



CENTER FOR MEDICARE

DATE: June 7, 2019

TO: All Part D Plan Sponsors

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

SUBJECT: Updates to the Part D Potential Exclusion Warning Reports and the Part D Exclusion from Reconciliation Report

The Centers for Medicare & Medicaid Services (CMS) is announcing changes to the Part D Potential Exclusion Warning Reports and the Part D Exclusion from Reconciliation Report. The plans will see these updates on all future reports.

As part of the annual Part D payment reconciliation and the Part D reopening process, CMS generates and distributes Part D Potential Exclusion Warning Reports and a Part D Exclusion from Reconciliation Report.¹ These reports identify PDE issues that the Part D sponsors should already be identifying through their ongoing analysis. It is possible that plans with accepted PDE records during the benefit year may not have PDE records on the Part D Potential Exclusion Warning Reports or the Part D Exclusion from Reconciliation Report. In these cases, the reports were not created which caused confusion for some plans as they still expected to receive them. To remedy this issue, all plans will now receive reports and the reports will now clearly reflect this scenario. When plans do not have PDE records that were identified for exclusion, the reports for these plans will now contain a single detail record indicating the following:

- RECORD TYPE CODE field will be equal to 'PEXDT' on both reports.
- EXCLUDE REASON field will be equal to 'NO EXCLUSIONS' on both reports.
- NPP AMOUNT, GAP DISCOUNT AMOUNT, and remaining character fields will contain spaces on the Part D Exclusion from Reconciliation Report.
- NPP AMOUNT and GAP DISCOUNT AMOUNT will be equal to zero on the Part D Potential Exclusion Warning Report. Remaining character fields will contain spaces.
- Remaining numeric fields will be equal to zero on both reports.

¹ For more information on the Warning Report and the subsequent Part D Exclusion from Reconciliation Report (“Exclusion Report”), see the HPMS memoranda, *Reconciliation PDE Exclusion Process*, January 6, 2014, *Updates to the Reconciliation Prescription Drug Event (PDE) Exclusion Process*, April 16, 2014, and *Updates to the Part D Potential Exclusion Warning Report as of the First Quarter of 2018*, January 12, 2018.

Updated file layouts for these reports are available on the Customer Service and Support Center (CSSC) website, <http://www.csscooperations.com>. Please submit questions regarding these updates to PDEJan2011@cms.hhs.gov.

Thank you.