

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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Baltimore, Maryland 21244-1850



**CENTER FOR MEDICARE**

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**DATE:** February 1, 2024

**TO:** All Medicare Advantage Organizations and Medicare Prescription Drug Plan Sponsors

**FROM:** Jennifer R. Shapiro, Director, Medicare Plan Payment Group

**SUBJECT:** Update to the 2024 Part D Regional Low-Income Premium Subsidy Amount for Region 29 (Nevada)

The purpose of this memorandum is to inform plan sponsors that due to changes in the availability of plans in Region 29 (Nevada), CMS is updating the 2024 Part D regional low-income premium subsidy amount (LIPSA) for this region.

**Background**

On July 31, 2023, we issued the annual release of the Part D National Average Monthly Bid Amount and Other Part C & D Bid information, including the Part D regional LIPSA for 2024. At that time, the 2024 Region 29 LIPSA was announced as \$31.98.

On October 13, 2023, the only stand-alone prescription drug plan (PDP) that offered basic prescription drug coverage (or basic PDP) below the Region 29 LIPSA was notified that CMS would impose intermediate sanctions, effective October 29, 2023, resulting in the suspension of additional beneficiary enrollment into that plan and all marketing activities to Medicare beneficiaries. That plan's 2024 basic premium was \$20.80.

<https://www.cms.gov/files/document/clear-spring-termination-sanction-10132023.pdf>

**Update to LIPSA**

Section 1860D-14(b)(1) of the Social Security Act (the Act) provides that the LIPSA is equal to the *greater* of the “low-income benchmark premium amount” or the “lowest monthly beneficiary premium for a PDP that offers basic prescription drug coverage in the region.” Section 1860D-14(b)(3) specifies that “[i]n no case” shall the LIPSA for a region be less than the lowest monthly beneficiary premium for a PDP that offers basic prescription drug coverage in the region.”

When CMS determined the 2024 Region 29 LIPSA in July 2023, the LIPSA was \$31.98 because Section 1860D-14(b)(1) and (b)(3) required CMS to choose the greater of the low-income benchmark premium amount (\$31.98) or the lowest monthly beneficiary basic premium (\$20.80). Because of enrollment and marketing sanctions placed on the only stand-alone basic PDP below the Region 29 LIPSA, the sanctioned plan is no longer considered to be a PDP that offers basic prescription drug coverage in the region for Medicare beneficiaries to enroll in.

Of the remaining PDPs that offer basic prescription drug coverage in the region, the next lowest basic premium amount of a stand-alone basic PDP (\$32.40) is greater than the low-income benchmark amount for Region 29 (\$31.98). To comply with the statutory requirement that the LIPSA equal the greater of the low-income benchmark premium amount or the lowest monthly beneficiary basic premium for a PDP that offers basic prescription drug coverage in the region, CMS is updating the LIPSA from \$31.98 to \$32.40. This adjustment will be reflected in March 2024 payments and include retroactive adjustments for January 2024 and February 2024 LIPSA payments.

The update to the Region 29 regional LIPSA is reflected in the file Regional Rates and Benchmarks 2024, which can be accessed on the CMS website through the following link: <https://www.cms.gov/files/document/regional-rates-and-benchmarks-2024-pdf.pdf>.

Questions concerning this memorandum may be directed to [PartDPaymentPolicy@cms.hhs.gov](mailto:PartDPaymentPolicy@cms.hhs.gov).