

DEPARTMENT OF HEALTH & HUMAN
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MEDICARE PLAN PAYMENT GROUP

DATE: July 1, 2026
TO: Part D Sponsors
FROM: Shruti Rajan, Acting Group Director, Medicare Plan Payment Group
SUBJECT: **Contract Dispute Tracking Reports - Update**

This memorandum updates the September 17, 2015, HPMS memorandum, *Contract Dispute Tracking Reports*, to account for the Manufacturer Discount Program.

The Coverage Gap Discount Program (CGDP) and Manufacturer Discount Program (MDP) Upheld Dispute Tracking Reports, released via Acumen’s Prescription Drug Event (PDE) Analysis Website, contain details of invoiced CGDP and MDP PDE records, which were disputed by the drug manufacturer, upheld by CMS, and require follow-up corrective action by the Part D sponsor. The reports are posted quarterly approximately three to four weeks after the manufacturers’ dispute submission deadline (Benefit years 2022 – 2024 for CGDP and benefit year 2025 and onwards for MDP)¹. The remainder of this memorandum provides background on the manufacturer dispute process and information regarding the contract dispute tracking reports.

Background

As part of the CGDP and the MDP, manufacturers have the right to dispute invoiced discount payments within sixty (60) days of receipt of invoice. CMS then has sixty (60) days from the dispute submission deadline to make a determination of whether to uphold a dispute in favor of the manufacturer or to deny the dispute. To assist with this determination, disputed PDE records may be posted to Acumen’s PDE Analysis Website to obtain additional information from the sponsor prior to a dispute determination. Sponsors are required to research these PDE records and have 10 calendar days to submit responses indicating the validity of the disputed PDE records. Any response, or lack thereof, from the sponsor is considered in CMS’s determination of the manufacturer’s dispute.

¹ Note that although CGDP has sunset and manufacturers will not incur any liability for discounts under CGDP for dates of service after December 31, 2024, CGDP invoicing will continue through January 31, 2028 to allow for PDE submission run-out, with the distribution of the final CGDP invoice by April 30, 2028. The current CGDP outlier and dispute processes will run concurrently with the MDP outlier and dispute processes until the completion of the activities associated with the final CGDP invoice.

For disputes that are ultimately upheld by CMS, sponsors are expected to take corrective action, such as deleting the PDE or adjusting the relevant financial and/or non-financial field(s) that resulted in the error. Consistent with 42 CFR § 423.325(a)(2), adjustment or deletion PDE records to correct PDE records associated with upheld disputes must be submitted within ninety (90) calendar days of the Part D sponsor receiving notification of the upheld dispute.

Contract Dispute Tracking Reports

Sponsors are notified of their disputed PDE records via three contract dispute tracking reports.

Manufacturer Invoice Disputes Reports to Sponsors (posted to the Acumen PDE Analysis Website)²

As previously mentioned, disputed PDE records that require input from the Part D sponsor are posted to Acumen's PDE Analysis Website during the dispute resolution period for sponsor review. Final determinations for all posted disputes are made available on the PDE Analysis Website Ticket Tracking page under a similar timeframe as the release of the Dispute Resolution Reports (discussed below). As a reminder, not all disputed PDE records are posted to Acumen's website for sponsor review; therefore, sponsors should refer to the Dispute Resolution Reports posted on the TPA Manufacturer Payment Portal (MPP) to obtain the final determinations on all their disputed PDE records.

Dispute Resolution Reports (posted to the TPA MPP)

In accordance with the published Quarterly Resolution Deadline dates, Dispute Resolution Reports are posted to the TPA MPP to provide sponsors with information on which of their invoiced PDE records have been disputed, the Dispute Reason Code submitted by the manufacturer with each dispute, and CMS's final determination.³ In accordance with CMS guidance, the ninety (90) calendar day adjustment/deletion timeframe begins with the release of the Dispute Resolution Reports.

