be able to see their outstanding balances and invoices through their member portal?
Yes, if the customer purchases the Preferred or Premier solution.

What happens to the member's outstanding payments if they opt out of the Optum M3P solution?
The individual will continue to be billed in monthly amounts not to exceed the maximum monthly cap for the duration of the plan year or can be offered the option to repay the full outstanding amount in a lump sum.

Is there a minimum amount that the claim must be before the activating M3P or are members allowed to enroll in the plan regardless of the member cost share?
There is no minimum claim amount or requirements for participation in M3P. All Part D claims are eligible.

Do members have to include all their prescriptions in the program once they enroll in M3P?
Yes. Once a member enrolls, they will automatically have all eligible Part D prescriptions, including refills, included on the payment plan.

If a member's annual out-of-pocket (OOP) maximum is $2,000, and they purchase a $2,000 medication and pay $0 at POS, will they reach their OOP max?
Yes, the full member cost share applies to out-of-pocket max at POS.

What is the timeframe to process the member's initial election request?
Part D sponsors must process the election request within 24 hours to prevent delays in dispensing drugs to individuals when they opt into the program. The member may collect a prescription and pay their original cost share at point of sale (POS) while approval or denial is pending. The Optum process of sharing M3P opt-in to Oracle Insurance Revenue Management and Billing (ORMB) and NextGen is automated and sent through guaranteed delivery mechanisms in near real-time. This ensures that the information is transmitted promptly and reliably. The processing of this information is expected to be completed in all systems within a matter of minutes, allowing for efficient and timely updates across the platforms. Paper enrollments may see up to a 10-day approval timeframe.

How will the Optum in-network pharmacies get awareness of M3P requirements and be able to educate members at point-of-sale (POS)?
Optum will be including a provision requiring network pharmacies to provide Likely to Benefit (L2B) notifications in the Network Provider Manual. Network Pharmacy Contracting is in the process of developing and refining the exact language. Final language will be published in the Q1 2025 version of the Network Provider Manual.

What is the member's experience at the pharmacy?
- Pharmacies will receive messaging communicating if the member is enrolled or likely to benefit from the program.
- The law requires the pharmacy to inform the individual about the program if their cost-sharing for covered Part D drugs exceeds $600 for either an individual prescription or all prescriptions filled on a single day.
- If the member is enrolled in M3P, they will pay $0 at point-of-sale.

Are Part B or paper claims in scope for M3P?
No. Paper (direct member reimbursement) and Part B claims are not in scope. In addition, claims for NDC's not covered by Medicare are not covered by M3P, per CMS guidance.

Member communications

What communications will be available as part of the Optum M3P solution?
With the Preferred and Premier products, any communications developed will conform to CMS and M3P model language. Customized communication materials will not be supported in 2025.

Communication at the pharmacy, model language, and standardized materials (where appropriate) will be provided by CMS in the next phase of guidance.

We except to produce the following communications:
- Election form
- Failure to pay notice
- Voluntary termination letter
- Involuntary termination letter
- Billing statement
- Notice of acceptance
- Notice of denial
- Likely to benefit (pre-effective and plan year)

Are material IDs needed for the M3P letters?
M3P letters generated by Optum would not require unique material IDs for each client since Optum is using the CMS Model templates.

Will the Optum M3P product identify and outreach to members who are more likely to benefit from the program?
CMS will issue guidance concerning targeted outreach prior to the plan year for enrollees who will likely benefit from the program. CMS will develop a broad range of educational materials and tools for Part D enrollees, pharmacies, prescribers, and others, which will be ready in advance of open enrollment for plan year 2025.

Will "likely to benefit" notifications be held for the month of December of the current year?
Yes, per CMS guidance, no targeted outreach should be made to any members during the month of December. This includes "likely to benefit" notifications.

