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

CENTER FOR BENEFICIARY CHOICES

MEMORANDUM

DATE:	**July 17, 2006**
Memorandum to:	**All Part D Plan Sponsors**
From:	**Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group**
Subject:	**Pricing File Suppressions from the Medicare Prescription Drug Plan Finder**

In order to ensure accurate data are available to Medicare beneficiaries, CMS has provided multiple notifications to Part D Plans regarding the importance of continued monitoring of pricing and formulary data files submitted to DestinationRx for the Medicare Prescription Drug Plan Finder (MPDPF). While there has been an overall improvement by Part D Plans in performing quality checks, CMS has continued to identify Plans with inconsistencies in formulary data, and Plans failing to submit or auto-certify pricing files per the bi-weekly regular submission window schedule. As of Wednesday, July 19, 2006, an organization identified to have formulary inconsistencies relating to drugs in the classes of clinical concern, UM tools on HIV drugs, or other data issues will have their pricing data suppressed from the MPDPF during the next regular scheduled posting. Suppression of pricing data will continue until the identified issues have been resolved during the next regular submission window. There will not be an opportunity to resolve these types of data issues during off-cycle submission weeks. This has been our practice and per this memo we are formalizing this process in writing.

The continued failure to correct these data issues may have implications beyond suppression of an organization's pricing data from the MPDPF. An organization is contractually required by CMS to comply with the requirements of 42 CFR §§423.48 and 423.505(f)(2) by providing CMS with the information necessary for CMS to operate the MPDPF. Based on failure to provide accurate formulary information to the MPDPF, CMS may determine that an organization failed to substantially carry out the terms of the contract with CMS. This conduct may form the basis for CMS to impose intermediate sanctions by suspending an organization's Medicare plan marketing and enrollment activities pursuant to 42 CFR Part 423, Subpart O. CMS would also have the authority to impose intermediate sanctions or civil monetary penalties (CMPs) in an amount of up to $25,000 per violation and up to $10,000 for each week that an organization remains out of compliance with the formulary requirement.

Inconsistencies in formulary data
Plans should refer to the memo released on April 12, 2006 outlining CMS' concerns around formulary file synchronicity. CMS has conducted extensive follow-up with Plans who excluded

drugs from the six classes of clinical concern, or the indication of utilization management (UM) tools for HIV medications. CMS is extremely concerned that an organization's failure to accurately represent their formulary may result in discriminatory marketing and enrollment practices, and therefore suppression of pricing data are necessary whenever these data issues are identified.

Bi-weekly file submission

Various data layout documents have established the bi-weekly requirement for Plans to either submit pricing files or certify the previous submission may be used, as no changes occurred. CMS provides Plans which fail to satisfy this requirement an opportunity to allow CMS to auto-certify on the Plans' behalf that no changes have occurred. Plans unable to allow CMS auto-certification of their pricing files will have their pricing files suppressed.

If an organization experiences difficulties in submitting MPDPF Files to DestinationRx, these procedures should be followed:

1. Check the Admin Console to see if files were received and if there are any errors. If there are errors, the files should be corrected and resubmitted.
2. Confirm the attempt to submit zipped file(s), and not simply zipped folders. The file(s) should be zipped directly. Resubmit if needed.
3. Wait at least 15 minutes as it can take some time to process the files. Check the Admin Console to see if the files were received and validated.
4. Resubmit the files unzipped, and then wait for a response. Check the admin console again to see if the files were received and validated.
5. If submission is still unsuccessful, zip and email the file to plancompare@destinationrx.com, with a message explaining the problems encountered while submitting the data files, including the type of error message received. The DestinationRx help desk will provide additional assistance in file submission. Messages or data files sent to plancompare@destinationrx.com. should also copy thomas.dudley@cms.hhs.gov and kathy.oh@cms.hhs.gov.
6. All of these steps must be accomplished during the submission window, 12:01 am – 11:59 pm Pacific Time. Plans always have the ability to check the status of their files by logging into the Admin Console. If the Admin Console does not display a message indicating the receipt and validation of files, the files were not received. The Admin Console will also indicate if an error was found with the format of data files.

We appreciate your continued cooperation in implementing the Medicare drug benefit. Questions regarding this guidance should be directed via email to vikki.oates@cms.hhs.gov and aaron.eaton@cms.hhs.gov.