

DEPARTMENT OF HEALTH & HUMAN SERVICES
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MEDICARE PLAN PAYMENT GROUP

TO: All Part D Plan Sponsors

FROM: Cheri Rice, Director
Medicare Plan Payment Group

SUBJECT: Update to Selection Criteria for Coverage Gap Prescription Drug Event (PDE) Records

DATE: June 14, 2013

On April 23, 2013, CMS released a Health Plan Management System (HPMS) memo titled, “Drug Data Processing System announcements regarding 2011 PDE rejects, Reopening of 2011 Part D payment reconciliation, and PDE data analysis findings”. The memo identified the need to correct the selection criteria for PDEs selected for Coverage Gap Discount editing and indicated the selection criteria would be fixed in early June. The error in the selection criteria was causing some catastrophic coverage PDEs to be rejected in error when the TrOOP Accumulator equals the OOP threshold and $\Delta \text{TrOOP} = 0$ (sum of Patient Pay Amount, Other TrOOP Amount, LICS, and Reported Gap Discount). The new selection criteria for identifying PDEs within the coverage gap phase will be:

- Total Gross Covered Drug Cost Accumulator $>$ ICL and,
- (True Out-of-Pocket Accumulator + $\Delta \text{TrOOP} <$ OOP Threshold, or
- True Out-of-Pocket Accumulator + $\Delta \text{TrOOP} =$ OOP Threshold, and $\Delta \text{TrOOP} >$ zero)

Note: ΔTrOOP is defined as the sum of Patient Pay Amount + Other TrOOP Amount + LICS + Reported Gap Discount.

Sponsors will be able to submit any PDEs that are in the catastrophic coverage phase that received edit 870 beginning on June 15, 2013. Questions about this fix can be sent to PDEJan2011@cms.hhs.gov.