Will communication standards vary for members with Low Income Subsidy (LIS) also called "extra help"?
While the statute requires that an LIS enrollee must have the option to become a Medicare Prescription Payment Plan participant, individuals with low, stable drug costs (such as LIS enrollees) are not likely to benefit from the program.
In the Medicare Prescription Payment Plan Part 2 Final Guidance, CMS provides additional requirements and model language about the Medicare Prescription Payment Plan, enrollees' rights, and Part D sponsor responsibilities related to Part D enrollees participating in the LIS program.

Is the content of the likely to benefit letter consistent for plan year, pre-effective, and retrospectively after a pharmacy fill?
The likely to benefit letter will utilize CMS model language and will not vary based on the timing of when it is sent. This ensures consistency in the content provided to members, regardless of whether it is during the plan year, a pre-effective notification, or retrospective notification after a pharmacy fill.

How will Optum ensure adherence to the [CMS Final Part Two Guidance](#) (30.3.2 Notice of Acceptance of Election) requirement: "For requests received during the plan year, regardless of how the Part D enrollee submitted the election request (paper, telephone, or electronic), the Part D sponsor must deliver the notice of acceptance of election within the specified timeframe first telephonically and then via written notice?"
Optum will adhere to CMS guidance and will comply with the Telephone Consumer Protection Act (TCPA) guidelines in this regard. The process will involve attempting a phone call through an auto-dialer as the primary method of communication. If the member's phone number is on the Do Not Call list, the phone call attempt will not be made, and instead, a written notification will be provided as the secondary method of communication. It is important to have phone numbers on file to facilitate this outreach process.

Will Optum provide a request for additional information notification?
Optum deems "missing information" as an operational activity. Currently, there are no planned automated communications for this specific scenario. Instead, a human outreach will be made to the member to obtain the missing information. It's important to note that this requirement is still being refined, so there may be updates or changes in the future.

Will Optum send denial notices if additional information is not provided within 21 days?
The product is designed to automatically generate and provide a denial notice if the missing information is not received within 21-day timeframe. This ensures that members are promptly notified of the denial due to missing information and allows them to take appropriate action to provide the required information.

Will members be able to view communications from the Optum M3P tool and member portal including, letters, notices, and invoice statements?

Members will have the ability to access and view all communications related to the M3P on the member portal. Additionally, if the plan sponsor purchased the Premier product, members can contact the Optum call center to request a "reprint" of any communication. Optum advocates will have the ability to submit reprint requests on behalf of members. However, it's important to note that the internal archival letter tool used for storing and accessing communications is not provided externally to clients for viewing purposes.

Member invoicing

How does payment work within the M3P process?

- If the member has opted in to M3P, they will pay $0 at the point-of-sale (POS) for a covered Part D drug, instead of the OOP cost sharing they would normally pay when filling a prescription. The Part D sponsor must pay the pharmacy the OOP cost sharing amount that the member would have paid if they are not in M3P. The member is billed monthly for any OOP cost sharing they incurred according to calculations determined by CMS through the remainder of the plan year.
- Once the member opts in to the M3P program, all subsequent, eligible Part D OOP costs (regardless of the amount) are invoiced through the program according to calculations determined by CMS.
- The member will not be charged a fee to join the program or accrue interest on outstanding payments.

What happens if the member's Part D plan is not their primary prescription plan?

If the member has other insurance, coverage priority is maintained and M3P can be considered secondary, tertiary, etc.

If the member fills prescriptions at multiple pharmacies, will the charges be consolidated on the invoice?

Yes. All Part D prescription fills, regardless of pharmacy, are included in the M3P program once the member opts in. We will consolidate all eligible claims onto the single monthly invoice.

How will we collect payments from the member?

The M3P product allows members to make payments within the digital portal by credit card, Automated Clearinghouse (ACH) and automatic payments. Additionally,

participating members will be allowed to mail checks to a lockbox for processing and posting.

What is the timeline for invoicing and when will the member have to submit payment?

