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SERVICES
Centers for Medicare & Medicaid Services
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MEDICARE PLAN PAYMENT GROUP

DATE: May 6, 2026

TO: All Part D sponsors (including PACE)

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

SUBJECT: Continuation of the Prescription Drug Event (PDE) Reports and PDE Analysis Reporting Initiatives for the 2026 Benefit Year

CMS has several initiatives in place to enhance Medicare payment accuracy and support program integrity goals. The purpose of this memorandum is to provide an update on the ongoing reporting initiatives for the 2026 benefit year that support CMS' commitment to achieving its program integrity goals.

The PDE Reports and PDE Analysis initiatives, which are both facilitated by the CMS Contractor for the Medicare Part D Payment Process¹ through the PDE Reports website and PDE Analysis website², support the accuracy and integrity of PDE data by identifying records that require Part D sponsor correction or research. Because Medicare Part D payment accuracy is tied to properly submitted PDE data, CMS strongly encourages sponsors to take an active and consistent approach when submitting PDE data and resolving potential errors. CMS also encourages sponsor input on the utility of the information provided through these initiatives and uses this feedback to continuously evaluate its approach.

I. PDE Reports Initiative

The PDE Reports initiative provides CMS with the means to provide sponsors with reports on the quality, timeliness and accuracy of their PDE data submission and error resolution efforts. We thank sponsors for their ongoing efforts to improve PDE data.

¹ For contractor information, see HPMS memorandum, *Contractor Change for the Medicare Part D Payment Process*, November 22, 2024 (available at <https://www.cms.gov/about-cms/information-systems/hpms/hpms-memos-archive-weekly/hpms-memos-wk-4-november-18-22>).

² For information on how to access the websites, please refer to Attachment B of this memorandum.

II. PDE Analysis Initiative

A. Manufacturer Disputes and Scheduled Outliers

Disputes

Manufacturers have the right to dispute invoiced discount payments under the Coverage Gap Discount Program (CGDP) and the Manufacturer Discount Program (MDP). To assist in the dispute determination, CMS may obtain sponsor feedback on disputed PDE records through the PDE Analysis website.³ Sponsors also receive Upheld Dispute Tracking Reports via the PDE Analysis website, which contain the details of any disputed PDE records that were upheld in the manufacturer's favor but have not yet been corrected by the Part D sponsor.

Data Quality Outliers

Since the 2009 benefit year, CMS has utilized the PDE Analysis website to address data quality outliers on accepted PDE records in advance of the annual Part D payment reconciliation. With the start of the CGDP, this initiative was expanded in March 2011 to address data quality outliers on accepted PDE records with positive reported gap discount amounts. CMS expanded the initiative in 2025 to accommodate the MDP enacted into law in section 11201 of the Inflation Reduction Act of 2022, Public L. 117-169 (IRA) and codified in sections 1860D-14C and 1860D-43 of the Social Security Act. This MDP-related PDE Analysis initiative examines data quality outliers on accepted PDE records with positive MDP discount amounts.

Withheld from Invoice and Invoiced Outliers

Withheld outliers and invoiced outliers are applicable to CGDP and MDP. Withheld outliers are accepted PDE records with a manufacturer discount that are flagged by CMS as outliers through additional review and analysis. As a result, the outliers are withheld from the manufacturer invoice. Invoiced outliers are accepted PDE records that have previously been invoiced to manufacturers and have been subject to further analysis and validation because supporting data changed or a PDE record was adjusted or resubmitted after being invoiced. These outliers are posted to the PDE Analysis website for review and action by the Part D sponsor.

IRA Cost Sharing Maximum Outliers

CMS also utilizes the PDE Analysis initiative to address PDE records where the cost sharing amounts for covered insulin products⁴ or ACIP-recommended adult vaccines⁵ appear to be inconsistent with the statutory cost sharing requirements. Section 1860D-2(b)(9) of the Social Security Act ("the Act") imposes a \$35 monthly limit on cost sharing for a month's supply of each covered insulin product throughout all phases of the Part D benefit for CYs 2023, 2024, and

