

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

TO: Pharmaceutical Manufacturers and Part D sponsors

FROM: Cynthia G. Tudor, Ph.D., Director, Medicare Drug Benefit and C & D Data Group
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SUBJECT: Medicare Coverage Gap Discount Program—Update on Low-Volume Claims

DATE: January 27, 2012

The purpose of this memorandum is to notify manufacturers and Part D sponsors that we are changing our policy regarding invoicing of low-volume claims. This guidance supersedes the October 28, 2011 guidance on low-volume claims. After reevaluating the application of the CMS cell-size suppression policy to the provision of “Medicare Part D Discount Information” under the Coverage Gap Discount Program (Discount Program) and upon further consideration of comments received in response to previous guidance, we no longer believe it is appropriate to treat these claims any differently from other claims. Specifically, we do not plan to withhold any of the data elements specified in Exhibit A of the Discount Program Agreement for low-volume claims invoiced to manufacturers or pend these claims.

Next Steps

Beginning with the 2011 4th quarter invoicing cycle CMS will no longer withhold invoice activity due to low-volume claims. This means that fourth quarter invoices will include all discounts due for the quarter as well as all 2011 activity that had been pended due to low-volume. These invoices are due to be distributed on January 31, 2012 with a payment due date of March 10, 2012.

Finally, based upon this change, CMS will not be counter-signing the revised 2012 Discount Program Agreements that specified withholding of the pharmacy identifier information from low-volume claims and instead will continue to recognize the original 2011 or 2012 signed Discount Program Agreements. However, CMS does plan to continue to honor the technical correction to the appeals request deadline that was issued in our October 2011 guidance and included in the revised Discount Program Agreements.

Questions about this document may be submitted to CGDPandmanufacturers@cms.hhs.gov.