

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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**Center for Medicare
Medicare Plan Payment Group**

Date: December 19, 2013

To: All Part D Plan Sponsors

From: Cheri Rice, Director
Medicare Plan Payment Group

Subject: Upcoming Changes to the Drug Data Processing System

The Centers for Medicare & Medicaid Services (CMS) is announcing upcoming changes to the Drug Data Processing System (DDPS). Please submit questions regarding these changes to PDEJan2011@cms.hhs.gov.

Modifications to the Maximum Calculation for CMS Calculated Gap Discount Amount:

DDPS employs a maximum calculation for evaluating the Reported Gap Discount Amount reported on PDEs under three scenarios: Employer Group Waiver Plan (EGWP) Prescription Drug Events (PDEs) with dates of service (DOS) in 2011, 1012 or 2013, PDEs where the reported accumulators and benefit phases do not match (DOS 2011 and forward), and out of network PDEs (DOS 2011 and forward). Presently, the maximum calculation is 50% of Gross Drug Cost Below the Out-of-Pocket Threshold (GDCB). We are refining the maximum gap discount calculation as follows:

For DOS in 2011 and 2012, the maximum coverage gap discount calculation is the lesser of 50% or GDCB, or 50% of remaining True Out-of-Pocket (TrOOP) amount.

For PDEs with dates of service in 2013 and forward, the maximum coverage gap discount calculation is the lesser of 50% or GDCB, or 50% of (Ingredient Cost + Sales Tax).

The new maximum calculations are in effect for PDEs submitted on or after January 1, 2014.

Changes to Prescriber ID Edit 834:

DDPS edit code 834 (The submitted Prescriber ID is not active on the CMS National Prescriber Identifier (NPI) table for the given date of service (DOS)) requires that when a valid NPI is found for the submitted Prescriber ID, the date of service (DOS) must be no more than one year after the NPI deactivation date (if a deactivation date exists). State laws may have varying requirements that may allow for prescriptions beyond the one year time period. Therefore, CMS will make this edit informational, rather than a reject edit. This change will be implemented on February 9, 2014 and will apply to PDEs with any DOS. When a sponsor receives the informational edit code, the sponsor is responsible for reviewing the PDE to verify that the PDE is valid based upon state law.

CMS will update the edit spreadsheet on the Customer Service and Support Center (CSSC) website prior to the implementation of this edit change.