

Reconciliation

Retiree Drug Subsidy (RDS) Program

Program Website Materials

- <http://www.rds.cms.hhs.gov/>
- For Reconciliation:
 - How To documents for Steps 1 - 12
 - How To Submit Final Cost Data
 - Reference Materials / Reconciliation Job Aid
- If you are new to the payment process:
 - How Tos under the “Submit Costs and Request Payment” heading

What is Reconciliation?

- The process by which a Plan Sponsor submits the total gross covered retiree plan-related Rx drug cost and actual cost adjustments (e.g. discounts, chargebacks, rebates, and similar price concessions) to CMS for the application's final payment.
- All RDS Plan Sponsors are required to complete reconciliation if they have received at least one interim payment, and they must perform reconciliation for the application for which the payment was received.
- Plan Sponsors that elected an annual RDS payment frequency, or did not receive any interim payments and wish to receive a single subsidy payment, must follow the steps indicated in the Reconciliation Checklist to prepare and submit the payment request for the application.

Things to consider before you start Reconciliation

- Request, download, and compare the Covered Retiree List to your internal records to ensure that all of the qualifying covered retiree data is complete and accurate.
- Have all the desired interim payment requests been completed for this application?
- Is your Final Cost Data ready?
- The Authorized Representative must be verified and approved by CMS before they are authorized to act within the Secure Web Site.
- Making changes to key user-roles.

Who should be involved in Reconciliation?

- Who should be sending or entering Final Cost Reports?
- Who should review the Final Cost Reports and confirm the information submitted is correct?
- Who should finalize the reconciliation payment request for the Authorized Representative to review?
- Who should review the existing Electronic Funds Transfer information to determine if it is correct for reconciliation?
- Who should validate the Covered Retiree List?

Reconciliation Checklist User-Roles

Reconciliation Checklist			
Step	Authorized Representative	Account Manager	Designee with Payment Request Privilege
Step 1	✓	✓	View only
Step 2	✓	✓	View only
Step 3	✓	✓	✓ Note: Both Payment Request and Retiree Data privileges required to access download
Step 4	✓	✓	View only Note: Both Payment Request and Retiree Data privileges required to access download
Step 5	View only	✓	✓
Step 6	View only	✓	✓
Step 7	View only	✓	✓
Step 8	View only	✓	✓
Step 9	View only	✓	✓
Step 10	✓	✓	✓ - Designee with both Payment Request and EFT privileges may complete step
Step 11	✓	View only	View only for Designee with both Payment Request and EFT privileges
Step 12	✓	View only	View only

Reconciliation Checklist User Roles Table:

- **Step 1:**
Authorized Representative may complete this step.
Account Manager may complete this step.
Designee with Payment Request privilege has view only access.
- **Step 2:**
Authorized Representative may complete this step.
Account Manager may complete this step.
Designee with Payment Request privilege has view only access.
- **Step 3:**
Authorized Representative may complete this step.
Account Manager may complete this step.
Designee with Payment Request privilege may complete this step. Note: both Payment Request and Retiree Data privileges are required to access download.
- **Step 4:**
Authorized Representative may complete this step.
Account Manager may complete this step.
Designee with Payment Request privilege has view only access. Note: both Payment Request and Retiree Data privileges are required to access download.
- **Step 5:**
Authorized Representative has view only access.
Account Manager may complete this step.
Designee with Payment Request privilege may complete this step.
- **Step 6:**
Authorized Representative has view only access.
Account Manager may complete this step.
Designee with Payment Request privilege may complete this step.

(CONTINUED ON NEXT PAGE)

Reconciliation Checklist User Roles Table (continued):

- **Step 7:**
Authorized Representative has view only access.
Account Manager may complete this step.
Designee with Payment Request privilege may complete this step.
- **Step 8:**
Authorized Representative has view only access.
Account Manager may complete this step.
Designee with Payment Request privilege may complete this step.
- **Step 9:**
Authorized Representative has view only access.
Account Manager may complete this step.
Designee with Payment Request privilege may complete this step.
- **Step 10:**
Authorized Representative may complete this step.
Account Manager may complete this step.
Designee with Payment Request privilege may complete this step.
- **Step 11:**
Authorized Representative may complete this step.
Account Manager has view only access.
View only access for Designee with both Payment Request and EFT (Electronic Funds Transfer) privilege.
- **Step 12:**
Authorized Representative may complete this step.
Account Manager has view only access.
Designee with Payment Request privilege has view only access.

RDS Secure Web Site

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Name - Lisa Hess Account Manager
 Today is January 31, 2007

Print this page

YOU ARE HERE
 Plan Sponsor ID: 34246
 Company Name: ABC Company
 Application ID: 4782
 Plan Start: January 1, 2006
 Plan End: December 31, 2006

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Reconciliation Checklist

Warning

- Once reconciliation is initiated it **cannot** be cancelled. Please make absolutely sure you want to initiate reconciliation before continuing.