Service-level agreements (SLAs) are in process, however, the goal is to have statements mailed to members between the 5th and 8th of each month, depending on the total volume.

Files are not client-specific, so it is possible for a client's members to receive billing statements across the 5th to the 8th of the month.

The due date noted on the statement will be the 20th of the next month, however members will have 30 days from 5th of the month to make a payment regardless of when the statement was mailed.

How will the member payment amount be determined?

The monthly amount due is calculated by considering the remaining months in the plan year, outstanding payments, and any new payments incurred since the last billing statement.

Does Optum support recalculations of maximum monthly cap and member payment every time a new claim comes in?

At this time, we are only calculating the monthly amount due.

What controls and reporting are in place to ensure the accuracy of the monthly calculations and invoice? Will Optum have processes in place so the plan sponsor can audit calculations?

Auditing and controls processes and reporting will be in place and shared with the plan sponsor when established.

When will the invoice file be sent to the plan sponsor for tracking and reconciliation purposes?

The timing has yet to be determined.

Will the plan sponsor be able to see a schedule of payment?
Yes, Optum will provide the schedule of payments. It should be noted the monthly payment amounts may change month over month based on claim activity and the member's payment activity.

What controls and reporting are in place to ensure invoices were delivered to the member?

Once data is sent to the distribution vendor, dispositions are received to confirm that invoices were successfully sent to the member through various channels, such as paper or electronic. These dispositions also provide the count of the number of invoices that were delivered.

What does the invoice look like? Do the paper and electronic version look the same?

We are currently in the process of creating the billing statement, which will have the same format for both paper and electronic versions. We anticipate finalizing the format by the end of July and will be able to provide a sample at that time.

How many invoices will the member receive?

The member will receive an invoice for each Contract/PBP where claims have been incurred.

For example, a member who has opted into M3P plan product 1 and has prescription activity will receive a monthly invoice. If a member then switches to another plan product 2 and opts into M3P, the member will receive one invoice per Contract/PBP combination where claims have been incurred. The out-of-pocket maximum (OOP) is $2000 for the calendar year based on the member, not the plan.

Automated payment:

Are there reminders sent to a member regarding automatic payment about to be made?
Reminders are not being sent at this time when an automatic payment will be made.
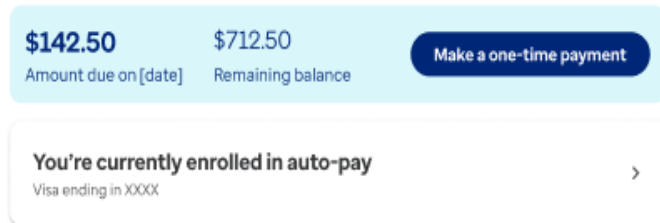
Are there confirmations sent to a member once automatic payment has been processed?
Confirmation is not sent after the automatic payment is processed. However, the payment will be visible in Oracle Insurance Revenue Management and Billing (ORMB), on the member's next invoice, and in the M3P tool payment history.

Does a member get notified if they try to make a one-time payment, but they already have automated payments in place?
Yes. The member will see a notification on the payment screen if they attempt to make a one-time payment.

Plan balance

$142.50 — Amount due on [date] $712.50 — Remaining balance   Make a one-time payment

You're currently enrolled in auto-pay
Visa ending in XXXX

What happens if there is a payment failure?
If a payment failure occurs, the payment will not be added to the ledger in Oracle Insurance Revenue Management and Billing (ORMB), and the next billing statement will not reflect the missed payment. Instead, the billing statement will indicate that two payments are due – one for the missed payment and another for the current billing cycle.

Work will be completed post product launch to:

- Show failed payments on the Member Portal, Advocate Central and the Operations Portal.

- Develop and send communications to members of the failed payment.

Exacting timing is TBD.

Will the payment amount change each month with automatic payment is there is new claim activity?
Yes, automatic payment is designed to pay whatever amount is due for that month.

