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Centers for Medicare & Medicaid Services
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Medicare Plan Payment Group

Date: November 7, 2011

To: All Part D Plan Sponsors

From: Cheri Rice /s/
Director

SUBJECT: Drug Data Processing System (DDPS) Updates for November 2011

The Centers for Medicare & Medicaid Services (CMS) is announcing new updates to DDPS. The majority of the updates will be added to the system during the month of November 2011. Several new edits will be added to the system and edits related to the 2006 benefit year will be retired. An updated Edit Spreadsheet will be posted to the CSSC Operations website. Additionally, the Accumulator Comparison report will have phase two enhancements added with this system release.

New acceptable value for Prescription Origin Code

The Prescription Origin Code field on the Prescription Drug Event (PDE) record is a National Council for Prescription Drug Program (NCPDP) data element. NCPDP expanded their external code list (ECL) of valid values for Prescription Origin Code to include the value of '5' for Pharmacy. This value is used to cover any situation where a new Rx number needs to be created from an existing valid prescription such as traditional transfers, intrachain transfers, file buys, software upgrades/migrations, and any reason necessary to "give it a new number." This value is also the appropriate value for "Pharmacy dispensing" when applicable such as behind the counter (BTC), Plan B, etc. Effective July 18, 2011, the Drug Data Processing System (DDPS) has been able to accept Prescription Drug Event (PDE) records with a value of '5' in the Prescription Origin Code field. The value of '5' is being accepted on PDEs with dates of service (DOS) on or after January 1, 2006.

Affordable Care Act Edits

Throughout the year, CMS has continued to analyze the 2011 PDEs for data quality. Based upon the results of this data analysis, CMS is implementing two new edits. The edits below will be effective on November 26, 2011 and will impact PDEs with DOS on or after January 1, 2011.

Edit Code 698: CMS is implementing a new edit code that will reject PDEs in which the Reported Gap Discount amount is greater than the remaining TrOOP amount. To determine remaining TrOOP amount, CMS will subtract the TrOOP Accumulator being reported on the PDE from the Out-of-Pocket threshold. PDEs receiving reject edit 698 will receive the message, "The reported gap discount amount cannot be greater than the remaining TrOOP".

Edit Code 699: CMS is implementing a new edit code that will reject PDEs in which the True Out-of-Pocket cost is greater than the Out-of-Pocket threshold, the PDEs falls completely in the catastrophic coverage phase of the benefit, and GDCA is not greater than zero. To determine True out-of-pocket cost, CMS will sum the TrOOP Accumulator reported on the PDE and the TrOOP eligible fields on the PDE. The TrOOP eligible fields are: Patient Pay Amount, Other TrOOP Amount, Reported Gap Discount, and LICS Amount. If the sum of the TrOOP accumulator and the TrOOP eligible fields is greater than the True out-of-pocket threshold, then the PDE is expected to have costs in GDCA. The edit message will be "The true out of pocket cost is greater than the out of pocket threshold, the entire PDE falls within the catastrophic coverage phase and submitted GDCA is not greater than 0.

Retiring Edits Related to Benefit Year 2006

In April 2011, CMS began rejecting benefit year 2006 PDEs as a result of closing the DDPS database to benefit year 2006 PDEs. Due to the fact that CMS no longer accepts benefit year 2006 PDE data, CMS is retiring several edits that were in place specifically for benefit year 2006 PDEs. The majority of the edits relate to State-to-Plan (S2P) PDEs. The table below indicates the edits that will be retired. In addition to the edits below, there will be a change to the editing logic for edit 627. The value of "S" will no longer be an acceptable value. The message for edit code 627 will now read, "The Non-Standard Format Code is invalid. Valid values are blank, "B", "C", "X", or "P". Effective November 13, 2011, the edits in the table below will no longer be active edit codes and the message for edit 627 will also change.

