

DEPARTMENT OF HEALTH & HUMAN
SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



MEDICARE PLAN PAYMENT GROUP

DATE: May 21, 2026

TO: All Part D Sponsors

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

SUBJECT: May 2026 Updates to the Drug Data Processing System (DDPS)

The Centers for Medicare & Medicaid Services (CMS) is announcing upcoming changes to the Drug Data Processing System (DDPS), effective May 26, 2026. CMS is posting an updated DDPS Edit Spreadsheet reflecting these changes on the Customer Service Support Center (CSSC) Operations website concurrent with the release of this memorandum.

Please submit questions regarding these updates to PDE-Operations@cms.hhs.gov.

Restoration of Employer Group Waiver Plan (EGWP) Bypass for DDPS Reject Edits 716, 717, and 718 - Pre-2025 Dates of Service (DOS)

CMS has identified an error introduced during the Calendar Year (CY) 2025 updates to DDPS Reject Edits 716, 717, and 718. These edits fire when patient liability exceeds the statutorily defined maximum for Low Income Subsidy (LIS) beneficiaries:

- **Edit 716:** Patient liability exceeds the statutorily defined maximum for a LIS Category 3 beneficiary.
- **Edit 717:** Patient liability exceeds the statutorily defined pre-catastrophic maximum for a LIS Category 2 beneficiary.
- **Edit 718:** Patient liability exceeds the statutorily defined pre-catastrophic maximum for a LIS Category 1 beneficiary.

A bypass of these edits applicable to EGWPs has been in place across all benefit years. However, when Edits 716, 717, and 718 were updated for CY 2025 and beyond, the EGWP bypass for Prescription Drug Events (PDEs) with DOS prior to 2025 was inadvertently removed on May 19, 2025. Effective May 26, 2026, DDPS has restored the bypass for all applicable years to correct this error.

PDEs that have been previously rejected falling under this scenario may be resubmitted on or after May 26, 2026.

New Informational Edits 724, 725, and 726 - LIS Cost-Sharing for EGWP Beneficiaries

Effective May 26, 2026, DDPS is introducing three new informational edits applicable only to EGWPs for DOS on or after 01/01/2025. Edits 724, 725, and 726 are intended to flag instances where an EGWP is applying patient liability that exceeds the relevant statutorily defined maximum LIS copay. While EGWPs are permitted to charge these amounts, these edits provide a flag to help plans identify and review cases where the applied patient liability may not align with their intended benefit design. These edits are similar in structure to existing Reject Edits 716, 717, and 718, but are informational and do not result in PDE rejections.

- **Edit 724:** Patient liability exceeds the statutorily defined maximum for a LIS Category 3 beneficiary.
- **Edit 725:** Patient liability exceeds the statutorily defined pre-catastrophic maximum for a LIS Category 2 beneficiary.
- **Edit 726:** Patient liability exceeds the statutorily defined pre-catastrophic maximum for a LIS Category 1 beneficiary.

New Informational Edit 911 - Low Income Cost Sharing Subsidy Amount (LICS) Reporting for Advisory Committee on Immunization Practices (ACIP) Recommended Vaccines

CMS is introducing a new Informational Edit 911 to address LICS reporting on PDEs for ACIP-recommended vaccines for DOS on or after 01/01/2025.

- **Edit 911:** LICS must be \$0 for ACIP-recommended vaccines, except in limited circumstances.

Because it cannot be determined from the PDE alone whether an ACIP recommendation applies only to a subset of the adult population, or whether the vaccine was administered outside of that recommendation, CMS is implementing this edit as an informational edit only. Plans should review their PDEs for ACIP-recommended vaccines with DOS on or after 01/01/2025 to confirm that LICS is being reported as \$0 where applicable.

Modification to Informational Edit 904 — Patient Liability Calculation for Covered Insulin Products

Informational Edit 904 is currently triggered when the Patient Pay Amount for a covered insulin product exceeds the statutorily defined maximum.

CMS has updated the logic for Informational Edit 904 to expand the fields used to determine total patient liability for covered insulin products. Effective May 26, 2026, for DOS on or after

01/01/2025, Other TrOOP Amount, LICS, and Patient Liability Reduction Due to Other Payer Amount (PLRO) (excluding Medicare as Secondary Payer (MSP) PDEs) are now also included in the patient liability calculation, in addition to Patient Pay Amount.

Plans should review their PDEs for covered insulin products to ensure patient liability amounts are being reported accurately under the updated logic.

CMS Calculated Coverage Gap Discount Modification for CY EGWP Straddle Claims

CMS has received inquiries regarding PDE records submitted by CY EGWPs for beneficiaries who previously filled a covered insulin product in the Deductible Phase. Specifically, these beneficiaries' subsequent straddle claims may incorrectly reject with Edit 870, when the straddle claim begins in the Defined Standard Deductible Phase. Edit 870 is a reject edit that ensures the accuracy of reported gap discount amounts. It fires when the Reported Gap Discount differs from the CMS Calculated Gap Discount by more than $\pm\$0.05$, resulting in a PDE rejection and exclusion from manufacturer invoicing.

Effective May 26, 2026, DDPS has updated the CMS Calculated Coverage Gap Discount calculation logic for straddle claims that:

- Are submitted by CY EGWPs,
- Have a Beginning Benefit Phase value = 'D', and
- Have a DOS in CY 2024.

PDEs that have been previously rejected falling under this scenario may be resubmitted on or after May 26, 2026.