



## **CENTERS FOR BENEFICIARY CHOICES**

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**DATE:** April 12, 2007

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

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

**SUBJECT:** Plan-to-Plan (P2P) Reconciliation Implementation -Phase III

The P2P Reconciliation Process has been implemented in three phases. P2P Phase I and Phase II allow CMS to process Prescription Drug Event (PDE) data affected by Plan-to-Plan. Both phases were implemented to allow for the processing of PDE data and to establish the reporting mechanism and the procedures for financial reconciliation between Contracts. The third phase will address enrollment changes that occur once a PDE is accepted and saved by the Drug Data Processing System. P2P Phase III will only update saved PDE data that result in updates to the Contract of Record and/or PBP of Record. This phase will be performed prior to the Annual Part D Payment Reconciliation to ensure that the Contract/Plan Benefit Package (PBP) of Record is responsible for the claims paid by other Contracts.

The following guidance will explain the scenarios that may result in P2P Phase III updates, the Return File that will be distributed to Contracts after running P2P Phase III, and the new informational edit codes that were developed to inform the Submitting Contract of the updates that were made to affected PDE data.

The Return File that will be generated from P2P Phase III will be a special Return File so that it will not be confused with the Return Files normally received by Contracts. The basic file layout will remain the same. One new field will be added to the file layout. This field will be populated with the Updated PPB of Record, when appropriate. The Contract of Record field will contain the Updated Contract of Record, when appropriate. Upon distribution of this Return File, the Contracts should update their enrollment databases.

The changes that result from P2P Phase III will appear on the Monthly Reports received by Contracts. The enrollment change could result in a P2P condition or could change from P2P to a non-P2P condition. All of the Monthly Reports should be thoroughly reviewed. The financial amounts that appear on Reports 40 through 43 will establish receivables and payables. Contracts are responsible for making payments within thirty days of the date on which CMS distributes the P2P Reports.

Information explaining the edits is available on the customer service website  
<http://www.csscooperations.com>

Technical instructions which include examples of the scenarios affected by P2P Phase III, the informational edits, and the Return Files are available on our website at <http://www.cms.hhs.gov/DrugCoverageClaimsData> Prescription Drug Event Data Guidance. Questions on P2P Reconciliation Phase III should be directed to either [Amanda.Ryan@cms.hhs.gov](mailto:Amanda.Ryan@cms.hhs.gov) or [Jeffrey.Grant@cms.hhs.gov](mailto:Jeffrey.Grant@cms.hhs.gov).