

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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## **CENTER FOR DRUG and HEALTH PLAN CHOICE**

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TO: All Part D Sponsors

FROM: Cynthia G. Tudor, Ph.D., Director, Medicare Drug Benefit and C & D Data Group

SUBJECT: Quality Assurance Checks for Data Submitted for Posting on the Medicare Prescription Drug Plan Finder Tool

DATE: August 21, 2008

This memo serves as a reminder to Part D Sponsors who are preparing to submit their initial 2009 Medicare Prescription Drug Plan Finder (MPDPF) pricing data files. CMS will continue to perform targeted prescription drug plan quality assurance (QA) and pricing analyses on these data. As previously noted in the April 11, 2008 memo, the submission of accurate data are critically important to ensure that Medicare beneficiaries obtain correct and complete information from Part D Sponsors in order to make the most informed choices.

To improve the accuracy of files, CMS is providing an updated detailed list of the QA checks that will be performed on 2009 pricing data submitted for posting on the MPDPF. Attachment-A and Attachment-B provide the appropriate QA check information. Attachment-A describes the checks that are performed on the required pricing files that are submitted. Attachment-B provides technical specifications for these checks where applicable. CMS will update the QA check list as applicable throughout the year.

It is also important to note that all known exceptions that have been granted for the 2008 pricing data submissions will be removed for the 2009 QA analyses. If a Part D Sponsor receives an outlier notification for their 2009 pricing data which was previously a known exception in 2008, that Sponsor must re-confirm that the data continue to be accurate. If Part D Sponsors do not confirm these data, Sponsors may potentially have their pricing data suppressed on the MPDPF.

We appreciate your assistance with submitting the most accurate data available for display on the Medicare Prescription Drug Plan Finder tool. If you have questions regarding this memo, emails should be directed to [PlanFinderQA@cms.hhs.gov](mailto:PlanFinderQA@cms.hhs.gov).

## Attachment - A

### 1. Pharmacy Cost File (PC)

- a. Change in PC Network Size – Determine if the retail pharmacy network size had a 10% or greater change compared to the last submission.
- b. High Dispensing Fees – Evaluate if the file contains dispensing fees greater than \$100.
- c. No In-Area Preferred Pharmacy – Check if a plan has zero in-area preferred pharmacies.
- d. No PC File Submitted – Determine if a PC file contains zero records.
- e. Invalid Pharmacy Number Format –
  - i. Evaluate pharmacy numbers to ensure they are formatted correctly. The pharmacy number should be 12 digits (10 digit National Provider Identifier (NPI) with a leading one and zero)
  - ii. Check to see if the PC contains NCPDP numbers
- f. Inconsistent Duplicate PC Record – Check for duplicate Pricing Files listed for one pharmacy in one plan.
- g. Missing PC Information – Verify that a plan has active pharmacies.
- h. Pharmacies Marked As Neither Retail Nor Mail Order – Evaluate if a pharmacy is identified as neither retail nor a mail order pharmacy.
- i. Vaccine Administration Fee Outlier –
  - i. Identify any vaccine administration fee field that is populated with a zero or is left blank.
  - ii. Evaluate each Contract\_ID/Plan\_ID/Segment\_ID/Pharmacy\_Number combination that is associated with a specific Price File id to ensure that each vaccine administration fee field associated with that Price File id has the same vaccine administration fee amount.

### 2. Pricing File (PF)

- a. High Unit Cost – Identify NDC unit costs that are priced at 25 times greater than highest AWP and 25 times greater than the median price for that NDC.
- b. Low Unit Cost – Identify NDC unit costs that are priced at 25 times less than lowest AWP and 25 times less than the median price for that NDC.
- c. Missing Mail Order Unit Cost – Determine which mail order Price Files contain NDC(s) missing mail order unit costs.
- d. Missing Retail Unit Cost – Determine which retail Price Files contain NDC(s) missing retail unit costs.
- e. Inaccurate Pricing Display - Identify potential inaccurate pricing that occurs due to changes in the AWP Package Size for a given NDC.
- f. Missing Pricing File – Determine if a Price File has not been submitted.
- g. No Active Pricing File – Identify contracts that have only submitted non-active pricing file IDs.
- h. PC and PF Price File Mismatch – Identify Price File Ids that are expected but have not been submitted. The expected Price File Ids are extrapolated from the PC file.

