

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

TO: All Part D Sponsors

FROM: Cynthia G. Tudor, Ph.D., Director, Medicare Drug Benefit and C & D Data Group

SUBJECT: Correction of Systems Problem Affecting Other Prescription Drug Coverage Information and Issuance of Replacement Coordination of Benefits (COB) Files

DATE: July 30, 2010

For many months, we have been working with the National Council of Prescription Drug Programs (NCPDP) Information Reporting Problems Task Group to determine why certain State Pharmaceutical Assistance Program (SPAP) coverage information has not been available to Part D sponsors in coordinating benefits on retroactively adjusted claims. As part of this effort, the New Jersey (NJ) SPAP noted they had been attempting to correct the data reflected on the CMS COB file for some of their SPAP members. Although the SPAP continued to submit corrected information to the COB contractor and the COB contractor submitted the corrections to CMS, the corrected data did not appear on the COB file sent to the Part D sponsors. Thanks to the collaborative efforts of the NJ and other state SPAP representatives who participate on the NCPDP Information Reporting Problems Task Group with the pharmacy benefits manager (PBM) and Part D sponsor members, the CMS COB contractor, and the systems maintainer for CMS' Medicare Beneficiary Database (MBD), we have identified the source of the problem and a solution. The purpose of this memorandum is to announce the systems correction that will be implemented to address the problem and the resynchronization process that will follow.

The specific problem identified occurs whenever a correction to other prescription drug coverage information required the COB contractor to report to MBD spaces or zeroes in a data field containing existing information. For example, to remove an existing termination date for an occurrence of other prescription drug coverage to reflect the continuing coverage reported by the other payer, the COB contractor would report spaces or zeroes in the termination date field. However, to date MBD has been unable to accept these changes; therefore, no updates have occurred. CMS is implementing a technical correction to enable MBD to update data fields with spaces or zeroes whenever the incoming file from the COB contractor includes spaces or zeroes in the data field. This correction will be included in the CMS July systems release and will be effective July 30.

To permit MBD to be updated to reflect the space/zero corrections previously submitted by the COB contractor, but not accepted by MBD, there will be a resynchronization of the COB

contractor and MBD data. On August 16-17, the COB contractor will send a full replacement file to MBD reporting all other prescription drug coverage information to CMS. CMS will process the replacement file and update MBD between August 18 and 19. Following the MBD update, CMS will initiate a COB data resynchronization process with Part D sponsors that will be similar to the March 2010 process and involve approximately 7-8 million beneficiary records. During the week of August 20-27, sponsors will receive these full replacement COB files. As with the March process, the full replacement file format and file name will be the same as the regular daily files. Thus, these files will be distinguishable only by their unusually large size.

It is important to note that although an SPAP alerted us to the problem, it would likewise have affected the COB contractor's ability to update beneficiary records involving similar corrections of other prescription drug coverage information provided by other entities. As a result, the full replacement files may also contain updated other drug coverage information for beneficiaries without SPAP coverage. Further, since the COB Contractor's records already contain the updated information previously reported, SPAPs and other providers of prescription drug coverage will not be required to resubmit their coverage information.

The time and effort expended in the diagnosis and correction of this problem highlight the complexities associated with the Part D COB process and the challenges inherent in a process involving multiple entities and data systems. CMS does not have independent access to data needed to determine whether the data in our systems from third parties are correct. We are grateful to all the parties involved in this effort who persevered in identifying the underlying problem, as its resolution serves to improve the COB process by increasing the accuracy of the data upon which the process depends.

If you have any questions concerning this memorandum, please contact Deborah Larwood at 410-786-9500 or Deborah.Larwood@cms.hhs.gov.