

DEPARTMENT OF HEALTH & HUMAN
SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



CENTER FOR MEDICARE

DATE: October 13, 2022
TO: All Part D Plan Sponsors
FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group
SUBJECT: Updates to the Drug Data Processing System (DDPS)

The Centers for Medicare & Medicaid Services (CMS) is announcing upcoming changes to the Drug Data Processing System (DDPS).

Please submit questions regarding these updates to PDE-Operations@cms.hhs.gov.

Updates to the Non-Standard Format Code and Edit 671 for Medicaid Subrogation Claims

In the Medicare Prescription Drug Benefit Manual, Chapter 14 – Coordination of Benefits Chapter 50.14.4 – Resolution Directly with Other Non-Part D Payers, CMS instructs Part D plans not to apply beneficiary cost-sharing or low-income cost sharing subsidy (LICS) to Medicaid subrogation claims. Plans should report payment for Medicaid subrogation claims in the Covered D Plan Payment (CPP) field on the PDE. When a Medicaid subrogation PDE straddles into or is fully in the catastrophic phase, however, the PDE will reject inappropriately with edit 671 because DDPS does not have the ability to identify PDEs submitted for Medicaid subrogation claims.

Beginning October 24, 2022, CMS has updated the Non-Standard Format Code to accept the new valid value of “A” for Medicaid subrogation claims. Part D sponsors submitting PDEs for Medicaid subrogation claims should submit the new valid value of “A” in the Non-Standard Format Code field.

Modifications to DDPS Edit 671

Effective October 24, 2022, edit code 671 will be bypassed for PDEs submitted for Medicaid subrogation claims with a Non-Standard Format Code of “A” when the PDE either straddles into or is fully in the catastrophic phase, and all payments on the PDE are reported in the CPP field. LICS, Patient Liability Reduction due to Other Payer (PLRO), Other TrOOP, Non-Covered Plan Payment (NPP), Reported Gap Discount, and Patient Pay must equal 0.

Plans who believe they have Medicaid subrogation PDEs that have been erroneously rejected with edit 671 may revise the PDE to include the new Non-Standard Format Code of “A” and resubmit the PDE on or after October 24, 2022.

Modifications to DDPS Edit 627

Effective October 24 2022, edit code 627 will be modified to include the valid value of “A” for Medicaid subrogation claims. When edit code 627 is returned, the edit message will state, “The Non-Standard Format Code is invalid. Valid values are blank, 'A', 'B', 'C', 'X', or 'P'.”

CMS will post an updated Prescription Drug Event (PDE) Edit Code Listing spreadsheet, PDE Inbound File Layout, and PDE Outbound File Layout to the Customer Service and Support Center (CSSC) Operations website at <http://www.csscooperations.com> that reflect the changes that are effective October 24, 2022.

Updates to the Part D Model Indicator to Report VBID Eligible PDEs

In order to appropriately edit Value-Based Insurance Design (VBID) PDEs, CMS will add a new valid value of “01” in the Part D Model Indicator field, effective January 1, 2023. VBID plans are instructed to populate this value when submitting PDEs for plan selected model drugs. This indicator is *required* for VBID eligible plan selected model drug PDEs with dates of service (DOS) on or after January 1, 2023, and is *optional* for VBID eligible plan selected model drug PDEs with a DOS prior to January 1, 2023. If the PDE is not for a plan selected model drug, then the field should be left blank.

Modification to DDPS Edit 845

Effective January 1, 2023, edit code 845 will be modified in support of the new valid value of “01” being added to the Part D Model Indicator field. When edit code 845 is returned, the edit message will state, "The Part D Model Indicator is invalid. For DOS 1/1/2022 and forward, must be blank or a numeric value of 01 or 07. For DOS between 1/1/2017 and 12/31/2021, must be blank or a numeric value of 01. For DOS prior to 1/1/2017 must be blank.”

Creation of New DDPS Edit 732

Effective January 1, 2023, for all PDEs with DOS on or after January 1, 2017, CMS is creating new edit 732 in support of the additional valid value in the Part D Model Indicator field. New edit code 732 is returned, and the PDE will reject if:

1. The Part D Model Indicator is “01”.
2. The submitting contract/PBP is not a participant in the VBID Part D Model on the DOS.

When edit code 732 is returned, the edit message will state, “The Submitting Contract/PBP is not a participant in the VBID Part D Model on Date of Service.”

Modification to DDPS Edit 733

Effective January 1, 2023, the message for edit code 733 will be modified to clarify that this edit applies to Part D Senior Savings Model plans only, rather than all Part D Models. When edit code 733 is returned, the edit message will state, "The Submitting Contract/PBP is not a participant in the Part D Senior Savings Model on Date of Service."

CMS will post an updated Prescription Drug Event (PDE) Edit Code Listing spreadsheet, PDE Inbound File Layout, and PDE Outbound File Layout that reflect the changes that are effective January 1, 2023 later this year.