Reconciliation Deadline: June 30, 2008
Application Status: Reconciliation Initiated
Application Status Date: January 5, 2007
Date of Last Payment Request: N/A
Status of Last Payment Request: N/A
Last Payment Request Amount: N/A

Note: The reconciliation process must be completed before your reconciliation deadline. If the deadline is missed, RDS amounts paid to the Plan Sponsor for this application will be considered an overpayment, and the Federal government will begin proceedings to recover paid funds.

All reconciliation steps must be completed in numerical order.

For more specific information about who has access to complete each step and how to determine the status of each step, please go to [Help About This Page](#).

Please use the [Reconciliation Job Aid](#) to plan and manage the reconciliation process.

Reconciliation Steps	Status	Last Updated Date	Last Updated By
1. Initiate Reconciliation	Complete	January 5, 2007	Lisa Hess
2. Review Payment Setup	Incomplete		
3. Request List of Covered Retirees	Incomplete		
4. Finalize Covered Retirees	Incomplete		
5. Start Preparation Of Reconciliation Payment Request	Incomplete		
6. Manage Submission Of Final Cost Reports	Incomplete		
7. Review Final Costs	Incomplete		
8. Enter Revisions to Final Costs	Incomplete		
9. Finalize Reconciliation Payment Request	Incomplete		
10. Review Electronic Funds Transfer (EFT) Information	Incomplete		
11. Approve Electronic Funds Transfer (EFT) Information	Incomplete		
12. Review And Submit Reconciliation Payment Request	Incomplete		

[Return to Application List](#)

SECURE AREA

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Reconciliation Checklist

- A green check indicates that a step is complete
- A blue arrow indicates which step is next
- The statuses of Steps: “Complete” & “Incomplete”
- The statuses of the application:
 - Reconciliation Initiated
 - Reconciliation Cost Reporting Opened
 - Reconciliation Cost Reporting Closed
 - Reconciliation Request Completed

Screen Shot of the Reconciliation Checklist Page:

The page consists of the following elements:

- Warning: Once reconciliation is initiated it **cannot** be canceled. Please make absolutely sure that you want to initiate reconciliation before continuing.
- Application Details, including Reconciliation Deadline, Application Status, Application Status Date, Date of Last Payment Request, Status of Last Payment Request, and Last Payment Request Amount.
- Note: The reconciliation process must be completed before your reconciliation deadline. If the deadline is missed, RDS amounts paid to the Plan Sponsor for this application will be considered an overpayment, and the federal government will begin proceedings to recover paid funds.

All reconciliation steps must be completed in numerical order.

For more complete information about who has access to complete each step and how to determine the status of each step, please go to [Help About This Page](#).

Please use the Reconciliation Job Aid to plan and manage the reconciliation process.

- Table – Reconciliation Steps
Row Headers – Reconciliation Step, Status, Last Updated Date, and Last Updated By
 - Step 1 – Initiate Reconciliation
 - Step 2 – Review Payment Setup
 - Step 3 – Request List of Covered Retirees
 - Step 4 – Finalize Covered Retirees
 - Step 5 – Start Preparation of Reconciliation Payment Request
 - Step 6 – Manage Submission of Final Costs Report
 - Step 7 – Review Final Costs
 - Step 8 – Enter Revisions to Final Costs
 - Step 9 – Finalize Reconciliation Payment Request
 - Step 10 – Review Electronic Funds Transfer (EFT) Information
 - Step 11 – Approve Electronic Funds Transfer (EFT) Information
 - Step 12 – Review and Submit Reconciliation Payment Request

Step 1: Initiate Reconciliation

- Purpose is for the Plan Sponsor to indicate to CMS' RDS Center that they are ready to submit their application for payment settlement.

How does completing Step 1 impact cost reporting?

- CMS' RDS Center will no longer accept interim cost reports or interim payment requests.
- The audit trail is now available from the Final Costs Action in the dropdown box on the Application List page.
- Data Entry Cost Reporters will no longer be able to access cost reporting functions until Step 5 is completed.
- Mainframe cost reports for this application that are submitted after Step 1 is completed will be rejected until Step 5 is completed.

Step 2: Review Payment Setup

- Purpose is for the Plan Sponsor to review and confirm that the existing user roles and privileges are assigned as needed to complete the following reconciliation tasks:
 - Review Retiree Data
 - Report Costs
 - Prepare Reconciliation Payment Request
- Use Payment Setup Menu link to change existing privileges.
 - The Plan Sponsor will be able to make limited modifications to the Cost Reporters currently identified in Payment Setup.

