DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

CENTER FOR MEDICARE

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 2011 Data Submitted for Posting on the Medicare
              Plan Finder Tool

DATE: June 30, 2010

This memo provides a listing of targeted prescription drug plan quality assurance (QA) checks
that will be performed on the CY 2011 required pricing and pharmacy network files for posting
on the Medicare Plan Finder tool. Part D sponsors are expected to perform QA checks to ensure
that these files are complete and accurate as Medicare beneficiaries depend on the display of
accurate data to be posted on the Medicare Plan Finder tool.

Below are two attachments that outline these data checks. Attachment-A describes the checks
that are performed on the required pricing and pharmacy files that are submitted. Attachment-B
provides technical specifications for these checks where applicable. QA checks are monitored
throughout the year and will be updated as necessary.

All known exceptions that have been granted for the 2010 pricing and pharmacy data will be
removed for the 2011 QA analyses. If a Part D sponsor receives an outlier notification for their
2011 pricing and pharmacy data which was previously a known exception in 2010, that sponsor
must re-confirm that the data continue to be accurate. If Part D sponsors do not confirm these
data, sponsors may have their pricing data suppressed on the Medicare Plan Finder tool.

If you have questions regarding this memo, emails should be directed to
PlanFinderQA@cms.hhs.gov.

Attachment A
1. Pharmacy Cost (PC) File
    a. Change in PC Network Size – Determine if the retail pharmacy network size had a 10% or greater change compared to the last submission. This check is conducted for all pharmacies and for in-area pharmacies.
    b. High Dispensing Fees – Evaluate if the file contains dispensing fees greater than $100.
    c. No PC File Submitted – Determine if a PC File contains zero records.
    d. 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 File contains National Council for Prescription Drug Programs (NCPDP) numbers.
    e. Inconsistent Duplicate PC Record – Check for duplicate Pricing Files listed for one pharmacy in one plan. This check will also report duplicate PC File records that have any different PC File information (e.g. dispensing fee, preferred status, or mail/retail status) for a given plan and pharmacy.
    f. Missing PC File Information – Verify that a plan has active pharmacies.
    g. No Mail Order Pharmacies in the PC File,
    h. No Preferred Pharmacies (Retail) – Check if organization's uploaded Plan Benefit Package (PBP) indicates that there are preferred retail pharmacies when none are marked preferred in pharmacy cost file.
    i. Exclusion of Non-Preferred (Other) Network Pharmacies (Retail) - Check if a plan's network has preferred retail network pharmacies, then there must also be non-preferred (other) retail network pharmacies.
    j. Inclusion of Preferred Pharmacies (Retail) – Check if organization's uploaded PBP indicates that there are only other network retail pharmacies but pharmacy cost file indicates preferred retail pharmacies.
    k. Pharmacies Marked As Neither Retail Nor Mail Order – Evaluate if a pharmacy is identified as neither retail nor a mail order pharmacy.
    l. 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.
    m. Mail Order pricing not indicated in PBP – Checks if a plan indicates mail order pharmacies when uploaded PBP does not indicate so.

2. Pricing File (PF)
    a. High Unit Cost – Identify National Drug Codes' (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 Pricing File – Determine if a PF has not been submitted.
    d. No Active Pricing File – Identify contracts that have only submitted non-active pricing file IDs.

e. PC File and PF Mismatch – Identify PF IDs that are expected but have not been submitted. The expected PF IDs are extrapolated from the PC File.
f. PF Unit Cost Discrepancy – Specify if the unit cost field is missing in the PF.
g. 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 20 or more NDCs).
h. Pricing file with duplicate NDC records (different unit costs) – Determine if the PF contains duplicate NDC records with different 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 FF.

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.

Attachment B
EXCEPTION LIST FOR PART D PLAN COMPARE WEBSITE DATA SUBMISSION
1. PHARMACY COST (PC) FILE
   a. High Dispensing Fees
      BRAND_DISPENSING_FEE>100 or GENERIC_DISPENSING_FEE>100
   b. Change in PC Network Size

$$\left| \frac{P_2 - P_1}{P_1} \right| > 0.10$$

   where
   P_2 is the total number of in-area pharmacies in the current submission
   P_1 is the total number of in-area pharmacies in the prior submission
   c. Change in PC Network Size

$$\left| \frac{P_2 - P_1}{P_1} \right| > 0.10$$

   where
   P_2 is the total number of pharmacies in the current submission
   P_1 is the total number of pharmacies in the prior submission

   d. Pharmacies Marked as Neither Retail Nor Mail Order
      PHARMACY_RETAIL = 0 AND PHARMACY_MAIL = 0
   e. Vaccine Administration Fee Outlier
      VACCINE_ADMINISTRATION_FEE = 0

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)