

## QUARTERLY RETAIL PHARMACY NETWORK ACCESS ANALYSIS FILE TECHNICAL NOTES

### Purpose

The Quarterly Retail Pharmacy Network Access Analysis file is intended to report the quarterly geographic analysis of Medicare Part D sponsors' retail pharmacy networks. The information in the file is used to assess whether the retail pharmacy networks of Medicare Part D sponsors meet the convenient access standards established under 42 CFR §423.120(a)(1).

### Data Sources

The Quarterly Retail Pharmacy Network Access Analysis file draws on several data sources to determine the service area of each plan under a contract, which plans and pharmacies offer preferred cost sharing (PCSP), and the locations of pharmacies and Part D eligible enrollees. These data sources are described below.

- **Part D Plan Networks** – The Quarterly Retail Pharmacy Network Access Analysis file uses the first new posting of each quarter on [Medicare Plan Finder](#). An equivalent public file can be found in the [Monthly Prescription Drug Plan Formulary and Pharmacy Network Information](#) dataset, specifically the file posted for the first month of each quarter. Ex. Quarter 1 2024 Retail Pharmacy Network Access Analysis file will align with the January 2024 [Monthly Prescription Drug Plan Formulary and Pharmacy Network Information](#) dataset. Subsequent quarterly analyses will occur in April, July, and October (AEP). Note: The public file will not include any plans currently suppressed in Medicare Plan Finder (MPF). Download instructions are as follows:
  1. Click “Download” Monthly Prescription Drug Plan Formulary and Pharmacy Network Information and “Agree” to Usage Agreement.
  2. Select “All Datasets and/or Resources” and click “Continue”.
  3. Select a date range that will include the relevant dataset and click continue. Select relevant “Dataset” from the dropdown and click “Review”, and “Download Files”.
- **Part D Plan Service Areas** – Service areas are sourced from the [Health Plan Management System](#)<sup>1</sup> (HPMS) Data Extract Facility and updated yearly after the annual enrollment period. A publicly available alternative is the [Plan Benefits Data](#) on the CMS website. Once the relevant quarterly file is unzipped, the plan service areas can be found in two files: PlanArea.txt and PlanRegionArea.txt. Files detailing the ZIP codes in sponsors' service areas for those offering partial county coverage can also be found in the [HPMS Data Extract Facility](#).
- **Pharmacy Locations** – Pharmacy locations are obtained from the publicly available National Plan and Provider Enumeration System (NPPES) [Full Replacement Monthly NPI file](#).

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<sup>1</sup> HPMS is a Federal system and requires a sponsoring organization to authorize access.

- **Sample Beneficiary Locations** – The Quest Medicare Sample Census Beneficiary File available from [Quest Analytics®](#) contains a 3% sample of Medicare enrollee locations, including their ZIP codes and coordinates, for use in the access analysis. It is updated annually in January of each year.
- **ZIP Code Classifications** – ZIP code urban, suburban, and rural classifications (urbanicity) are derived from two sources. By default, the algorithm for assessing access utilizes the urbanicity designations from the Quest Medicare Sample Census Beneficiary File, while urbanicity designations based on the population density data from [City-Data.com](#) are used for verification.
- **ZIP Code, County, and State Crosswalks** – Geography crosswalks are sourced from the HPMS [Data Extract Facility](#). Alternatively, ZIP code, county, and state crosswalks can be derived from the Quest Medicare Sample Census Beneficiary File.
- **Convenient Access Waivers** (42 CFR § 423.120(a)(7)) – Plans that have a convenient access waiver are waived from the convenient access standard requirements. The plans with waivers are identified in the Quarterly Retail Pharmacy Network Access Analysis file.
- **Other Contract Information** – Contract (legal entity) names, parent organization, and plan types are listed in the [Medicare Advantage](#) and [Medicare Prescription Drug Plan](#) directories as well as in the contract summary report available from HPMS. The [Monthly Prescription Drug Plan Formulary and Pharmacy Network Information](#) also contains a plan-level directory file with this information.

## Software

The following software is used to create the Quarterly HPMS Posting File:

- **Quest Analytics®** – [Quest Analytics®](#) is used to conduct the preliminary geocoding of pharmacies, and determine *Euclidian* distances from Part D eligible enrollees to network pharmacies.
- **R** – [R](#) is used to clean and aggregate the data sources into files that can be used in the Quest Analytics® suite. Additionally, R is used to transform the enrollee-level file outputted by Quest Analytics® into a network-level file.
- **Precisely Spectrum Global Geocoding** – [Spectrum](#) is used to conduct a “second pass” geocoding for any pharmacies that were not correctly matched to a street level address longitude/latitude in Quest Analytics®.

## Analysis

The statistics in the Quarterly Retail Pharmacy Network Access Analysis file are produced by first identifying all pharmacies in at least one sponsor’s provider network. This list is derived from the National Provider Identifier (NPI) codes in either of the sponsor-to-pharmacy crosswalk

files- from [Medicare Plan Finder](#) or in the [Monthly Prescription Drug Plan Formulary and Pharmacy Network Information](#) dataset.

Next, using Quest Analytics®, a table with all the distances between all the enrollees in the Quest Medicare Sample Beneficiary File and all the pharmacies from the NPPES found in at least one plan's provider (pharmacy) network is created. The full enrollee-to-pharmacy distance tables that result from this process are then subset to create plan-level distance tables.

To create the plan specific tables, the Quest-generated distance tables are subset to (1) just the providers (pharmacies) in each plan from the plan network crosswalk files and (2) just the enrollees in each plan's service area.

Using these plan level distance tables, the percent of enrollees with access by ZIP code urbanicity type are calculated. At the enrollee level, an enrollee is considered as having convenient access if they reside within two miles of an in-network pharmacy for urban<sup>2</sup> areas; within five miles of an in-network pharmacy for suburban<sup>3</sup> areas; or within 15 miles of an in-network pharmacy for rural<sup>4</sup> areas.

If a sponsor's network fails to meet the convenient access standards, the average distances and access statistics are recalculated using the urban, suburban, and rural ZIP code designations from City-Data.com rather than the Quest Medicare Sample Beneficiary File. ZIP codes found in City-Data.com can be categorized by urbanicity using the following schema: urban ZIP codes have a population density greater than 3,000 individuals per square mile; suburban ZIP codes have a population density between 1,000 and 3,000 individuals per square mile; and rural ZIP codes have a population density less than 1,000 individuals per square mile.

## **Contact**

Please direct questions about the contents of this document to the Part D Monitoring Mailbox: [PartD\\_Monitoring@cms.hhs.gov](mailto:PartD_Monitoring@cms.hhs.gov)

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<sup>2</sup> 42 CFR 423.100.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.