DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

TO:	All Part D Plan Sponsors
FROM:	Cheri Rice, Director Medicare Plan Payment Group
SUBJECT:	Updates to the Prescription Drug Event (PDE) layout and the Coverage Gap Discount Program (CGDP) Reconciliation Reports
DATE:	September 4, 2014

The Centers for Medicare & Medicaid Services (CMS) is making changes to the PDE Record inbound and outbound file layouts and the CGDP Reconciliation Reports. The new PDE record layout will become effective on November 9, 2014, and, will be required for all PDE file submissions on and after November 9, 2014, regardless of PDE date of service. With the addition of two new PDE fields, CMS will have two new edits and will modify an existing edit. The changes to the CGDP reports, which will only impact the CGDP Reconciliation Results Report, will appear in the 2013 CGDP reconciliation.

The updated PDE Inbound and Return/Outbound file layouts, the edit spreadsheet, and the CGDP Reconciliation Results Report will be posted to the Customer Service and Support Center (CSSC) Operations website at http://www.csscoperations.com. Submit questions regarding these changes to PDEJan2011@cms.hhs.gov.

PDE Record Layout Changes and Edit Codes

There will be two new fields on the PDE file layout that will allow sponsors to report certain reasons for changes to PDE data. The two new fields to capture this information are:

- Adjustment Reason Code Qualifier (hereinafter referred to as the "Qualifier") and
- Adjustment Reason Code (hereinafter referred to as the "Reason Code").

The Qualifier will be one character in length and will track the type of Reason Code populated on the PDE. Acceptable values for the Qualifier and the Reason Code are described in Table 1 and Table 2.

The new fields in PDE file layout are described in Table 3.

In addition to the two new fields, there will be two new edit codes 838 and 839 described in Table 4 and an update to existing edit code 641 (Filler Fields Must Be Blank) that will be modified to check for spaces in fields 397 – 512, as opposed to fields 384 – 512. All new edit codes will result in a rejected PDE when applied.

Table 1. Acceptable values for the Qualifier and the Reason Code

If the Adjustment Reason Code Qualifier is:	The Adjustment Reason Code Must be:
1	12 digit numeric value, leading zeroes
2	'OFM', 'RAC', or 'MEDIC' *
3	'CIO' *
4	'DISPUTE' or 'APPEAL' *
9	For future use at CMS' direction
BLANK	BLANK – If above is N/A, the Part D sponsor must leave both new fields blank.

* Non-numeric values should be left justified

Table 2: Description of the Qualifiers and Reason Codes

Adjustment Reason Code Qualifier	Reason Code Description
1	If the Qualifier is '1', the Reason Code must be a 12 digit numeric value with leading zeroes. These values will be used when the Part D sponsor reports an overpayment to CMS pursuant to 42 CFR 423.360. Overpayments of this nature can be rectified by making corrections to PDE data. The Part D sponsor will report the overpayment to CMS through the existing Remedy system and will receive a Remedy ticket number. The Part D sponsor will place the ticket number in the new Reason Code field (and use a Qualifier of '1') on all PDE data that the Part D sponsor adjusts, deletes, or resubmits to rectify the reported overpayment. Details regarding overpayment reporting will be explained in a future HPMS memorandum.
2	If the Qualifier is '2', the Reason Code must be either 'OFM', 'RAC', or 'MEDIC'. These values will be used when the Part D sponsor must make changes to PDE data because of an audit. A detailed explanation of when to use these new fields will be issued in future audit related communications.
3	If the Qualifier is '3', the Reason Code must be 'CIO'. "CIO" means "CMS-Identified Overpayment." CMS released a Notice of Proposed Rule Making (NPRM) on July 14, 2014 that describes the proposed process that CMS will use to recoup CMS-identified overpayments associated with payment data submitted by an MA organization or a Part D sponsor. CMS will issue guidance regarding this Qualifier and Reason Code pending the publication of the final regulation.
4	If the Qualifier is '4', the Reason Code must be 'DISPUTE' or 'APPEAL'. These values will be used when the Part D sponsor adjusts, deletes, or resubmits PDE data because of a Coverage Gap Discount Program dispute or appeal. .
9	A Qualifier value of '9' will be used at CMS' discretion and is a placeholder for future tracking. Should CMS decide to use this Qualifier, the Part D sponsor will be provided with guidance and details regarding the population of the Reason Code.
BLANK*	BLANK*

* If none of the values above are applicable, the Part D sponsor must leave both new fields blank.

