



Center for Beneficiary Choices
Medicare Plan Payment Group

April 27, 2006

NOTE TO: Medicare Advantage Organizations, Prescription Drug Plan Sponsors, and Other Interested Parties

SUBJECT: Updated Instructions: Requirements for Submitting Prescription Drug Event Data (PDE)

Today, the Centers for Medicare & Medicaid Services (CMS) issued an updated version of the PDE Instructions: Requirements for Submitting Prescription Drug Event Data. This document contains a few clarifications and minor updates from the previous version posted in January and it is available on our website at

<http://www.cms.hhs.gov/DrugCoverageClaimsData/RxDrugEventDataGuidance.asp#TopOfPage>

The changes are as follows:

- In Sections 3 and 6, we updated the document to reflect the correct number of key fields (seven).
- In Section 7.4.1, we appended a new instruction as a note to Table 7A. In the exceptional case where Co-pay > Gross Drug Cost under an enhanced alternative plan, only one calculation is appropriate to determine enhanced alternative cost sharing and NPP Amount when mapping to the defined standard benefit. $NPP\ Amount = (Plan-Paid\ at\ POS - CPP\ Amount)$.
- In Section 8, we clarify that Medicaid or other payments to subsidize the cost sharing of low-income residents of the U.S. territories under a waiver or grant approved under §1860D-42(a) of the Social Security Act are considered incurred costs for purposes of TrOOP accumulation. These subsidies count towards TrOOP and therefore should be reported in the field Other TrOOP Amount on the PDE record. Note that all other Medicaid payments on behalf of beneficiaries do not count towards TrOOP as is the case with most other government funded programs.
- In Section 10, we added material that clarifies and incorporates the agency's policy for determining low income cost sharing for Level III beneficiaries enrolled in zero deductible plans or in plans with deductibles that are less than the statutory amount (\$50 in 2006). This material parallels the Q&As issued on this topic by CMS on February 10th and April 19th.

Page 2

We will continue to work with plans and other entities to refine and clarify our PDE rules and to answer questions. Please continue to reference these Instructions, review the Training Materials posted on the website of our Customer Service and Support Center (CSSC) at <http://www.csscooperations.com/new/pdic/pdd-training/pdd-training.html>, and utilize the support staff available to assist you at CSSC. The online PDE training material is a source of additional examples and is the only source of certain material such as report formats and editing rules.

Questions concerning the updated instructions may be addressed to Ann Marshall at (ann.marshall@cms.hhs.gov) or Sandra Anderson at (sandra.anderson@cms.hhs.gov).

/s/

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