

CMS Issues Guidance on Medicare Part D Manufacturer Discount Program

- On November 17, 2023, the Centers for Medicare and Medicaid Services (CMS) issued two memorandums relating to the Medicare Part D Manufacturer Discount Program (Discount Program). The Discount Program is required under the Inflation Reduction Act.
- The memo titled “Medicare Part D Manufacturer Discount Program Final Guidance” (the Final Guidance) provides guidance on the Discount Program and discusses the phase-in eligibility criteria, discount percentages and schedule for the two Discount Program phase-ins. The Final Guidance specifies the requirements for participating manufacturers and Part D plan sponsors under the Part D Manufacturer Discount Program that begins January 1, 2025.
- Along with the Final Guidance, CMS also issued a Manufacturer Agreement and a Third Party Administrator Agreement.
- The memo titled “Medicare Part D Manufacturer Discount Program: Methodology for Identifying Specified Manufacturers and Specified Small Manufacturers” (the Specified Manufacturer Memo) explains the methodology CMS will use to identify manufacturers that qualify for the phased-in discounts. The phase-in applies to applicable drugs of specified manufacturers that are marketed as of August 16, 2022, and dispensed to LIS-eligible beneficiaries.
- Effective January 1, 2025.

More on This Topic:

- [Final Guidance](#)
- [Manufacturer Agreement](#)
- [Third Party Administrator Agreement](#)

- [Specified Manufacturer Memo](#)
- [November Call on the Discount Program](#)

For questions, please reach out to [Vicky Jucelin](#).

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