

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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TO: All Part D Plan Sponsors

FROM: Cheri Rice, Director  
Medicare Plan Payment Group

SUBJECT: Reconciliation PDE Exclusion Process

DATE: January 6, 2014

The purpose of this memorandum is to describe two new reports that Part D sponsors will receive as part of the annual Part D payment reconciliation described at 42 CFR § 423.343 and the Part D reopening process described at 42 CFR § 423.346. On a quarterly basis, the Centers for Medicare & Medicaid Services (CMS) will perform an analysis of prescription drugs event (PDE) data and may decide to exclude from the reconciliation or reopening process certain accepted PDEs. These reports will identify issues that the Part D sponsors should already be identifying through their ongoing analysis. CMS is providing these reports as a courtesy.

Prior to excluding the PDE data, CMS will distribute a Part D Potential Exclusion Warning Report in an effort to provide Part D sponsors with the opportunity to address these PDEs before they are excluded from the reconciliation or reopening process. CMS expects that Part D sponsors will address the PDEs in the Part D Potential Exclusion Warning Report within 90 days of release of the report. This timing is consistent with our previous guidance on timely submission PDEs and resolution of rejected PDEs, which we released via the Health Plan Management System (HPMS) on October 6, 2011.

Part D sponsors should use their best judgment to determine if PDEs need to be adjusted or deleted. It is possible that a PDE flagged by the Part D Potential Exclusion Warning Report may no longer need to be adjusted or deleted due to, for example, changes in enrollment data. Questions regarding the data may be sent to CMS at [pdejan2011@cms.hhs.gov](mailto:pdejan2011@cms.hhs.gov) for review. Any PDEs on the Part D Potential Exclusion Warning Report that are not addressed by the Part D sponsor will continue to appear on the quarterly warning report until CMS runs the Part D Exclusion from Reconciliation Report.

Based on the Part D Potential Exclusion Warning Report and further data analysis, CMS will generate and distribute a Part D Exclusion from Reconciliation Report. This report will contain information on PDEs that will be withheld from the reconciliation or reopening process and will be distributed at the same time the Part D Payment Reconciliation Reports are distributed.

The first Part D Potential Exclusion Warning Report is scheduled to be released on January 31, 2014, through the existing mailboxes used for the Monthly Drug Data Processing System (DDPS) reports. The report will cover benefit year 2013 in preparation for the 2013 Part D payment reconciliation. There are 3 categories of records being included on the first warning report:

- Beneficiaries retro-actively disenrolled (no enrollment in any Part D plan on the date of service (DOS)), or DOS on the PDE is greater than 32 days after beneficiary date of death
- Beneficiaries awarded Low Income (LI) Status retro-actively
- Beneficiaries with a loss of LI eligibility after the PDE was accepted

Questions regarding the data identified in the reports should be immediately emailed to CMS at [pdejan2011@cms.hhs.gov](mailto:pdejan2011@cms.hhs.gov). Part D sponsors should not wait until after the Part D payment reconciliation PDE reporting deadline or the Part D payment reconciliation to dispute the data.

The report layouts are described in Appendix 1 of this memorandum. The report layouts can be found in Appendix 2 of this memorandum and on the Customer Service and Support Center (CSSC) website, <http://www.csscooperations.com>. Questions regarding this memorandum should be directed to CMS at [pdejan2011@cms.hhs.gov](mailto:pdejan2011@cms.hhs.gov).

## **The Part D Potential Exclusion Warning and Part D Exclusion from Reconciliation Reports**

### **Introduction**

As part of the Part D payment reconciliation and reopening process, plans active during the reconciliation benefit year may receive a Part D Potential Exclusion Warning Report and, if appropriate, a subsequent Part D Exclusion from Reconciliation Report. The layout and data elements in the reports are explained here.

The Part D Potential Exclusion Warning Report provides plans with flat file reports containing potential exclusion PDEs. This report contains both Plan-to-Plan (P2P) and non-P2P data and is based on the *submitting* contract/PBP for both P2P and non-P2P records. It will be released to plans to coincide with the Quarterly Manufacturer Invoice Schedule or as needed for a specific Part D reconciliation or reopening. The subsequent Part D Exclusion from Reconciliation Report provides plans with information on PDEs that are withheld from reconciliation. Unlike the Part D Potential Exclusion Warning Report, the Part D Exclusion from Reconciliation Report will only include non-P2P data.

