

DEPARTMENT OF HEALTH & HUMAN
SERVICES
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CENTER FOR MEDICARE

DATE: May 19, 2023
TO: All Part D Plan Sponsors
FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group
SUBJECT: May 2023 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) effective May 22, 2023. CMS is posting the Prescription Drug Event (PDE) Edit Code Listing spreadsheet and inbound and outbound PDE file layouts reflecting these updates on the CSSC Operations [website](#) concurrent with the release of this memo.

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

Modification to DDPS Edit 648 and DDPS Edit 649 for Medicaid Subrogation Claims

DDPS Edit 648 and DDPS Edit 649 function similarly to ensure that valid values are submitted in the Prescription Origin Code field on the PDE record. Edit 648 allows blanks in addition to the valid values for refill PDEs, while Edit 649 does not allow blanks for initial fill PDEs. Either Edit 648 or Edit 649 is evaluated for every PDE depending on whether the PDE is in a standard or non-standard format.

Medicaid Subrogation claims are considered standard format PDEs, however the Prescription Origin Code may not be known on either the initial fill or the refill. In order to appropriately allow blanks in this scenario, all Medicaid Subrogation PDEs with a Non-Standard Format Code of 'A' (indicating a Medicaid subrogation claim) and all payments on the PDE reported in the Covered Plan Paid (CPP) field will now bypass Edit 649, since this edit does not allow blanks. These PDEs will be evaluated under Edit 648 instead, which will allow these PDEs to contain blanks whether they are an initial fill or a refill.

The existing logic for both DDPS Edit 648 and DDPS Edit 649 will remain in place for non-Medicaid Subrogation PDEs.

Plans that believe they have Medicaid subrogation PDEs that have been previously rejected with Edit 649 may resubmit the PDE on or after May 22, 2023.

Modification to DDPS Edit 671 for Medicaid Subrogation Catastrophic Straddle Claims

DDPS Edit 671 confirms that no dollars are reported in the Gross Covered Drug Costs Above the Out-of-Pocket Threshold (GDCA) if the TrOOP Accumulator plus the additional TrOOP incurred on the PDE does not equal or exceed the Out-of-Pocket (OOP) Threshold.

In a previous release, DDPS Edit 671 was bypassed for Medicaid subrogation catastrophic claims because these PDEs report all dollars in CPP and will never exceed the TrOOP Threshold. The intent was for this bypass to apply only to PDEs falling completely in the Catastrophic Phase; however, claims straddling into catastrophic were inadvertently included in this bypass.

Effective, May 22, 2023, the bypass criteria for Edit 671 is updated so that the edit is no longer bypassed for straddle claims where Gross Covered Drug Costs Below the Out of Pocket Threshold (GDCB) > 0 and Gross Covered Drug Costs Above the Out of Pocket Threshold (GDCA) > 0 for Medicaid subrogation claims.

Plans should evaluate whether they have previously accepted PDEs for straddle claims where GDCB > 0 and GDCA > 0 for Medicaid subrogation claims to determine if they are valid as submitted or require adjustment.

Modification to DDPS Edit 671 for COVID Oral Antiviral Emergency Use Authorization (EUA) drug¹ Catastrophic Claims

Similar to Medicaid Subrogation claims, PDEs for COVID Oral Antiviral EUA drugs report all payments in the CPP field and no TrOOP accumulates on the PDE. Because of this, COVID Oral Antiviral EUA PDEs that fall in the catastrophic phase have been inappropriately rejecting with DDPS Edit 671 because the TrOOP Accumulator plus TrOOP earned on the PDE will never exceed the OOP Threshold.

Effective May 22, 2023, DDPS Edit 671 will be bypassed for COVID Oral Anti-Viral PDEs dispensed under emergency use authorization (EUA) when the Ingredient Cost = 0, the Total Gross Covered Drug Cost is covered under the CPP Amount, and the PDE is fully in the catastrophic phase (TrOOP Accumulator = Annual Out-of-Pocket Threshold and GDCB = 0 and GDCA > 0).

Plans that believe they have COVID Oral Antiviral catastrophic phase PDEs that have been previously rejected with Edit 671 may resubmit the PDE on or after May 22, 2023.

¹ Oral antiviral drugs for COVID-19 available under a U.S. Food and Drug Administration (FDA) Emergency Use Authorization (EUA)

Modification to DDPS Edit 702

DDPS Edit 702 checks the gender reported on the PDE against the value on Medicare Beneficiary Database (MBD). Effective May 22, 2023, DDPS Edit 702 will be an informational edit rather than a reject edit.

Plans that have PDEs that have been previously rejected with Edit 702 may resubmit the PDE on or after May 22, 2023.

Modification to DDPS Edit 796 for Out-of-Network Claims from Plans Participating in the Part D Senior Savings (PDSS) Model

DDPS Edit 796 prevents PDEs reported with the Part D Model Indicator = '07' from reporting the Inflation Reduction Act Subsidy Amount (IRASA)² on the PDE. However, if a Plan Selected Model Drug is filled at an out-of-network (OON) pharmacy, IRASA may be appropriate.³ Therefore, effective May 22, 2023, DDPS will bypass Edit 796 on PDEs reported with the Part D Model Indicator = '07' (indicating PDSS Model drug) and the Pricing Exception Code = 'O' (indicating out-of-network).

PDSS Model participating plans may resubmit OON PDEs that are eligible for the IRASA and have previously been rejected with Edit 796 on or after May 22, 2023.

² For more information on IRASA, see the HPMS memorandum, PDE Reporting Instructions for Implementing the Cost Sharing Maximums Established by the Inflation Reduction Act for Covered Insulin Products and ACIP-Recommended Vaccines for Contract Year 2023, September 26, 2022.

³ For more information concerning the IRA requirements for participating PDSS Model plans, to include OON claims, see the HPMS memorandum, *Additional CY 2023 PDSS Model Guidance Related to Inflation Reduction Act (IRA) Changes to Part D Coverage of Insulin*, October 22, 2022.