

DEPARTMENT OF HEALTH & HUMAN  
SERVICES

Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



**MEDICARE PLAN PAYMENT GROUP**

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**DATE:** May 1, 2026

**TO:** All Part D Sponsors

**FROM:** Shruti Rajan, Acting Group Director, Medicare Plan Payment Group

**SUBJECT:** Clarification of Prescription Drug Event (PDE) Reporting Requirements for 340B Identification

The Centers for Medicare & Medicaid Services (CMS) is issuing this memorandum to remind Part D sponsors of the updated Prescription Drug Event (PDE) file layout allowing 340B claim identification, effective with Contract Year (CY) 2025. Prior to CY 2025, 340B claim identification was not available for inclusion in the PDE layout. With the introduction of the Medicare Drug Price Negotiation Program in the Inflation Reduction Act of 2022, 340B claim identification became pertinent and updates to the PDE layout were implemented accordingly.

As announced in the Health Plan Management System (HPMS) memorandum “*New 2025 Prescription Drug Event (PDE) File Layouts (FINAL)*,” April 18, 2023, the existing PDE field Submission Clarification Code was expanded from a single field into five distinct Submission Clarification Code (1-5) fields. Furthermore, the allowable values were expanded from only allowing Long Term Care (LTC) related values for patients residing in a nursing facility to all National Council for Prescription Drug Programs (NCPDP) applicable values (including value ‘20’ for 340B) for all beneficiaries. Additionally, five new distinct fields were added to the PDE layout to allow reporting of up to five instances of Submission Type Code (1-5) values (including value ‘AA’ for 340B) to align with future versions of the NCPDP Telecommunication Standard.

CMS is clarifying that Part D sponsors are expected to pass through applicable Submission Clarification Code and Submission Type Code values supplied by dispensers to the respective PDE fields beginning with CY 2025, when the PDE layout was modified, to allow submission of expanded values including 340B. Although the PDE layout currently indicates Submission Type Code is optional (as the field is not yet available for use in the current NCPDP Telecommunication Standard) and Submission Clarification Code can be <SPACES>, this should not be interpreted as a sponsor choice to omit values from the PDE record that are otherwise supplied and accepted as part of the claim billing transaction. If a dispenser supplied

Submission Clarification Code values that were not included on the original PDE record, Part D sponsors should submit an adjustment PDE to correct the omission.

Please submit questions regarding PDE reporting requirements to [PDE-Operations@cms.hhs.gov](mailto:PDE-Operations@cms.hhs.gov).