³ Note that although CGDP has sunset and manufacturers will not incur any liability for discounts under CGDP for dates of service after December 31, 2024, CGDP invoicing will continue through January 31, 2028, to allow for PDE submission run-out, with the distribution of the final CGDP invoice by April 30, 2028. The current CGDP outlier and dispute processes will run concurrently with the MDP outlier and dispute processes until the completion of the activities associated final CGDP invoice. See the CGDP and MDP Calendar, available at [https://tpadministrator.com/internet/tpaw3_files.nsf/F/TPACGDP_MDP_Calendar_2024-2028_12062024.pdf/\\$FILE/CGDP_MDP_Calendar_2024-2028_12062024.pdf](https://tpadministrator.com/internet/tpaw3_files.nsf/F/TPACGDP_MDP_Calendar_2024-2028_12062024.pdf/$FILE/CGDP_MDP_Calendar_2024-2028_12062024.pdf).

⁴ 42 CFR 423.100 "Covered insulin product"

⁵ 42 CFR 423.100 "ACIP-recommended adult vaccine"

2025. For CY 2026 and each subsequent year, this monthly limit is the lesser of: (1) \$35, (2) an amount equal to 25 percent of the maximum fair price established for the covered insulin product in accordance with Part E of title XI of the Act, or (3) an amount equal to 25 percent of the negotiated price, as defined in § 423.100, of the covered insulin product under the plan.

Section 1860D-2(b)(8) of the Act requires the elimination of beneficiary cost sharing for ACIP-recommended adult vaccines under a Part D plan throughout the entire Part D benefit beginning January 1, 2023.

Categories of outlier and dispute postings to the PDE Analysis website include the following:

Review Category	Frequency of Postings	Benefit Years Posted
Disputes		
Manufacturer Disputes related to CGDP	Quarterly approximately two to three weeks after the manufacturer’s dispute submission deadline	2022 - 2024
Manufacturer Disputes related to MDP		2025 - 2026
Upheld Dispute Tracking Reports related to CGDP	Quarterly approximately three to four weeks after the manufacturer dispute resolution deadline	2022 - 2024
Upheld Dispute Tracking Reports related to MDP		2025 - 2026
Outliers		
Part D Payment Reconciliation Data Quality Review Outliers	Approximately two to three times each calendar year	2025 - 2026
General MDP Data Quality Review Outliers		2025 - 2026
CGDP Withheld from Invoice and Invoiced Outliers	Quarterly at the same time as the invoice distribution	2022 - 2024
MDP Withheld from Invoice and Invoiced Outliers		2025 - 2026
IRA Cost Sharing Maximum Outliers	Monthly each calendar year	2023 - 2026

CMS issued guidance on each of these dispute postings and outlier categories in the HPMS memorandum, *Prescription Drug Event (PDE) Analysis Website for CMS Data Quality Review Outliers, Withheld and Invoiced Outliers, and Reviews of Invoiced Data Disputed by Manufacturers*, January 17, 2025. The IRA Cost Sharing Maximum Reports are described in the HPMS memoranda, *Inflation Reduction Act (IRA) Cost Sharing Maximum Reports for Part D Sponsors*, June 5, 2023, and *Updates to the Inflation Reduction Act (IRA) Cost Sharing Maximum Reports for Part D Sponsors*, December 1, 2023.

Attachment A of this memorandum provides instructions to Part D sponsors on the actions that need to be taken when a PDE record is identified through the PDE Analysis initiative.

B. Ad Hoc Outliers

In 2025, CMS began utilizing the PDE Analysis website to conduct ad hoc outlier outreach to Part D sponsors for various PDE reporting issues. Most recently, ad hoc initiatives were used to identify PDE records with incorrect MDP phase-in discount amounts⁶, issues with amounts reported in payment fields specifically related to True Out-of-Pocket Costs (TrOOP), and inconsistent quantity dispensed/quantity prescribed for Schedule II drugs. Notified sponsors were asked to review and adjust or delete PDE records via Drug Data Processing System (DDPS).

In the future, CMS may request sponsor responses via a Response Form (similar to the outlier and dispute process described in Attachment A of this memorandum) to better understand analysis results and refine processes. These efforts aim to improve Medicare payment accuracy and program integrity. We appreciate the sponsors' participation.

