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

<u>**CENTER FOR MEDICARE**</u>

DATE: October 2, 2020

TO: All Part D Sponsors and Pharmaceutical Manufacturers

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

SUBJECT: **Medicare Part D Coverage Gap Discount Program – Updated Payment Information for High Dollar Invoice Line Items**

The Centers for Medicare and Medicaid Services (CMS) utilizes the Coverage Gap Discount Program (CGDP) Portal, a secure web-based application managed by the Third Party Administrator (TPA), to allow authorized users to view invoices, make payments, and validate the status of payments. Specifically, manufacturers and sponsors pay quarterly invoices directly to accounts established by manufacturers and sponsors via electronic funds transfer (EFT) using the CGDP Portal managed by the TPA.

CMS has recently identified a limitation with the system when a payment exceeds the threshold of $99,999,999.99. Amounts greater than that exceed the National Automated Clearing House Association (Nacha) size limit for automated clearinghouse (ACH) payments in the CGDP Portal. Any single invoice line item that is equal to or exceeds $100M will be referred to as a high dollar invoice line item.

To address this limitation, CMS has implemented a new feature in the CGDP Portal to allow payments for high dollar invoice line items to be completed. When a high dollar invoice line item is present in an invoice reporting period, the original invoice line item will be equally split into two invoice line items and will be formatted in **bold** to stand out from the other line items. As a result, Manufacturers may receive what appear to be duplicate invoice line items payable to the same sponsor in a specific quarter, and sponsors may receive what appear to be duplicate invoice line item payments from a manufacturer in a specific quarter. These are not duplicate invoice line items.

- If the $100M+ high dollar invoice line item is an even dollar amount, the split line items will be the same, i.e. appear to be duplicates.

- If the $100M+ high dollar invoice line item is an odd dollar amount, there will be a $0.01 difference in between the split line items.

For Manufacturers

These invoice split line items are loaded to the Portal and displayed on the Manufacturers Portal **Payments Tab** as **bolded** invoice line items to allow an authorized user to process payment

initiations to the sponsor. Both the **Payments Tab** and the **Completed Tab** will display the split invoice line items, as both deal with invoice line items that are due to be paid by the manufacturer. Each of the split line items will need a payment to be initiated. Initiating payment for one of the split line items will not automatically schedule a payment for the second split line item. The reports available on the **Reports Tab** will contain the original invoice showing the single high dollar invoice line item amount, not the split dollar amounts.

In addition, when a manufacturer will be receiving a high dollar invoice line item(s) split into two invoice line items in a reporting period, the TPA will also individually notify the manufacturer's TPA Payment Initiator role (HPMS's Coverage Gap Discount Program (CGDP) Payment Contact) and TPA Primary Contact role (HPMS's TPA Liaison) via email.

Manufacturers can locate additional information in the CGDP Manufacturer Portal Payments Users Guide found on the TPA website under the "references" section.

For Sponsors

These invoice split line items are loaded to the Portal for the same P Number and will appear on the Sponsor Portal under the **Receipts Tab** as **bolded** invoice line items. The reports available on the **Reports Tab** will contain the original invoice showing the single high dollar invoice line item amount, not the split dollar amounts.

In addition, when a sponsor will be receiving a high dollar invoice line item split into two invoice line items in a reporting period, the TPA will individually notify the sponsor's TPA Payment Initiator role (HPMS's Coverage Gap Discount Program (CGDP) Payment Contact) and TPA Primary Contact role (HPMS's TPA Liaison) via email.

Sponsors can locate additional information in the CGDP Sponsor Portal Payments Users Guide found on the TPA website under the "references" section.

Thank you.