Edit Code	Description
642	State-to-Plan PDEs are not allowed with Date of Service after March 31, 2006.
643	State-to-Plan PDEs are not allowed with non-covered drugs.
644	Service Provider ID Qualifier must be '07' for State-to-Plan PDEs.
645	Service Provider ID '5300378' allowed only for State-to-Plan PDEs.
722	Dollars Reported in LICS are Greater than zero. However, Beneficiary is Not Eligible for LICS Subsidy.

Although the edits for S2P are retiring, a PDE will reject if the S2P Service Provider ID of '5300378' is submitted on a PDE.

New Editing of the Prescriber ID field

As stated in the Advance Notice of Methodological Changes for Calendar Year 2012 for Medicare Advantage Capitation Rates, Part C and D Payment Policies and 2012 call letter released through the Health Plan Management System (HPMS) on February 18, 2011, CMS will continue to accept PDE records with the following Prescriber identifiers: National Provider Identifier (NPI), Drug Enforcement Agency (DEA) number, Unique Physician Identification Number (UPIN), or state license number. All Prescriber identifiers submitted on standard and non-standard format PDEs must be valid. Beginning January 1, 2012, CMS will validate the format of the prescriber identifiers on the PDEs that are coded as NPI and will exclude from payment reconciliation PDEs with invalid NPIs. CMS will use data from the National Plan & Provider Enumeration System (NPPES) for validation of the NPI. Effective January 1, 2012, three new edits will be in place to edit Prescriber ID. The edits will impact dates of service beginning January 1, 2012 and forward.

Edit 832: A new informational edit code will trigger when the NPI number passes the check digit algorithm but does not appear on the NPPES file. The message for this edit is, "NPI number not found on CMS NPI table however it contains a valid check digit".

Edit 833: A reject edit code will generate when the NPI number is not found on the NPPES file and does not pass the check digit algorithm. The message for this edit is, "NPI number not found on CMS NPI table".

Edit 834: A reject edit code will generate when the NPI is not active on the Date of Service (DOS) that appears on the PDE. The message for this edit is, "NPI is not active for the Date of Service".

Accumulator Comparison Report (Phase 2)

In a prior HPMS announcement dated July 22, 2011, titled "Accumulator Comparison Report", CMS introduced a production report that gives feedback to Part D sponsors about discrepancies between CMS calculated accumulator values (based on accepted PDEs) and plan reported accumulator values. The memo noted that the report would be released in two phases. The second phase of this report will include TrOOP and Ending Benefit Phase discrepancies, as well as the CMS calculated cumulative GDCB and GDCA. Also, the report will now capture PDEs from beneficiaries who have transferred Part D plans, as well as catastrophic PDEs from all beneficiaries. Please refer to the July 22 memo which provides the full file layout for the Accumulator Comparison Report (both Phase I and Phase II) as well as field descriptions and report specifications that are now being implemented in the second phase. Plans will see the first distribution of the full Accumulator Comparison Report with their November month-end reports.

Upcoming Edits

Effective October 6, 2011, the Food and Drug Administration (FDA) has approved Cialis (tadalafil) for use in treating benign prostatic hyperplasia (BPH) at the dosages of 2.5 mg or 5 mg per day. Cialis remains excluded from Part D when prescribed for erectile dysfunction and any off-label uses. As a result of the new FDA product labeling for Cialis, CMS is in the process of

revising and developing new PDE edits for this drug. The edits will be implemented in our May 2012 release. Until May 2012, PDEs submitted for all strengths of Cialis with a Drug Coverage Status Code of "C" for covered drugs will continue to be rejected with edit 738, "The NDC identifies a Part D non-coverable drug". Once the edits are in place in May 2012, sponsors will have to resubmit the rejected PDEs for Cialis dosages that are eligible for Part D coverage. PDEs that are submitted with a Drug Coverage Status Code of "E" for enhanced drugs will not be affected by the new edit changes. Details regarding the new edits will be provided in our future guidance announcing our May 2012 release.

Please submit questions regarding the November 2011 updates to PDEJan2011@cms.hhs.gov.