### ***File Layout and Data Elements***

Both the Part D Potential Exclusion Warning and Part D Exclusion from Reconciliation reports contain the following records:

- PDE Exclusion Contract Header (PEXCH)
- PDE Exclusion Plan Header (Contract/PBP Level) (PEXPH)
- PDE Exclusion Benefit Year Header (PEXBH)
- PDE Exclusion Plan Detail (PDE Level) (PEXDT)
- PDE Exclusion Benefit Year Trailer (PEXBT)
- PDE Exclusion Plan Trailer (Contract/PBP Level) (PEXPT)
- PDE Exclusion Contract Trailer (PEXCT)

All of the records, with the exception of the detail record, contain a file ID field that indicates whether the report is the Part D Potential Exclusion Warning Report or the Part D Exclusion from Reconciliation Report. The PEXCH record identifies the contract, and the PEXPH record identifies the plan benefit package (PBP) offered under the contract. The PEXBH record displays the Reconciliation Benefit Year and the Reconciliation Number that indicates whether the reconciliation is the first to be run or if the reconciliation has been re-run.

The PEXDT record displays detailed PDE information including the beneficiary's current Health Insurance Claim Number (HICN) and cardholder ID, the prescription service reference number, date of service, service provider ID, and a number of payment fields. The P2P indicator displayed on this record denotes whether a PDE is a P2P PDE or a non-P2P PDE. Note that the PDEs will always be non-P2P PDEs on the Part D Exclusion from Reconciliation Report. The

## Appendix 1

PEXDT will also display an exclusion reason to indicate why CMS will exclude the PDE from reconciliation.

The PEXBT, PEXPT, and PEXCT records have similar layouts and all display the following fields: total Low Income Cost-sharing subsidy (LICS) amount, total Gross Drug Cost Below the out-of-pocket threshold (GDCB) amount, total Gross Drug Cost above out-of-pocket threshold (GDCA) amount, total Covered D Plan Paid (CPP) amount, total estimated rebate at POS, total Non-Covered Plan Paid (NPP) amount (only displayed on the Warning Report), and total PDE count. The PEXBT record displays the totals at the plan level for the benefit year. The PEXPT record displays the totals at the plan level for all benefit years included in the report. The PEXCT displays the totals at the contract level. The PEXCT record also displays the total number of PBPs reported for the contract.

See Appendix 2 below for the file layouts and definitions for each of the fields displayed on the records.

**PART D EXCLUSION FROM RECONCILIATION REPORT  
AND  
PART D POTENTIAL EXCLUSION WARNING REPORT**

## Report Identifiers

Record Type Code	Record Description
PEXCH	PDE Exclusion Contract Header
PEXPH	PDE Exclusion Plan Header (Contract/PBP level)
PEXBH	PDE Exclusion Benefit Year Header
PEXDT	PDE Exclusion Plan Detail (PDE level)
PEXBT	PDE Exclusion Benefit Year Trailer
PEXPT	PDE Exclusion Plan Trailer (Contract/PBP level)
PEXCT	PDE Exclusion Contract Trailer

## PDE Exclusion Contract Header

Field No	Field Name	Position	Picture	Length	Definitions/Values
1	RECORD TYPE CODE	1 - 5	X(5)	5	"PEXCH"
2	SEQUENCE NUMBER	6 - 12	9(7)	7	An incrementing batch sequence number that starts at 0000001.
3	DDPS SYSTEM DATE	13 - 20	9(8)	8	"CCYYMMDD" = DDPS File creation date
4	DDPS SYSTEM TIME	21 - 26	9(6)	6	"HHMMSS" = DDPS File creation time
5	FILE ID	27 - 31	X(5)	5	11EXC - Part D Exclusion from Reconciliation Report 11WRN - Part D Potential Exclusion Warning Report
6	CONTRACT	32 - 36	X(5)	5	Unique identifier enabling an entity to provide coverage to eligible Medicare beneficiaries.
7	FILLER	37 - 500	X(464)	464	Spaces

## PDE Exclusion Plan Header (Contract/PBP level)

Field No	Field Name	Position	Picture	Length	Definitions/Values
1	RECORD TYPE CODE	1 - 5	X(5)	5	"PEXPH"
2	SEQUENCE NUMBER	6 - 12	9(7)	7	An incrementing batch sequence number that starts at 0000001.