Step 3: Request List of Covered Retirees

- Purpose is for the Plan Sponsor to request a covered retiree list as part of reconciliation.
- The Plan Sponsor is **REQUIRED** to review this list, and may only submit cost data for the beneficiaries, benefit options, and subsidy periods included in the covered retiree list.
- Special considerations when multiple sources have submitted retiree data for the same application.
- What is included in the Covered Retiree List?
 - All beneficiaries having at least one benefit option where at least one subsidy period exists.
 - Record(s) for each qualifying covered retiree for each benefit option for each subsidy period that has been approved by CMS' RDS Center.
 - Any retiree records that were submitted to and rejected by CMS' RDS Center will not be reflected in this list.

What if I do not agree with the covered retiree list?

- Begin by ensuring that you have processed all of the retiree response and weekly notification files for this application.
- Verify the correct data is being submitted in the correct format.
- Verify the retiree information is correct.
 - The beneficiary may contact 1-800-Medicare to discuss any identifying information or coverage issues.
- Submit retiree file(s) for the beneficiaries that remain in question.
- Contact the RDS Helpline.

Step 4: Finalize Covered Retirees

- Purpose is for the Plan Sponsor to agree to the beneficiaries, benefit options, and subsidy periods listed in the covered retiree list provided by CMS' RDS Center.
- The Plan Sponsor will be able to view annual and monthly unique retiree counts that match to the subsidy periods provided in the covered retiree list.
- After completion, Step 4 cannot be reversed.

Step 5: Start Preparation of Reconciliation Payment Request

- Purpose is for the Plan Sponsor to indicate that they are ready for CMS' RDS Center to begin accepting final cost reports for the application.
- After Step 5 is completed: Mainframe final cost reports will be accepted (in the same format as mainframe interim cost reports).
- After Step 5 is completed: Data Entry final cost reports can be entered.

Accurate Cost Reports

- Include only allowable cost data incurred during a subsidy period for the qualified covered retirees.
- Account for coordination of individual retiree cost data.
- Extract cost data for drugs that are not eligible for Medicare Part D.
- Include **actual** cost adjustments (e.g., discounts, chargebacks, rebates, and similar price concessions) for the application.

Step 6: Manage Submission of Final Cost Reports

- Purpose is to allow the Plan Sponsor to monitor and control submission of final cost reports from all reporting sources for the entire application.
- The Plan Sponsor can specify that final cost reporting is complete for this application, disallowing any further final cost reports.
- The Plan Sponsor may return to this step at a later time to allow additional cost reporting if necessary.
- The completion of this step should be carefully coordinated if there are multiple cost reporters associated with the application.

Step 7: Review Final Costs

- Purpose is for the Plan Sponsor to review and confirm all final cost reports for the application.
- The Plan Sponsor may accept or reject all or individual cost reports at the benefit option level.
- The Plan Sponsor should compare internal supporting drug data details and summarized data, with all final cost data being reported.
- If the data does not match:
 - Reject Incorrect Cost Reports
 - Allow cost reporting to obtain corrected cost reports
- Do not complete Step 7 until all discrepancies are resolved.

Step 8: Enter Revisions to Final Costs

- Purpose is for the Plan Sponsor to enter any necessary revisions that could not be accommodated as part of the reported final cost data.
- The ability to enter revisions to final cost data via Step 8 is currently unavailable.

What if I have revisions?

- If there is coordination of individual retiree cost data, or direct rebates or other price concessions that are not reflected in the final cost reports, Plan Sponsors may resubmit cost reports to reflect the changed values. To do this:
 - Enable Cost Reporters to resubmit cost reports by selecting Allow Reporting using Step 6.
 - Next, if necessary, update Payment Setup using Step 2 to add Report Costs privileges to the Account Manager or Designee.
 - Finally, use the Final Cost action on the Application List page to add the adjusted cost report that reflects the net effect of the changes required.

Step 9: Finalize the Reconciliation Payment Request

- Purpose is for the Plan Sponsor to review the final payment request in preparation for review by the Authorized Representative.

Step 10: Review EFT Information

- Purpose of this step is for the Plan Sponsor to provide a final confirmation of the Electronic Funds Transfer (EFT) information associated with this application before the final reconciliation payment can be requested.

Step 11: Approve Changed EFT Information

- Purpose is for the Authorized Representative to confirm any changes made to the EFT Information in Step 10 including where the EFT payment will be sent.

Step 12: Review and Submit Reconciliation Payment Request

- Purpose is to allow the Authorized Representative to review and submit or reject the final reconciliation payment request as appropriate.
- **After CMS' RDS Center has processed the reconciliation payment request, one of the following will occur:**
 - If the reconciliation payment request is greater than zero, CMS' RDS Center will process the reconciliation payment request and send any monies owed via Automated Clearing House (ACH) transaction. An e-mail indicating that the payment request has been finalized will be sent to the Plan Sponsor.
 - If the reconciliation payment request results in an overpayment, meaning monies are owed to CMS' RDS Center, CMS will initiate recovery of the funds.
 - If the reconciliation payment request results in a zero payment request, meaning that the dollars paid based on interim cost reports match those due based on final cost reports, an e-mail indicating that the payment request has been finalized will be sent to the Plan Sponsor.