



MEDICARE DRUG BENEFIT AND C & D DATA GROUP

DATE: August 25, 2014
TO: All Part D Sponsors
FROM: Amy K. Larrick, Acting Director, Medicare Drug Benefit and C & D Data Group
SUBJECT: Beneficiary-Level Point-of-Sale Claim Edits and Other Overutilization Issues

This memo is to inform Part D sponsors that, **effective immediately**, they should no longer send copies of written beneficiary **opioid** point-of-sale (POS) claim edit notices to the Part D Policy mailbox (PartDPolicy@cms.hhs.gov). Beginning in February 2014, CMS directed sponsors to submit detailed information about beneficiary-level opioid POS claim edits into the Medicare Advantage Prescription System (MARx). As this new feature of MARx is functioning as intended, there is no reason for sponsors to duplicate work by also notifying CMS via the Part D Policy mailbox about beneficiary-level opioid claim edits. However, sponsors should still send a copy of the notice to the appropriate account manager, and CMS Central Office may request a copy of any such notice for oversight and compliance purposes at any time.

In addition, sponsors were instructed in the CY 2015 Call Letter that safety edits based upon FDA dosage limits may be implemented by sponsors without advance written notice to CMS or the beneficiary. Thus, CMS does not expect sponsors to notify CMS about beneficiary-level acetaminophen POS claim edits via MARx or the Part D Policy mailbox.

CMS still expects Part D sponsors to send copies of beneficiary point-of-sale claim edit notices to the Part D Policy mailbox (and to the appropriate account manager) for drugs that do not constitute opioids (except acetaminophen medications as noted above). Currently, MARx does not accept information about drugs other than opioids. Thus, the only way for a sponsor to notify CMS about a non-opioid, non-acetaminophen beneficiary-level POS claim edit is via the Part D Policy mailbox (and to the appropriate account manager).¹

Finally, CMS expected sponsors to retroactively submit all beneficiary-level POS opioid claim edits into MARx by March 12, 2014 in accordance with the HPMS memorandum: "Extension of the Reporting Identified Drug Utilizers' Requirement Announced in the February 2014 Software Release" released on January 13, 2014. In other words, CMS expects MARx to contain a complete record of all beneficiary-level POS opioid claim edits, including those about which

¹ CMS has not issued any overutilization guidance with respect to non-opioid (and non-acetaminophen) medications. However, CMS has stated that if sponsors choose to implement drug utilization controls and case management for medications that do not contain opioids, they should apply the same level of diligence and internal documentation that CMS expects for overutilization of medications containing opioids.

CMS was notified via the Part D Policy mailbox before MARx was available for this purpose. We intend to follow up with those Part D sponsors that have not yet submitted all of their beneficiary-level opioid POS claim edits into MARx and issue compliance notices as appropriate. In addition to avoiding a possible compliance notice, we note that when sponsors submit beneficiary-level opioid POS edit information into MARx, that beneficiary is excluded from the Overutilization Monitoring System (OMS) reports for one year, and if the beneficiary leaves the plan, the losing plan does not have to contact the gaining plan (see below for more information).

Other Overutilization Issues

Beneficiaries with Opioid POS Claim Edits in Place who Switch Plans

Since Part D sponsors have been submitting beneficiary-level opioid POS claim edit information into MARx beginning February 2014, contracts are now notified if a newly enrolled beneficiary had an Active POS edit while enrolled in the immediately preceding Part D contract (via the Transaction Reply Report (TRR) with TRC 322: New Enrollee POS Drug Edit). Per previous MARx software releases, contracts were advised to contact previous contracts' overutilization contacts to request information about the beneficiary's POS opioid edit and overutilization case file. CMS still expects losing sponsors to respond to such requests by transferring appropriate information as soon as possible, but no later than within two (2) weeks, to the gaining sponsor.

Given this new automated process by which sponsors are notifying each other of beneficiaries with identified prior opioid overutilization issues, CMS notes that:

- Sponsors should check on a regular basis that their "Medicare Part D opioid overutilization contact" information for all plans is reasonably up to date in HPMS. CMS may issue a compliance notice if CMS learns such information is not reasonably up to date. Please note that CMS routinely provides a copy of the contact information from HPMS on the Improving Drug Utilization Controls in Part D website:

www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/RxUtilization.html

- It is no longer necessary for losing sponsors to manually monitor TRR notices for the disenrollment of beneficiaries with identified opioid overutilization issues in order to notify gaining sponsors per previous CMS guidance. It is also no longer necessary for gaining contracts to proactively request information from losing sponsors about enrollees who enroll mid-year and immediately utilize opioids in order to shorten the notification timeframe from the losing sponsor. Rather, all sponsors should be submitting all beneficiary-level opioid POS claim edit information into MARx and monitoring TRR notices for the Active POS edit indicator, so that all sponsors can and are appropriately addressing incoming beneficiaries with prior opioid overutilization identified by the losing sponsor. Sponsors of course should continue to monitor and engage in retrospective review of all their beneficiaries to identify potential opioid overutilization issues in accordance with CMS guidance and the policies and procedures established by their P&T committees.

- A gaining Part D sponsor is required to provide the beneficiary with written notice, if the gaining sponsor chooses to immediately implement an opioid POS claim edit (whether the same edit or a modified one) based on records received from the losing plan. However, sponsors are not required to give advance written notice of such a decision to the beneficiary (as they are required to do when an edit is an initial one). Thus, a continuing edit in cases when beneficiaries have switched plans may be implemented simultaneously with the written notice to the beneficiary--which notice sponsors should adapt so that it does not reference a thirty (30) day written notice.

Also, sponsors should note that until the next release (anticipated February 2015), MARx will not permit the gaining sponsor to submit opioid POS claim edit information unless a thirty (30) day period has passed. Sponsors should contact the Part D Policy mailbox for assistance with MARx in such cases. Please use the subject heading "MARx 30-day notification error" for these emails.

MARx User Interface

CMS anticipates that the user interface (UI) will be available in the February 2015 release. Until then, sponsors are expected to submit the beneficiary-level POS claim edit information for opioid overutilizers identified in their plans into MARx using a batch submission (Transaction Type 90).

If you have questions related to this memo, please email the PartDPolicy@cms.hhs.gov and include "MARx/OMS HPMS Memo" and your Contract ID in the subject line. Thank you for your continued commitment to ensure the success of the Medicare Advantage and Prescription Drug programs.