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Field No	Field Name	Position	Picture	Length	Definitions/Values
3	DDPS SYSTEM DATE	13 - 20	9(8)	8	"CCYYMMDD" = DDPS File creation date
4	DDPS SYSTEM TIME	21 - 26	9(6)	6	"HHMMSS" = DDPS File creation time
5	FILE ID	27 - 31	X(5)	5	11EXC - Part D Exclusion from Reconciliation Report 11WRN - Part D Potential Exclusion Warning Report
6	CONTRACT	32 - 36	X(5)	5	Unique identifier enabling an entity to provide coverage to eligible Medicare beneficiaries.
7	PBP	37 - 39	X(3)	3	A unique identifier for the plan benefit package offered under the contract.
8	FILLER	40 - 500	X(461)	461	Spaces

PDE Exclusion Benefit Year Header

Field No	Field Name	Position	Picture	Length	Definitions/Values
1	RECORD TYPE CODE	1 - 5	X(5)	5	"PEXBH"
2	DDPS SYSTEM DATE	6 - 13	9(8)	8	"CCYYMMDD" = DDPS File creation date
3	DDPS SYSTEM TIME	14 - 19	9(6)	6	"HHMMSS" = DDPS File creation time
4	FILE ID	20 - 24	X(5)	5	11EXC - Part D Exclusion from Reconciliation Report 11WRN - Part D Potential Exclusion Warning Report
5	RECONCILIATION BENEFIT YEAR	25 - 28	9(4)	4	"CCYY" = benefit year of the reconciliation
6	RECONCILIATION NUMBER	29 - 32	9(4)	4	Reconciliation/Reopening iteration number
7	FILLER	33 - 500	X(468)	468	Spaces

PDE Exclusion Plan Detail (PDE level)

Field No	Field Name	Position	Picture	Length	Definitions/Values
1	RECORD TYPE CODE	1 - 5	X(5)	5	"PEXDT"

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Field No	Field Name	Position	Picture	Length	Definitions/Values
2	SEQUENCE NUMBER	6 - 12	9(7)	7	An incrementing batch sequence number that starts at 0000001.
3	CURRENT HICN	13 - 32	X(20)	20	Medicare Health Insurance Claim Number or Railroad Retirement Board (RRB) number.
4	CARD HOLDER ID	33 - 52	X(20)	20	Plan identification of the enrollee.
5	CLAIM CONTROL NUMBER	53 - 92	X(40)	40	Unique number identifying the detail record submitted (PDE).
6	PRESCRIPTION SERVICE REFERENCE NUMBER	93 - 104	9(12)	12	A unique reference number for a prescription. It must be unique for any DOS and Service Provider ID combination.
7	DATE OF SERVICE	105 - 112	9(8)	8	Date the prescription was filled. CCYYMMDD
8	FILL NUMBER	113 - 114	9(2)	2	Values = 00 - 99
9	DISPENSING STATUS	115 - 115	X(1)	1	On PDEs with DOS on or after January 1, 2011, this must be blank. On PDEs with DOS prior to January 1, 2011, valid values are: Blank - Not Specified P - Partial Fill C - Completion of Partial Fill
10	SERVICE PROVIDER ID QUALIFIER	116 - 117	X(2)	2	The type of pharmacy provider identifier used in field 11: 01 - National Provider Identifier (NPI) 06 = UPIN 07 = NCPDP Provider ID 08 = State License 11 = Federal Tax ID 99 = Other
11	SERVICE PROVIDER ID	118 - 132	X(15)	15	The identifier for the service provider.
12	LICS AMOUNT	133 - 146	S9(12) V99	14	Amount that the plan reduced patient liability due to a beneficiary's low income subsidy status.
13	GDCB AMOUNT	147 - 160	S9(12) V99	14	Amount paid (regardless of payer) toward allowable point of sale costs below the out-of-pocket threshold.

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Field No	Field Name	Position	Picture	Length	Definitions/Values
14	GDCA AMOUNT	161 - 174	S9(12) V99	14	Amount paid (regardless of payer) toward allowable point of sale costs above the out-of-pocket threshold.
15	CPP AMOUNT	175 - 188	S9(12) V99	14	Medicare covered amount which the plan has paid for a Part D covered drug under the Basic benefit. Amounts paid for supplemental drugs, supplemental cost-sharing and over-the-counter drugs are excluded from this amount.
16	ESTIMATED REBATE AT POS	189 - 202	S9(12) V99	14	The estimated amount of rebate that the plan sponsor has elected to apply to the negotiated price as a reduction in the drug price made available to the beneficiary at the point of sale.
17	NPP AMOUNT	203 - 216	S9(12) V99	14	Amount of plan payment for enhanced alternative benefits (cost sharing fill-in and/or non-Part D drugs). This dollar amount is excluded from risk corridor calculations. (Only displayed on 11WRN; will be filler (spaces) on 11EXC.)
18	P2P INDICATOR	217 - 217	X(1)	1	Y - Indicates a P2P PDE. N - Indicates a Non P2P PDE. Always N on 11EXC.
19	EXCLUDE REASON	218 - 317	X(100)	100	100 byte reason why PDE is being excluded.
20	FILLER	318 - 500	X(183)	183	Spaces