- i. PF Unit Cost Discrepancy – Specify if the unit cost field is missing in the PF.
  - j. Potential Brand Priced at Generic – Check products where the brand price is less than or equal to the generic price (The QA will flag contracts where this potential issue occurs with 10 or more NDCs).
  - k. Potential Low Unit Cost for NDC – Check unit cost for specific NDCs where pricing is outside specific thresholds.
  - l. Pricing file with duplicate NDC records (different unit costs) – Determine if the Price File (PF) contains duplicate NDC records with different unit costs.
  - m. Pricing file with duplicate NDC records (same/missing unit costs) – Evaluate if the Price File (PF) contains duplicate NDC records with the same unit costs or missing unit costs.
- 3. Pricing File (PF) and Formulary File (FF)
  - a. PF/FF Mismatch – Determine if the PF is missing pricing for reference NDCs found in the last approved Formulary File.
- 4. Pricing File (PF) and Excluded Drug File (EDF)
  - a. PF/EDF Mismatch – Determine if the PF is missing pricing for NDCs identified in the submitted EDF.
- 5. Reference Pricing (RP) File
  - a. NDC(s) Not in Formularies – Identify the RP file NDCs which are found in neither the basic nor the excluded formularies.
  - b. No RP File Submitted – Determine which contracts have indicated reference pricing in their PBP, but have not submitted a RP file.
  - c. No Unit Cost Provided – Identify situations where the RP file contains a NDC that does not have a corresponding unit cost in the PF.
  - d. Target or Reference NDC Not in CMS Reference List – Determine if the RP file contains NDCs that are not found on the CMS Reference NDC list.
  - e. Target Price Less Than Reference – Identify target prices that are less than its reference price.
  - f. Target Has Multiple References – Identify target NDCs that have multiple reference NDCs.
  - g. Looping Reference – Evaluate the RP file for NDCs that appear as target and as reference NDCs.
  - h. Incorrect Reference Amount – Identify NDCs with a coinsurance reference type which contains a reference amount greater than 100%.
  - i. Target and Reference Products the Same – Check if the target product is the same as its reference NDC.
  - j. Base Copay Tier incorrect – Evaluate the RP for instances where the Base Copay Tier is not the same tier as the Target NDC or the Reference NDC.
  - k. Specialty Drugs in the Reference Price file – Identify drugs found on the specialty tier of the formulary which are also included in the Reference Price.

## Attachment B

### EXCEPTION LIST FOR PART D PLAN COMPARE WEBSITE DATA SUBMISSION

1. PHARMACY COST (PC) FILE
  - a. High Dispensing Fees  
RAND\_DISPENSING\_FEE>100 or GENERIC\_DISPENSING\_FEE>100
2. PRICING FILE (PF)
  - a. High Unit Cost
    - RETAIL=1 and UNIT\_COST>25\*AWP\_MAX and (UNIT\_COST / UNIT\_COST\_MEDIAN > 25)
    - MAIL=1 and unit\_cost\_90>25\*AWP\_MAX and (UNIT\_COST\_90 / UNIT\_COST\_MEDIAN\_90 > 25)
  - b. Low Unit Cost
    - RETAIL=1 and UNIT\_COST<1/25\*AWP\_MIN and (UNIT\_COST / UNIT\_COST\_MEDIAN < 1/25)
    - MAIL=1 and UNIT\_COST\_90<1/25\*AWP\_MIN (UNIT\_COST\_90 / UNIT\_COST\_MEDIAN\_90 < 1/25)
  - c. Potential Low Unit Cost for NDC
    - NDC\_11 = "00006001982" and ((0 < UNIT\_COST <= 0.7) or (0 < UNIT\_COST\_90 <= 0.7))
    - NDC\_11 = "00006020754" and ((0 < UNIT\_COST <= 0.6) or (0 < UNIT\_COST\_90 <= 0.6))
    - NDC\_11 = "00006010654" and ((0 < UNIT\_COST <= 0.6) or (0 < UNIT\_COST\_90 <= 0.6))
3. Reference Pricing (RP) File
  - a. Target Price Less Than Reference
    - REF\_TYPE='2' and P90 <= P90\_REF
  - b. Incorrect Reference Amount
    - REF\_AMT=0
    - REF\_TYPE='2' and REF\_AMT>1
    - REF\_TYPE='1' and REF\_AMT<=1