

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



**CENTER FOR MEDICARE**

---

**DATE:** June 7, 2019

**TO:** All Part D Sponsors and Pharmaceutical Manufacturers

**FROM:** Jennifer R. Shapiro, Acting Director, Medicare Plan Payment Group

**SUBJECT:** Release of the Coverage Gap Discount Program 2014 Benefit Year Closeout Invoice Reports

The Centers for Medicare and Medicaid Services (CMS) is announcing the upcoming release of the Coverage Gap Discount Program (CGDP) 2014 Benefit Year Closeout Invoice Reports for manufacturers and Part D sponsors. The closeout reports contain the status of the manufacturer's upheld disputes for the closed benefit years. The reports also indicate whether the issue that caused the invoiced Prescription Drug Event (PDE) to be disputed was resolved and if the correction resulted in financial or non-financial changes to the invoiced PDE data.

This reporting process also allows the Part D sponsor to remit payment for any gap discounts invoiced in Quarter 17 (Q17) that were successfully disputed and for any successful disputes from previous quarters of the benefit year in which the Part D sponsor has only recently corrected the PDE record(s). Manufacturers should note that successful disputes can result in a full adjustment, partial adjustment, or no adjustment to the gap discount amount.

The benefit year closeout reports are released on an annual basis. The CGDP Third Party Administrator (TPA) will release a notification to the manufacturers and Part D sponsors when the reports are distributed. The 2014 Benefit Year Closeout Invoice Reports will be released on July 16, 2019 and will include data for benefit years 2014, 2013, and 2012.

**Payment Process for the Benefit Year Closeout Report for Part D Sponsors and Drug Manufacturers**

Part D sponsors are required to pay the drug manufacturers within 38 days of the distribution of the Benefit Year Closeout Invoice Report. CMS requires Part D sponsors to submit payment via the TPA Direct Payment Process (DPP) Portal for any amounts owed. The benefit year closeout payments should be submitted in the same way that the quarterly invoice payments are currently processed. The TPA will review the status of each of the payments and report the result to CMS after the payment deadline. Part D sponsors that fail to pay the drug manufacturer in a timely manner may be subjected to compliance action.

The file layouts for the reports can be found on the TPA website ([www.tpadministrator.com](http://www.tpadministrator.com)) under the “References” section. For additional information regarding this reporting process, please see the HPMS memo released on May 2, 2016 titled “Coverage Gap Discount Program Benefit Year Closeout Invoice Reports.” Please direct any questions regarding this guidance to the TPA at [tpaoperations@tpadministrator.com](mailto:tpaoperations@tpadministrator.com) or 1-877-534-2772, Option 1.

Thank you. All Part D Sponsors and Pharmaceutical Manufacturers