Can a member skip an automatic payment month?
Skipping automatic payment requires the member to either have a $0 balance or take specific action to change the payment type in the tool. This involves removing auto pay, waiting for a month, and then reinstating it.

What date/time is Optum setting automatic payment processing?
We currently have automatic payment set to pay on the 20th of the month.

Are there validations in place to advise a member that they are already set up with automatic payment and there is no need to submit payment through an alternate method?

The billing statement includes generic language about payment options, such as paying via credit card or ACH. It also mentions the ability to set up automatic payment. Additionally, there is a remittance coupon included on every billing statement, providing the member with the option to send in checks as a payment method.

Lockbox:

What are the lockbox rules?

The lockbox process operates daily from Monday through Friday. All checks submitted to the lockbox are processed and deposited into Optum's bank account. A daily file containing member information and payment details is sent to the Optum M3P ledger to be applied to the respective member's account. Additionally, all correspondence is scanned for future reference or research purposes, if required.

What happens if there isn't a payment coupon remitted with the check?

Any payments that cannot be applied to a member's account are placed into Suspense Accounts, and standard operating procedures are followed to address these funds. If necessary, transferring the funds to a different account within Optum is handled using standard accounting practices and internal processes.

What happens if there is an over- / under payment?

If the member makes an overpayment, the overpayment will be applied to the next month's amount due, unless the next month's amount due is $0. If the member has $0 balance at the end of the month, any overpayment will be refunded by the 7th of the next month and to the original payment method.

- If the member paid by check, the refund will be a check.
- If the member paid digitally, the refund will be digital unless the digital method is no longer available.
- If the digital method is no longer available, the refund will be issued via check.

The refund will be indicated on the billing statement. This process will run monthly.

In the case of an underpayment, payment will be applied to the account, and the next billing statement will show the underpayment along with the notation that the current month's payment, as well as a past balance, are now due. This will also be considered a "failure to pay." The member has through the grace period to pay the amount due and will receive notifications prior to the involuntary termination process begins.

Can a member pay off their bill early? Are there any penalties for doing so?
Yes, a member can pay their bill off early. Optum is responsible for processing the payment and updating the member's statement accordingly.

There are no penalties per CMS guidelines for early or late payments.

What happens if a member submits their M3P amount due and plan premium in the payment?
Our bank will image all the collateral placed in the envelope and deposit the funds and send both payments to ORMB, which will do one of two things:
1. If the member has a balance due for M3P, the monies will be applied to the current month's balance and the next month's balance.
2. If the member does not have a balance due for M3P, a refund will be issued by the 7th of the next month and to the original payment method.

The fundamental requirement from CMS (40.1 Prioritization of Premium Payments) is hinged on member payment intent. Who a member sends payment, represents their intent.
- Inherently, this means the member plan premium payments are handled by the Part D sponsor and M3P payments are handled by Optum. There is not a scenario where M3P and plan premium payments are comingled under the same Part D sponsor.
- A dedicated M3P lockbox has been established by Optum for M3P member payments where M3P payments are isolated for payment to M3P amounts due.
- Any overpayment of funds to the Part D sponsor for premiums will be returned to the member by the Part D sponsor.
- Any overpayment of funds to Optum for M3P will be returned to the member by the 7th of the next month.
- There should never be a transfer of funds between the Part D sponsor and Optum (in either direction).

If the member does not pay their premium, they will still be within the 60-day grace period.

What happens if a member sends their M3P payment to the plan sponsor?
If M3P payments are sent directly to a plan sponsor, the plan sponsor will need to forward those payments to our lockbox for processing.

For Preferred and Premier clients, Optum is sending billing statements to the members. The statement will include a remittance coupon which includes the lockbox address.

When the coupon and check are submitting to the lockbox, the payment will be applied to the member's account.

