

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



**Center for Medicare  
Medicare Plan Payment Group**

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Date: January 31, 2014

To: All Part D Plan Sponsors

From: Cheri Rice, Director  
Medicare Plan Payment Group

Subject: Coverage Gap Discount Reconciliation for Benefit Year 2012

The Centers for Medicare & Medicaid Services (CMS) completed the calculations for the 2012 Final Part D Coverage Gap Discount (CGD) Program Reconciliation. The calculations were performed in accordance with §1860D-14A of the Social Security Act and associated regulations and guidance. The reconciliation calculations utilize all CGD Prescription Drug Event (PDE) data received by 1:00 PM ET on June 29, 2013 and accepted in the Drug Data Processing System; and invoiced in the Quarter 6 invoice for 2012, prospective Coverage Gap Discount Subsidy Amounts beginning with January 2012 and ending with 2012 adjustments in January 2013, and all plan information received in the Health Plan Management System (HPMS) through December 2013 for Calendar Year 2012.

The CGD payment reconciliation reports will be available in your mailboxes at the Third Party Administrator (TPA) Operations on Thursday, February 6, 2014. If you cannot access these reports, please contact CSSC at 877-534-2772.

Payment adjustments to remit and recover these calculated CGD reconciliation amounts are planned for the March 2013 payment. As part of the Part D CGD payment reconciliation process, these final reconciled gap discount program payments will be subject to the reopening and appeals provisions as found in 42 CFR § 423.350. Appeals are filed when a plan sponsor does not believe that the CMS applied its stated payment methodology correctly. Refer to the reopenings and appeals guidance, which was released through HPMS on May 8, 2008, for additional information on the process for filing an appeal. If you wish to appeal, your request must be filed and received by Friday, February 21, 2014. Requests for appeal should be addressed to Cheri Rice, and sent to the Reconciliation Support Contractor, Acumen:

Acumen, LLC  
Attn: Part D Payment Support  
500 Airport Blvd, Suite 365  
Burlingame, CA 94010

If you intend to send your appeal electronically, submit the appeal to Acumen at [PartDPaymentSupport@acumenllc.com](mailto:PartDPaymentSupport@acumenllc.com).

CMS may reopen final CGD payment determinations. Part D sponsors can submit requests for reopening, as instructed in the May 8, 2008 HPMS memo referenced above. Any requests received from Part D sponsors prior to the release of the final payment determination are not considered valid requests for reopening. The Part D sponsor will have to resubmit the request and the reopening spreadsheet in accordance with the guidance in the May 8, 2008 memo. Please use the reopening spreadsheet in the attachment if submitting a reopening request.

Any questions regarding this memo can be emailed to Acumen.