

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Beneficiary Choices
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Medicare Plan Payment Group

Date: April 28, 2008

To: All Part D Plan Sponsors

From: Thomas Hutchinson, Director
Medicare Plan Payment Group

Subject: Clarification on the 2006 Attestations of Prescription Drug Event Data,
Direct and Indirect Remuneration Data, and Monthly Plan-to-Plan
Reconciliation Payments

In a memo dated April 18, 2008, CMS instructed Part D sponsors to certify that the Prescription Drug Event (PDE) data, direct and indirect remuneration (DIR) data, and any other information provided for the purposes of determining allowable reinsurance and risk corridor costs are accurate, complete, and truthful, and to acknowledge that the information will be used for purposes of obtaining federal reimbursement.

As part of this effort, Part D sponsors are required to attest to the total Plan-to-Plan (P2P) payments made by the sponsor for contract year 2006. This memorandum provides further instructions and clarification on completing and submitting the 2006 Record of Plan-to-Plan Reconciliation Payments (Attachment I). In addition, a sample 2006 Record of Plan-to-Plan Reconciliation Payments certification has been included for Part D sponsors to reference when completing their certification forms (Attachment II).

Instructions for Completing the 2006 Record of Plan-to-Plan Reconciliation Payments spreadsheet

1. Under **Contract**, sponsors should identify the CMS Contract Number of the contract the sponsor is certifying.
2. The **Payments as of Date** is the date of the last P2P payments made or the date through which P2P payments have been made.
3. In the **Contract ID Paid**, sponsors should indicate the CMS Contract Number that your Contract paid.
4. In the **Annual Amount Owed** column, Contracts should report the total amount found on Report 41, the P2P Receivable Report, (for negative amounts only) and the total amount found on Report 43, the P2P Payable Report, owed to that

particular contract. Negative amounts on Report 41 are amounts owed to the other contract, and the amounts to be reported on the P2P Payments spreadsheet.

To determine the **Annual Amount Owed**, take the negative amounts from Report 41 and consider them positive since they are positive amounts that you paid to the other contract. Add these values to the P2P amounts from Report 43.

For example, if you have -\$50.00 on Report 41 and a total of \$500.00 on Report 43, you would report a total of \$550.00 in the Annual Amount Owed column.

5. In the **Amount Paid** column, Contracts should report the total **annual** amount that was actually **paid** to the other contract. If all P2P payments were made as instructed in the P2P guidance, the amount reported in the Annual Amount Owed column will be equal to the amounts reported in the Amount Paid column.

Using the example in step 4, if you paid \$550 to the other contract, then report \$550 in the amount paid column.

6. In the **Report 43 Month & Year** and **Report 41 Month & Year** columns, contracts should note the month(s) and year(s) of the P2P Reports (listed on one line) which were used to make P2P payments for that particular Contract ID for the benefit year. These columns should be populated with the 'as of year' and 'as of month' which are found on contract header of Reports 43 and 41 in fields 6 and 7.

If there were multiple months, list those months using one line per Contract ID paid. The months should reflect all of the months in which you **made** P2P payments to that particular Contract ID for the benefit year. If you neglected to make a payment from one of the P2P reports, omit this report from the column and list the report, the month and year of the report in the NOTES column. If there are consecutive months of P2P activity with the contract, you can list the P2P reports as such: November 2006 – February 2007.

7. The **Notes** column should be used to list the report, the month, and year if you neglected to make a payment from one of the P2P reports. The Notes column could also be used if Contracts would like to provide any additional information or explain any discrepancies between the Annual Amount Owed and the Amount Paid columns.

Part D sponsors are not expected to submit data for the P2P Combined Report, which CMS has not yet released. The P2P Combined Report will show the new 2006 P2P activity through March 2008. Part D sponsors have 30 days from the date on which CMS distributes this report to make payments. Sponsors may not have made all payments from this report by the May 15th deadline.

Part D sponsors must complete and submit the 2006 Record of Plan-to-Plan Reconciliation Payments electronically (in the Excel spreadsheet format in Attachment I) to StrategicHealthSolutions at PartDPaymentReview@Strategichs.com by **May 15, 2008**. This attestation should be completed for all contracts active in benefit year 2006. The Attestation of Plan-to-Plan Reconciliation Payment Data should be mailed by the submission deadline provided above to StrategicHealthSolutions at:

StrategicHealthSolutions, LLC
Attn: Part D Payment Review
10040 Regency Circle, Suite 150
Omaha, NE 68114

This memo only focuses on the 2006 Record of Plan-to-Plan Reconciliation Payments. The attestation of Data Relating to CMS Payment to a Medicare Part D Sponsor is due by **May 2, 2008**. Questions concerning this memo should be directed to Strategic at PartDPaymentReview@strategichs.com.