What happens if check payment is returned as insufficient funds?
The check will not be applied to the member's account. The process will follow the Optum banking insufficient funds (ISF) protocols which are standard across the banking industry.

Is any payment confirmation given for paper check payment?
The confirmation of payment is displayed on the member's payment history in the M3P tool. Additionally, on the next billing statement, the payment will be reflected, indicating the member is current with their payments.

Work will be completed post product launch to show the Check Number on the Member Portal, Advocate Central and the Operations Portal. Exacting timing is TBD.

What happens if an ACH payment is returned as insufficient funds?
If an ACH payment it is returned for ISF, it will be reflected as return on ORMB.

Work will be completed post product launch to:
- Show failed payments on the Member Portal, Advocate Central and the Operations Portal.
- Develop and send communications to members of the failed payment.

Exacting timing is TBD.

In what time period does the member have to pay all invoiced amounts?
Because the program and the member's benefits reset at the start of the next plan year, we anticipate the final invoice for the current plan year would be sent to members, but we are awaiting CMS guidance to address this issue.

Failure to pay:

What happens if the member misses a payment?
The amount not paid will be added to subsequent invoices. Failure to pay notifications will also be mailed or emailed to members based on their preferences.

If the member does not pay for 60 days, the member is terminated from the M3P program and will not be eligible to re-enroll in subsequent plan years unless the plan overrides the member's termination from the M3P program, or the member moves to a new Medicare contract.

Nonpayment gets written off as bad debt by the plan sponsor at the end of the contract year.

To limit the plan sponsor liability, our design encourages automated payment election at time of enrollment.

What support will be provided for the collections process for the Premier offering?
Optum will send letters on behalf of the plan to capture past due member billing balances for the Premier offering.

Will the failure to pay notice meet CMS guidelines?
We will leverage CMS templates and guidance when developing delinquency notifications.

How many days after the payment due date is the member expected to receive the failure to pay notice?
The delinquency process will kick off two months after non-payment.
   Example:
   • **January Billing Statement sent on 2/5/24; amount due: $100**
      • Payment due date of 2/29/24
      • Not paid
      • Added to Delinquent Report on 3/1/24: $100
   • **February Billing Statement sent on 3/5/24; amount due: $200 (includes $100 unpaid amount from January)**
      • Not paid
      • Delinquency notification sent on 3/10/24
      • Payment due date of 3/31/24
      • Date for end of Grace Period: 4/30/24
      • Amount due by end of Grace Period: $100
      • Added to Delinquent Report on 4/1/25: $200
   • **March Billing Statement sent on 4/5/24; amount due: $300 (includes $200 unpaid amount from January & February)**
      • Delinquency notification sent on 4/10/24
      • Payment due date of 4/31/24
      • Date for end of Grace Period: 4/30/24
      • Amount due by end of Grace Period: $100
   • **Involuntary termination notification sent on 5/1/24**

What validation will Optum provide to ensure that members have received invoices and failure to pay notices in a timely manner prior to terminating the member from the M3P program?

Currently, there is no method available to determine if invoices and delinquency notices are being received by the member.

- Billing statements are generated on the 5th of each month.
- Failure to pay notices are sent 60 days after the member's initial payment deadline has passed.

Our ledgering system will provide the necessary information regarding when these notices should be triggered.

We are also awaiting guidance from CMS (Centers for Medicare & Medicaid Services) to determine the Service Level Agreements (SLAs) in this regard.

Once data is sent to the distribution vendor, dispositions are received to confirm that invoices were successfully sent to the member through various channels, such as paper or electronic. These dispositions also provide the count of the number of invoices that were delivered.

Auditing and controls processes and reporting will be in place and shared with the plan sponsor when established.

Member reinstatement:

What is the Optum process for validating/ensuring that member has met the good cause conditions for reinstatements?

The plan sponsor holds the decision-making authority regarding member reinstatement. This means that the plan sponsor has the final say on whether a member can be reinstated or not. They will review the relevant information and decide based on the specific guidelines and policies in place.