III. PDE Reports and PDE Analysis Website Access

The following table summarizes the expected actions and timelines for the launch of the PDE Reports and PDE Analysis reporting initiatives for the 2026 benefit year.

Action	Date
New 2026 contracts: The Medicare Compliance Officer (MCO) must complete the user authorization process for the PDE Reports and PDE Analysis website via the User Security website. See Attachment B.	New user requests and current user verification due two weeks from the date of this memorandum
Contracts continuing from 2025: No action is necessary if your contract has no changes in authorized users or their levels of access. Previously authorized users will retain their access to the PDE Reports and PDE Analysis websites. If necessary, MCOs can modify existing user access through the User Security website.	
New contracts and continuing contracts that authorize new users: Be prepared to receive login credentials and additional project information.	Rolling basis, following new authorizations and/or access updates completed by the sponsor's MCO

Attachment B in this memorandum provides User Authorization Instructions.

CMS appreciates your continued cooperation in making the PDE Reports and PDE Analysis initiatives a success. If you have any questions, concerns, or feedback regarding these projects, please contact the contractor for the Medicare Part D Payment Process at PDE@acumenllc.com.

Thank you.

⁶ HPMS memorandum, *Medicare Part D Manufacturer Discount Program: Correction to Prescription Drug Event (PDE) Records for Labeler Code 70720*, April 23, 2025 (available at <https://www.cms.gov/about-cms/information-systems/hpms/hpms-memos-archive-weekly/hpms-memos-wk-4-april-21-25>).

ATTACHMENT A: Overview of the PDE Analysis Initiative

When a PDE record successfully passes the Drug Data Processing System (DDPS) editing process and becomes an accepted record, the PDE is still subjected to additional review and analysis. The PDE Analysis initiative alerts sponsors to potential data quality issues identified in accepted PDE records. When a PDE requires review under this process, it will be posted to the sponsor through the PDE Analysis website. Sponsors receiving PDE Analysis reports are expected to complete the following actions:

1. Review Notifications: Sponsors receive an email notification from PDEAnalysis@acumenllc.com when PDE records require review. This notification contains information about the identified issue, benefit year, response process, and pertinent deadlines for taking action on flagged PDE records. Sponsors will not receive a notification if they do not have PDE records for review.
2. Download and Review Reports: Reports are made available for download via the PDE Analysis website. These reports include a description of the category of issue identified, further specifics regarding each data issue, and a list of PDE identifying elements to enable sponsors to research the flagged PDE records.
3. Research PDE records: Sponsors are expected to research PDE records to determine the validity and accuracy of the submitted data and to evaluate whether a data issue exists. Sponsors should specifically determine whether:
 - Data are valid, indicating that the data are accurate as submitted and that no corrections are required to the PDE or other corresponding data (e.g., enrollment information), or
 - Data are invalid, indicating that the data are incorrect and that the sponsor will be adjusting, deleting, reversing, or reprocessing the PDE or correcting other corresponding data (e.g., enrollment information).
4. Submit Responses to PDE Analysis website: The report package downloaded during Step 2 of this process will contain a Response Form that sponsors should complete documenting the results of their research of flagged PDE records. Whether or not a response is required will vary based on the category of the flagged PDE and the results of the sponsor's research.
 - For PDE records flagged under the Part D Payment Reconciliation Data Quality Review, General MDP Data Quality Review, CGDP Withheld and Invoiced Outliers, and MDP Withheld and Invoiced Outliers categories, sponsors are required to submit responses via the website when data are valid. Responses are not required for PDE records flagged under these categories when data are invalid and will be corrected; however, responses can be submitted.
 - For PDE records flagged under the Manufacturer Disputes categories for CGDP and MDP, and the IRA Cost Sharing Maximum Outliers categories, sponsors are required to submit responses via the website for all posted PDE records, regardless of whether data are valid or invalid.
 - Sponsors are not required to submit responses for the Upheld Dispute Tracking Reports.