PDE Exclusion Benefit Year Trailer

Field No	Field Name	Position	Picture	Length	Definitions/Values
1	RECORD TYPE CODE	1 - 5	X(5)	5	"PEXBT"
2	DDPS SYSTEM DATE	6 - 13	9(8)	8	"CCYYMMDD" = DDPS File creation date
3	DDPS SYSTEM TIME	14 - 19	9(6)	6	"HHMMSS" = DDPS File creation time

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Field No	Field Name	Position	Picture	Length	Definitions/Values
4	FILE ID	20 - 24	X(5)	5	11EXC - Part D Exclusion from Reconciliation Report  11WRN - Part D Potential Exclusion Warning Report
5	RECONCILIATION BENEFIT YEAR	25 - 28	9(4)	4	"CCYY" = benefit year of the reconciliation
6	RECONCILIATION NUMBER	29 - 32	9(4)	4	Reconciliation/Reopening iteration number.
7	TOTAL LICs AMOUNT	33 - 46	S9(12)V99	14	Total amount that the plan reduced patient liability due to a beneficiary's low income subsidy status at a Plan level by Benefit Year.
8	TOTAL GDCB AMOUNT	47 - 60	S9(12)V99	14	Total amount paid (regardless of payer) toward allowable point of sale costs below the out-of-pocket threshold at a Plan level by Benefit Year.
9	TOTAL GDCA AMOUNT	61 - 74	S9(12)V99	14	Total amount paid (regardless of payer) toward allowable point of sale costs above the out-of-pocket threshold at a Plan level by Benefit Year.
10	TOTAL CPP AMOUNT	75 - 88	S9(12)V99	14	Total Medicare covered amount which the plan has paid for a Part D covered drug under the Basic benefit at a Plan level by Benefit Year. Amounts paid for supplemental drugs, supplemental cost-sharing and over-the-counter drugs are excluded from this amount.
11	TOTAL ESTIMATED REBATE AT POS	89 - 102	S9(12)V99	14	The total estimated amount of rebate that the plan sponsor has elected to apply to the negotiated price as a reduction in the drug price made available to the beneficiary at the point of sale at a Plan level by Benefit Year.

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Field No	Field Name	Position	Picture	Length	Definitions/Values
12	TOTAL NPP AMOUNT	103 - 116	S9(12)V99	14	Total amount of plan payment for enhanced alternative benefits (cost sharing fill-in and/or non-Part D drugs) at a Plan level by Benefit Year. This dollar amount is excluded from risk corridor calculations. (Only displayed on 11WRN; will be filler (spaces) on 11EXC.)
13	TOTAL PDE COUNT	117 - 123	9(7)	7	Total number of PDEs reported for this Benefit Year.
14	FILLER	124 - 500	X(377)	377	Spaces

PDE Exclusion Plan Trailer (Contract/PBP level)

Field No	Field Name	Position	Picture	Length	Definitions/Values
1	RECORD TYPE CODE	1 - 5	X(5)	5	"PEXPT"
2	SEQUENCE NUMBER	6 - 12	9(7)	7	An incrementing batch sequence number that starts at 0000001.
3	DDPS SYSTEM DATE	13 - 20	9(8)	8	"CCYYMMDD" = DDPS File creation date
4	DDPS SYSTEM TIME	21 - 26	9(6)	6	"HHMMSS" = DDPS File creation time
5	FILE ID	27 - 31	X(5)	5	11EXC - Part D Exclusion from Reconciliation Report  11WRN - Part D Potential Exclusion Warning Report
6	CONTRACT	32 - 36	X(5)	5	Unique identifier enabling an entity to provide coverage to eligible Medicare beneficiaries.
7	PBP	37 - 39	9(3)	3	A unique identifier for the plan benefit package offered under the contract.
8	TOTAL LICS AMOUNT	40 - 53	S9(12)V99	14	Total amount that the plan reduced patient liability due to a beneficiary's low income subsidy status at Plan level.