What does CMS provide as guidance for good cause reinstatement?

Part D sponsors must reinstate an individual who has been terminated from the Medicare.

Prescription Payment Plan (M3P) if the individual demonstrates good cause for failure to pay the program billed amount within the grace period and pays all overdue amounts billed.

Based on the "good cause" criteria discussed in section 60.2.4 of Chapter 3 of the Medicare

Prescription Drug Benefit Manual, CMS is stating in this final part one guidance that, in general, the following circumstances constitute good cause:

- A serious illness, institutionalization and/or hospitalization of the program participant or their authorized representative (i.e., the individual responsible for the participant's financial affairs), that lasted for a significant portion of the grace period for Medicare Prescription Payment Plan payment;

- Prolonged illness that is not chronic in nature, a serious (unexpected) complication to a chronic condition or rapid deterioration of the health of the participant, a spouse, another person living in the same household, a person providing caregiver services to the participant, or the participant's authorized representative (i.e., the individual responsible for the participant's financial affairs) that occurs during the grace period for the Medicare Prescription Payment Plan payment;

- Recent death of a spouse, immediate family member, person living in the same household, or person providing caregiver services to the participant, or the participant's authorized representative (i.e., the individual responsible for the participant's financial affairs);

- Home was severely damaged by a fire, natural disaster or other unexpected event, such that the participant or the participant's authorized representative was prevented from making arrangement for payment during the grace period for the Medicare Prescription Payment Plan;

- An extreme weather-related, public safety or other unforeseen event declared as a federal or state level of emergency prevented premium payment at any point during the Medicare Prescription Payment Plan grace period. For example, the participant's bank or U.S. Post Office closes for a significant portion of the grace period; or

- For Part D plan disenrollments effectuated by CMS for failure to pay Part D Income-Related Monthly Adjustment Amount (IRMAA), Federal government error (i.e., CMS, SSA or RRB) caused the Medicare Prescription Payment Plan payment to be incorrect or late, and the participant was unaware of the error or unable to take action prior to the disenrollment effective date.

What will Optum provide to the plan sponsor for audit purposes?
The audit items and processes are still being discussed with the solution team.

Client reporting

What reporting is being provided to the customer?

Customers will receive monthly reporting which will include:

- Member-level M3P transactions
- Additional reporting details will be available upon further guidance from CMS.

Will data be available and included in the Quarterly Performance Reviews (QPRs)?

Yes. Exact data points will be determined upon receipt of guidance from CMS.

How will claims/transactions appear in RxClaim?

If the member has opted in to M3P, two claims will appear for each pharmacy transaction.

1. Primary BIN/PCN (noting the initial transaction at the pharmacy)
2. Secondary BIN/PCN (noting participation in M3P)

In addition, there will be a flag on the prescription drug event (PDE), if the member opted in to the M3P program.

What validation logic is Optum using to match eligibility files with member election request data?

Optum will use Last Name, Medicare Beneficiary Identifier (MBI), and the member's Date of Birth (DOB) to validate and match member eligibility.

How will you provide member opt-in and opt-out data to the plan sponsor?

A report is being developed to display the list of members who have enrolled and disenrolled from the Optum M3P product. The layout of this report is currently under development, and specific details about its structure and formatting will be determined at a later stage.

Will Optum share members pending in the M3P Ops Portal queue?

Yes. All Premier clients can request user access to the Ops Portal and utilize the exports to view their membership's status at any time.

How will Premier clients log onto the M3P Ops Portal?

The Optum Ops Portal log in will utilize the OHID (OneHealth Care ID) and MSID (Microsoft ID).

When will reports be delivered to the plan sponsor and will they ensure traceability to the bi-weekly claims transactions?

