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DATE December 15, 2006

Memorandum to: All Part D Sponsors

Subject: Notifying Pharmacies of 2007 Changes in Contract/PBP and 4Rx Data

From: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group

The purpose of this memorandum is to remind Part D plan sponsors to update their payer sheets with their trading partners for any billing changes associated with their 2007 Part D benefits. CMS Part D contracts require plans to ensure that all information necessary for online, real-time billing is available at the point-of-sale, yet CMS is receiving reports that plans are not communicating these changes to their contracted pharmacies.

While the right billing information should also be available through the E1 query in January, forcing pharmacies to wait to find out these changes until the enrollee presents, or requiring pharmacies to do an E1 for simple plan changes, is time wasted when this updating could be done sooner. Any Part D sponsors who have not already communicated 2007 changes in plan names, BIN/PCNs, or other relevant billing information to all contracted pharmacies must do so immediately.

We would also like to remind sponsors of their related responsibility to replace 4Rx data that has been sent to CMS for all beneficiaries whose 4Rx data is changing in any way between 2006 and 2007 benefits processing. Even if CMS contract and PBP numbers remain unchanged between 2006 and 2007, if there will be a change in any of the BIN, PCN, GROUP or Member ID numbers at your processor, that beneficiary's 4Rx data must be resubmitted to CMS on a change transaction. CMS will continue to monitor and publish the effectiveness of these processes through performance metrics related to pharmacy complaints and 4Rx data completeness.

Thank you for your continued attention to these details so important for customer service. If you have any questions concerning these requirements, please contact your CMS account manager.