The following table outlines the PDE Analysis response requirements based on the category of review and the results of the sponsor's research:

Review Category	Sponsor Determines Data are Valid	Sponsor Determines Data are Invalid
<i>Outliers</i>		
Part D Payment Reconciliation Data Quality Review Outliers	Required	Optional
General MDP Data Quality Review Outliers	Required	Optional
CGDP Withheld from Invoice and Invoiced Outliers	Required	Optional
MDP Withheld from Invoice and Invoiced Outliers	Required	Optional
IRA Cost Sharing Maximum Outliers	Required	Required
<i>Disputes</i>		
Manufacturer Disputes related to CGDP	Required	Required
Manufacturer Disputes related to MDP	Required	Required
Upheld Dispute Tracking Reports related to CGDP	No Response Form	
Upheld Dispute Tracking Reports related to MDP	No Response Form	

5. Take Corrective Action: When sponsors identify that data are invalid, they are required to submit the necessary data corrections. Consistent with 42 CFR § 423.325(a)(2), sponsors have 90 days to make any adjustments or deletions via DDPS in response to PDE records posted to the PDE Analysis website.
6. Track Resolution: The PDE Analysis website features a Ticket Tracking page that enables sponsors to monitor the status of flagged PDE records. Sponsors should review this page regularly to ensure that all flagged PDE records have been addressed.

ATTACHMENT B: User Authorization Instructions

DDA has created the PDE Reports and PDE Analysis web portals to facilitate the PDE Reports and PDE Analysis initiatives. These secure web portals are accessible only to authorized participants, with each sponsor utilizing a space on the portal that is separately secure from all other participants.

In accordance with Federal Information Security Management Act (FISMA) regulations, only the authorizing agent – in this case, the contract’s Medicare Compliance Officer – is authorized to give access to the web portal for each contract. To streamline this process, DDA has developed the User Security Web Portal – a web tool that allows Medicare Compliance Officers to manage their users’ permissions to DDA’s web portals.

For your contract to gain access to the PDE Reports and PDE Analysis web portals, your Medicare Compliance Officer must complete the following steps:

1. Identify individuals who should have access to each web portal.

If your contract is continuing from 2025, previously authorized users will retain their access to the PDE Reports and PDE Analysis web portals. Your contract may choose to keep the same users or your contract may modify users.

If your contract is new in 2026, your contract must authorize new users for both web portals. Your contract may choose to authorize representatives that are currently users on other Acumen web portals. However, your contract must complete the user authorization process again, specifically for the PDE Reports and PDE Analysis web portals.

Appropriate website users are staff who are either directly involved in the process of PDE data submission and resolution or who oversee a third-party submitter. If a third-party organization is involved in PDE submission, your contract may assign a member of this organization as a user. However, we recommend your contract include at least one internal user from your organization, as one goal of the web portals is to help your contract monitor and resolve third-party submission errors.

For security purposes, each contract is limited to five authorized users for each web portal.

2. Log onto the User Security Web Portal **(https://partd.programinfo.us/user_security)**

The latest Medicare Compliance Officer on record in the Health Plan Management System (HPMS) for each contract has been granted access to the User Security web portal. Compliance Officers should have access to the User Security web portal through existing work with DDA. If your Medicare Compliance Officer does not have access to the User Security web portal or has never logged in, please contact DDA at PDE@acumenllc.com. If your Medicare Compliance Officer on record in HPMS is incorrect, please update HPMS directly.

3. Designate users and authorize access permissions via the User Security web portal.

Medicare Compliance Officers must complete the user authorization process by reviewing and/or updating current user access settings or authorizing access permissions for new users on the User Security web portal.

To designate users and authorize access permissions, Medicare Compliance Officers must complete the following steps on the User Security web portal:

1. Add an existing and/or new user.
2. Select the Web Portal and contract(s) for each user.
3. Authorize access permissions for each user.

Following completion of the user authorization process, DDA will send authorized web portal users:

- A Welcome Email with the relevant Web Portal User Guide, Getting Started Guide, and Web Portal URL
- A Credential Email with a unique One-Time Password Link and login username

More information on adding users can be found under the Help Documents section of the User Security web portal. Note that all authorized users can log on, navigate the webs portals, and receive email notifications regarding report releases.

To ensure timely access to the web portals, Medicare Compliance Officers must complete all steps of the user authorization process no later than two weeks from the date of this memorandum.

If you have any questions or require assistance with the user authorization process, please contact PDE@acumenllc.com or Acumen's website assistance line at (650) 558-8006.