Reports, including Health Plan Management System (HPMS) and Medicare Advantage Prescription Drug System (MARx), will be provided by Optum Payment Operations team in accordance with the guidelines and requirements set by CMS, where applicable. Please reference the Client Reporting Inventory Catalogue found in the client artifacts for a complete list of reports and frequency.

What reporting will Optum provide for reconciliation and auditing purposes for aging and bad debt?

A Delinquency Report is currently being developed to fulfill this anticipated request. The report is designed to provide the necessary information and support for tracking and managing delinquent accounts. This report will assist in identifying and addressing any outstanding payments or overdue balances.

Customer service

How will Optum manage customer service inquiries?

Customer service and appeals will be managed by the plan sponsor if the Fundamental or Preferred offering is purchased or by Optum if Premier is selected.

Has Optum developed call center training and adjusted staffing to accommodate expected volume?

Yes. Call center training will be rolled out in Q3 2024.

As this is a new product, we are aligning staffing with CMS guidance of an expected call volume increase of 5%. Staffing will be adjusted based on actual volume received.

Terms and definitions

Term/Acronym	Definition
Advocate Central	An Advocate tool used to support member calls by reimagining from transactional to relationship driven interactions, moving from manual-based workflows to system-guided and predictive workflows that aid the Advocate with member inquiries. The M3P tool can be surfaced on Advocate Central.
CCG Tool	Convenient Checkout Gateway, an Optum tool used to process card and ACH (bank account) payments electronically.
Initial Enrollment	Refers to the Enrollment Period (3 months prior to a member's 65th birthday, the month of their 65th birthday, and 3 months after their 65th birthday).
Member Portal	Existing Optum portal for members to access and review their prescriptions, plan coverage and costs, benefits and claims, and starting 1/1/25, M3P program details (including electing into M3P and making payments).
M3P Tool	Optum M3P tool that supports various personas (Member, Advocate, Client Ops, and PBM Ops) and is surfaced on the Ops Portal, Advocate Central, and Member Portal user interfaces. The M3P tool is integrated with RxClaim to enable M3P election (opt in/out), with MarTech to send communications, and with ledgering & payments, election files/APIs etc.
NextGen	NextGen Eligibility, Optum's modernized eligibility application and centralized database housing both active and historic member and group eligibility data for all RxClaim environments. NextGen loads clients' eligibility information and pushes it to RxClaim for other processes.
Ops Portal	M3P operations portal accessible by Client Ops and PBM Ops, that enables entry of election requests (opt in/out) received via phone call and mail, editing of existing election requests, and management of In Review requests, starting 10/1/24. Ops Portal connects with the M3P tool to document member election information. Ops Portal will also support payment activities.
ORMB	Oracle Revenue Management and Billing, a sub-ledger system that is being used to calculate and track members' repayments of their M3P transactions and balances.

ORx Web Form	Web form with client-specific URL that members can complete starting 10/1/24 to elect the M3P program prior to the plan year. The web form will also be available on Optum's public site (prospective members do not need to login to request an election).
Pre-Effective	Refers to Annual Enrollment Period (10/15/24-12/7/24), Special Enrollment Period, and Initial Enrollment Period, when members are able to elect into M3P prior to their Medicare Part D enrollment start date.
RxClaim	Optum's existing, proprietary claims processing and adjudication platform.
Specialty Enrollment	Refers to Enrollment Period (triggered by certain life events including, if the member moves or loses other coverage).

Additional resources

- [Timeline: Medicare Prescription Payment Plan Implementation](#) (Updated February 29, 2024)
- [Medicare Prescription Payment Plan Part 1 Final Guidance](#) (February 29, 2024)
- [Medicare Prescription Payment Plan Part 2 Final Guidance](#) (February 15, 2024)

Marketing resources

Material	Location
M3P Microsite	[M3P Microsite](#)
Member experience video	[Video](#)

Questions?

For more information, contact your Optum representative.

Sources

1. Development fees may apply for any custom integration request.

About Optum

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