

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR BENEFICIARY CHOICES

Date: January 18, 2008

To: All Part D Plan Sponsors

From: Thomas Hutchinson
Director, Medicare Plan Payment Group

Subject: Prescription Drug Event (PDE) Service Provider ID Edit Resolution

In recent months there has been a significant decrease in PDEs rejected for Service Provider ID errors. This announcement explains problem-solving steps to resolve the remaining errors that remain due to Service Provider ID problems.

1. Effective October 23, 2007 CMS added 272 identifiers to the pharmacy master file used to edit PDE data. Those identifiers are posted on our Customer Service and Support Center (CSSC) Operations website. Plans that received 781 rejects before October 23, 2007 for these pharmacy identifiers should resubmit.
2. CMS uses the Pharmacy Database published by the National Council of Prescription Drug Programs (NCPDP) to build the pharmacy master file. CMS rejects standard format PDEs when a submitted National Provider Identifier (NPI) is not present on our editing table. There are several reasons why an NPI is not present on the table CMS uses.
 - a. Time lags: A plan may learn about an NPI before CMS adds the identifier to its pharmacy master file. Typically CMS file updates occur within three weeks after the number is issued. If CMS rejects a newly issued NPI, the plan should resubmit after three weeks have passed.
 - b. National Plan and Provider Enumeration System (NPPES) issued NPIs: Pharmacies can obtain an NPI either from NCPDP or from NPPES. Numbers issued by NPPES do not automatically transfer to NCPDP so NCPDP learns about the NPPES-issued number only when the pharmacy informs them. As part of edit resolution, Part D plans should contact pharmacies to confirm that they have communicated the NPPES-issued number to NCPDP.
 - c. Updated NPIs: CMS retains only the most recent NPI on its provider table. When NCPDP updates an NPI (normally due to an invalid crosswalk

between NCPDP and NPI), CMS replaces the previous NPI with the current one. This is an infrequent situation that occurred during initial NPI implementation. Part D plans should contact pharmacies to confirm that both parties have the most current NPI crosswalk on file and resubmit if the NPI was out of date.

3. CMS has noted that some rejected NCPDP IDs (primarily from 2006 dates of service) have an invalid state prefix. The state prefix appears in the two left-most digits of the 7 digit NCPDP ID. Valid state codes are in the range 01 to 59. Prefixes outside this range are invalid. In the past some processors created pseudo NCPDP IDs with invalid state codes to provide additional pricing flexibility. Plans and their processors should research NCPDP IDs with invalid state prefixes, request a new NPI if necessary and re-submit with the corrected identifier

Please refer questions about this information to CSSC Operations available by telephone at 1-877-534-2772 or by email at csscoperations@palmettogba.com. Thank you.