

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



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MEMORANDUM

TO: All Part D Plan Sponsors

FROM: Abby L. Block, Director

RE: Part D Claims Messaging Requirement

DATE: May 22, 2006

In a letter dated March 29, 2006, we strongly encouraged your rapid adoption and use of a new standardized procedure using structured reject “coding” in the message field of the billing transaction response in order to provide clarification of the specific reason for rejection. This process has already been approved by a Work Group of the National Council for Prescription Drug Programs (NCPDP) for two specific messages addressing rejections for (1) drugs excluded from Part D coverage as mandated by the Medicare Modernization Act and (2) drugs that are covered under Medicare Part B for the particular beneficiary. This process is consistent with the current NCPDP 5.1 standard.

Effective July 2006, CMS is now requiring that Part D plans implement this procedure for those approved reject messages. This requirement is necessary to ensure that all information is present to effectively adjudicate the Part D benefit in real time at the point of sale, as well as to effectively coordinate with any other payers in real time.

CMS is also requiring that plans implement any additional new messaging similarly approved by the NCPDP Work Group at subsequent meetings to address other clarifying information needed to adjudicate a Part D claim and appropriately coordinate benefits in real time. Any such additional messaging must be implemented within 90 days of approval by NCPDP. CMS will require Part D plans to adopt and use such standardized procedures until such time as alternative transactional coding is implemented in a new version of the HIPAA standard.