Table 3: New Fields for Submitting Changes to PDE data

FIELD NO.	FIELD NAME	NCPDP FIELD	POSITION	PICTURE	LENGTH	NCPDP, CMS OR PDFS DEFINED	DEFINITION / VALUES
57	Adjustment Reason Code Qualifier		384 - 384	X(1)	1	CMS	The type of Adjustment Reason Code used in field 58: 1 - Sponsor identified Overpayment Tracking Code (from Remedy system), for plan reported overpayment. 2 - CMS Audit 3 - CMS Identified Overpayment (CIO) 4 - CGDP Dispute or Appeal 9 - Other BLANK - Not Applicable
58	Adjustment Reason Code		385 - 396	X(12)	12	CMS	This code will assist CMS to track the reason for an adjustment or deletion. Accepted values are dependent upon the qualifier submitted in field 57 Where qualifier... Accepted value is: 1 12 digit numeric value, leading zeros 2 'OFM', 'RAC', or 'MEDIC' * 3 'CIO' * 4 'DISPUTE' or 'APPEAL' * 9 For future use at CMS' direction BLANK BLANK * Non-numeric values should be left justified
59	FILLER		397 - 512	X(116)	116	CMS	SPACES

Table 4: Edit Codes

Edit	Data Element to be Edited	Message to be Reported	Comments/Rationale
838	Adjustment Reason Code Qualifier	The Adjustment Reason Qualifier is Invalid	The PDE will reject, if the Qualifier is invalid. Must be 1, 2, 3, 4, 9, or BLANK. Applicable to standard and non-standard PDEs, PACE organizations, and include Delete PDEs.
839	Adjustment Reason Code	The Adjustment Reason Code is Missing or Invalid	The PDE will reject, if the Reason Code is not a valid value for the associated Qualifier. Applicable to standard and non-standard PDEs, PACE organizations, and include Delete PDEs.
641	Filler Fields, positions 128-129, 181-182, and 397-512.	Filler fields must be blank.	Change from filler field positions 128-129, 181-182, and 384-512 to positions 128-129, 181-182, and 397-512. Effective for all PDEs submitted 11/7/2014 and forward.

CGDP Reconciliation Results Report Changes:

Beginning with the CY 2013 Medicare Part D Coverage Gap Discount Program (CGDP) Reconciliation, CMS will update the description to six existing fields on both the Detail (DET) record and the Contract Trailer (CTR) record of the CGDP Reconciliation Results Report. The updated definitions to the payment amount fields aligns with the sequestration process as mandated by the Balanced Budget and Emergency Deficit Control Act of 1985, and, described in the HPMS memo dated May 1, 2013, entitled "Additional Information Regarding the Mandatory Payment Reductions in the Medicare Advantage, Part D, and Other Programs." The updated definitions to the invoiced amount fields allow adjustments to be made to the Coverage Gap Discount Invoiced amount fields in the event that an adjustment would be needed.

The six fields are:

1. Current Total Coverage Gap Discount Payment Amount
2. Previous Total Coverage Gap Discount Payment Amount
3. Delta Total Coverage Gap Discount Payment Amount
4. Current Total Coverage Gap Discount Invoiced Amount
5. Previous Total Coverage Gap Discount Invoiced Amount
6. Delta Total Coverage Gap Discount Invoiced Amount

The Coverage Gap Discount Payment Amount fields will capture the two percent (2%) reductions made to CGDP prospective payments associated with enrollment periods beginning April 1, 2013.

CGDP Reconciliation Inputs Report

Although there are no format changes to the CGDP Reconciliation Inputs Report, the two percent reduction in CGDP prospective payments will be summarized at the plan level on the Detail record adjustment line using existing fields on the CGDP Reconciliation Inputs Report. To identify the Detail record adjustment line, the Current CMS HICN field name will be populated with the value "Adjustment". The CGDP Payment Amount field on the Detail record adjustment line will include the sequestration amount.