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## 42 C.F.R. § 423.265

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### Submission of bids and related information.

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(a) *Eligibility for bidding.* An applicant may submit a bid to become a Part D plan sponsor.

(b) *Bid submission*—(1) *General.* Not later than the first Monday in June, each potential Part D sponsor must submit bids and supplemental information described in this section for each Part D plan it intends to offer in the subsequent calendar year.

(2) *Substantial differences between bids*—(i) *General rule.* Except as provided in paragraph (b)(2)(ii) of this section, potential Part D sponsors' bid submissions must reflect differences in benefit packages or plan costs that CMS determines to represent substantial differences relative to a sponsor's other bid submissions. In order to be considered “substantially different,” each bid must be significantly different from the sponsor's other bids with respect to beneficiary out-of-pocket costs or formulary structures.

(ii) *Exception.* A potential Part D sponsor's enhanced bid submission does not have to reflect the substantial differences as required in paragraph (b)(2)(i) of this section relative to any of its other enhanced bid submissions.

(3) *Limit on number of plan offerings.* Potential Part D sponsors' bid submissions may include no more than three stand-alone prescription drug plan offerings in a service area and must include only one basic prescription drug plan offering.

(4) *Bid acceptance.* CMS may decline to accept any or every bid submitted by a Part D sponsor or potential Part D sponsor.

(5) *Limitations on changes.* After a Part D sponsor is permitted to begin marketing prospective plan year offerings for the following contract year (consistent with § 423.2263(a)), the Part D sponsor must not change, and must provide the benefits described in its CMS-approved plan benefit package (PBP) (as defined at § 423.182) for the contract year without modification, except where a modification in benefits is required by law.

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