



CENTERS FOR MEDICARE & MEDICAID SERVICES

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TO: All Medicare Advantage, Prescription Drug Plan, Medicare-Medicaid Plan, PACE, and Cost Organizations

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SUBJECT: Coordination of Benefits-Other Health Insurance (COB-OHI) Record Updates Due to New Hierarchy Rules

CMS has observed an increase in overlapping reporting of prescription drug records by various entities as part of the Section 111 Group Health Plan (GHP) reporting process. In order to prevent duplicate records from these various entities from being transmitted to Part D plans on COB-OHI files, the Coordination of Benefits & Recovery (COB&R) program, which includes the Benefits Coordination & Recovery Center (BCRC), will be implementing a change, effective April 3, 2023, that will introduce hierarchy rules for adding, updating, and deleting drug coverage records (both primary and supplemental drug records). Specifically, this hierarchy will be enforced on drug transactions to determine whether an update to an existing drug record is permitted or not based on the source of the incoming transaction and the entity that last updated the record.

As part of the implementation, over the weekend of March 31 through April 2, 2023, a one-time clean-up will be done to identify all prescription drug records that report the same coverage but come from multiple sources (i.e., VDSA, S111), apply the hierarchy, and delete all except for the record created or updated by the highest-ranking entity.

The COB&R program estimates that approximately 100,000 primary prescription drug records and 450,000 supplemental prescription drug records will be deleted from the Medicare Beneficiary Database (MBD) as a result of this one-time clean-up of duplicate records. Therefore, plans may see a higher than usual volume of updated COB-OHI records on daily COB-OHI files transmitted the week of April 3, 2023.

As described in the February 24, 2023 HPMS memorandum, “Annual Coordination of

Benefits-Other Health Insurance (COB-OHI) Full Replacement File for 2023,”¹ daily COB-OHI file transmission will cease while the annual COB-OHI full replacement files are transmitted starting on March 27, 2023. Part D sponsors will receive the updated OHI profiles reflecting the hierarchy rule clean-up in the daily COB-OHI files when the daily transmission resumes.

Hierarchy rules and processing logic are described in section 9.10, “Prescription Drug Hierarchy Requirements,” of the GHP User Guide.²

Please contact PartD_COB@cms.hhs.gov with any questions.

¹ <https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/HPMS-Memos-Archive-Weekly>

² <https://www.cms.gov/medicare/coordination-of-benefits-and-recovery/mandatory-insurer-reporting-for-group-health-plans/ghp-user-guide/ghp-user-guide>