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**Center for Medicare
Medicare Plan Payment Group**

Date: November 15, 2010

To: All Part D Plan Sponsors

From: Cheri Rice, Acting Director
Medicare Plan Payment Group

Subject: Guidelines for Populating the Tier Field on PDEs with DOS January 1, 2011 and Forward

CMS is announcing a change to the requirements for populating the Tier field on Prescription Drug Event (PDE) records with dates of service on or after January 1, 2011. In the September 24, 2010 HPMS memorandum entitled, “PDE Edit Guidance Effective January 1, 2011,” CMS indicates that only values 1 through 6 will be considered valid when populating the Tier field on PDEs with DOS beginning on January 1, 2011. CMS has considered industry feedback regarding this field and will also accept blank as a legal value when reported per the guidelines below. CMS will evaluate these guidelines further as we gain experience with tier data reported on PDEs.

- The Tier field must be populated with values 1 through 6 or blank for all Part D covered PDEs.
- The Tier field shall be populated consistently with the plan's benefit as submitted to CMS on the HPMS formulary file.
- Use the default value of “1” for Defined Standard Benefit plans and plans with an open formulary and no tiering.
- When tier does not apply (i.e., beneficiary is in a co-insurance benefit phase such as the deductible, coverage gap, or catastrophic claims), report blank in the Tier field.
- In other situations when tier does apply, report the tier as adjudicated. For example, when a prescription for a non-formulary drug is approved under an exception process and adjudicated with tier cost-sharing, report the exception tier.

CMS will publish an updated edit spreadsheet documenting this change on the CSSC Operations website. Any questions about this guidance should be submitted to CMS at PDEJan2011@cms.hhs.gov.