

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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**CENTER FOR BENEFICIARY CHOICES**

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**Date:** August 16, 2007

**To:** All Part D Plans  
Chief Executive Officers  
Chief Financial Officers  
Medicare Compliance Officers

**From:** Thomas Hutchinson, Director  
Medicare Plan Payment Group

**Subject:** Prescription Drug Event Data Status Update

As previously announced, the 2006 Part D Payment Reconciliation process has commenced effective August 1, with CMS anticipating distribution of reports to plans by the end of September. Part D payment reconciliation processing will utilize Prescription Drug Event (PDE) data from all files received in full at Palmetto by 1 PM EDT July 31, 2007. CMS has determined that this is the latest possible deadline extension that would still allow completion of the reconciliation calculations by the end of the Federal fiscal year (September 30).

The PDE data received to date represents the culmination of an extraordinary effort on the part of CMS, plans, and their respective supporting contractors to complete enrollment and PDE processing. CMS and plans have worked through a number of issues under extremely tight deadlines, enabling the majority of previously rejected PDEs to be accepted into CMS systems. This combined effort has substantially improved the data upon which the reconciliation calculations will be based.

While CMS believes that the vast majority of processing issues were resolved prior to the July cutoff, CMS recognizes that plans have experienced some residual data issues and have concerns regarding PDE data that was not accepted before the PDE cutoff. CMS is contracting to implement a structured process for handling plan data issues. This contractor will provide support for plans to submit information regarding data discrepancies so that CMS may better understand the full extent of potential plan issues. When the contract has been awarded and the vendor selected, CMS will distribute further information regarding this process to all plans.