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Field No	Field Name	Position	Picture	Length	Definitions/Values
9	TOTAL GDCB AMOUNT	54 - 67	S9(12)V99	14	Total amount paid (regardless of payer) toward allowable point of sale costs below the out-of-pocket threshold at Plan level.
10	TOTAL GDCA AMOUNT	68 - 81	S9(12)V99	14	Total amount paid (regardless of payer) toward allowable point of sale costs above the out-of-pocket threshold at Plan level.
11	TOTAL CPP AMOUNT	82 - 95	S9(12)V99	14	Total Medicare covered amount which the plan has paid for a Part D covered drug under the Basic benefit at a Plan level. Amounts paid for supplemental drugs, supplemental cost-sharing and over-the-counter drugs are excluded from this amount.
12	TOTAL ESTIMATED REBATE AT POS	96 - 109	S9(12)V99	14	The total estimated amount of rebate that the plan sponsor has elected to apply to the negotiated price as a reduction in the drug price made available to the beneficiary at the point of sale at Plan level.
13	TOTAL NPP AMOUNT	110 - 123	S9(12)V99	14	Total amount of plan payment for enhanced alternative benefits (cost sharing fill-in and/or non-Part D drugs). This dollar amount is excluded from risk corridor calculations. (Only displayed on 11WRN; will be filler (spaces) on 11EXC.)
14	TOTAL PDE COUNT	124 - 130	9(7)	7	Total number of PDEs reported for this Plan.
15	FILLER	131 - 500	X(370)	370	Spaces

PDE Exclusion Contract Trailer

Field No	Field Name	Position	Picture	Length	Definitions/Values
1	RECORD TYPE CODE	1 - 5	X(5)	5	"PEXCT"

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Field No	Field Name	Position	Picture	Length	Definitions/Values
2	SEQUENCE NUMBER	6 - 12	9(7)	7	An incrementing batch sequence number that starts at 0000001.
3	DDPS SYSTEM DATE	13 - 20	9(8)	8	"CCYYMMDD" = DDPS File creation date
4	DDPS SYSTEM TIME	21 - 26	9(6)	6	"HHMMSS" = DDPS File creation time
5	FILE ID	27 - 31	X(5)	5	11EXC - Part D Exclusion from Reconciliation Report  11WRN - Part D Potential Exclusion Warning Report
6	CONTRACT	32 - 36	X(5)	5	Unique identifier enabling an entity to provide coverage to eligible Medicare beneficiaries.
7	TOTAL LICS AMOUNT	37 - 50	S9(12)V99	14	Total amount that the plan reduced patient liability due to a beneficiary's low income subsidy status at Contract level.
8	TOTAL GDCB AMOUNT	51 - 64	S9(12)V99	14	Total amount paid (regardless of payer) toward allowable point of sale costs below the out-of-pocket threshold at Contract level.
9	TOTAL GDCA AMOUNT	65 - 78	S9(12)V99	14	Total amount paid (regardless of payer) toward allowable point of sale costs above the out-of-pocket threshold at Contract level.
10	TOTAL CPP AMOUNT	79 - 92	S9(12)V99	14	Total Medicare covered amount which the plan has paid for a Part D covered drug under the Basic benefit at a Contract level. Amounts paid for supplemental drugs, supplemental cost-sharing and over-the-counter drugs are excluded from this amount.
11	TOTAL ESTIMATED REBATE AT POS	93 - 106	S9(12)V99	14	The total estimated amount of rebate that the plan sponsor has elected to apply to the negotiated price as a reduction in the drug price made available to the beneficiary at the point of sale at Contract level.

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Field No	Field Name	Position	Picture	Length	Definitions/Values
12	TOTAL NPP AMOUNT	107 - 120	S9(12)V99	14	Total amount of plan payment for enhanced alternative benefits (cost sharing fill-in and/or non-Part D drugs) at Contract level. This dollar amount is excluded from risk corridor calculations. (Only displayed on 11WRN; will be filler (spaces) on 11EXC.)
13	TOTAL PBP COUNT	121 - 127	9(7)	7	Total number of Plan Benefit Packages reported for this Contract.
14	TOTAL PDE COUNT	128 - 136	9(9)	9	Total number of PDEs reported for this Contract.
15	FILLER	137 - 500	X(364)	364	Spaces