Upheld Dispute Tracking Reports (posted to the Acumen PDE Analysis Website)

The purpose of the Upheld Dispute Tracking Reports is to ensure that sponsors are submitting the appropriate corrections to their upheld disputes.⁴ PDE record corrections are necessary to ensure that the invoiced amount is properly credited to the manufacturer after an upheld dispute or that inaccurate financial or non-financial data on the PDE leading to the dispute has been corrected.

² See the CGDP and MDP Calendar, available at [https://tpadministrator.com/internet/tpaw3_files.nsf/F/TPACGDP_MDP_Calendar_2024-2028_12062024.pdf/\\$FILE/CGDP_MDP_Calendar_2024-2028_12062024.pdf](https://tpadministrator.com/internet/tpaw3_files.nsf/F/TPACGDP_MDP_Calendar_2024-2028_12062024.pdf/$FILE/CGDP_MDP_Calendar_2024-2028_12062024.pdf).

³ For more information on the Dispute Resolution Reports, see the HPMS memorandum, *Contract Dispute Disposition Report and Updates to the Coverage Gap Tracking Report*, July 30, 2012.

⁴ For more information on steps a sponsor must take related to upheld disputes, see the HPMS memorandum, *Continuation of the Prescription Drug Event (PDE) Reports and PDE Analysis Reporting Initiatives for the 2026 Benefit Year*, May 6, 2026.

Sponsors receive reports via the PDE Analysis website containing the details of any disputed PDE records that were upheld but have not yet been corrected by the sponsor. These reports are Excel workbooks and contain information on all upheld disputes under CGDP and MDP that require correction from the sponsor for all benefit years and quarters. There are separate reports for CGDP and MDP. Upheld Dispute Tracking Reports only include upheld disputes that still require follow-up corrective action from the sponsor. If a dispute was upheld but adequate corrective action has already been taken by the sponsor, which resolved the issue that led to the successful dispute, that disputed PDE is not included in the tracking report. This means that all PDEs included in the Upheld Dispute Tracking Reports should be considered actionable by the sponsor. Sponsors without any upheld disputes that require follow-up corrective action as of the analysis date will not receive a report.

Each report contains information for the upheld dispute(s) in question, including the invoice quarter in which the PDE was disputed, the original dispute reason, and the PDE data element values. Sponsors are expected to research the PDE records included in the Upheld Dispute Tracking Reports to determine and take the appropriate action to address the issue. Unlike other issues reported to sponsors via the PDE Analysis website, sponsors do not submit responses to the Upheld Dispute Tracking Reports and instead proceed directly to making the appropriate corrections to the PDE data via the Drug Data Processing System (DDPS). These corrections must be relevant to the financial and/or non-financial PDE field(s) that led to the dispute and to the error.

CGDP Dispute Reason	CGDP Dispute Reason Description	MDP Dispute Reason	MDP Dispute Reason Description	Relevant PDE Fields
D01	Duplicate invoice item	D21	Duplicate invoice item	Product Service ID
D02	Closed pharmacy	D22	Not Yet Open, Closed, or Invalid Pharmacy	Service Provider ID Service Provider ID Qualifier Date of Service
D03	Not a Part D covered drug	D23	Not a Part D covered drug	Service Provider ID Service Provider ID Qualifier Date of Service Drug Coverage Status Code Product Service ID
D04	Aberrant Quantity/Invalid Days Supply	D24	Excessive quantity	Quantity Dispensed Days Supply Product Service ID
D06	High price of drug	D26	High price of drug	Ingredient Cost Quantity Dispensed Product Service ID

CGDP Dispute Reason	CGDP Dispute Reason Description	MDP Dispute Reason	MDP Dispute Reason Description	Relevant PDE Fields
D07	Last lot expiration date – NDC not on the market	D27	Last lot expiration date	Product Service ID Date of Service
D09	Marketing category is not NDA or BLA	D29	Marketing Category is not NDA, BLA, or NDA Authorized Generic	Product Service ID
D11	PDE improperly invoiced beyond manufacturer agreement Invoice period	N/A	N/A	Product Service ID
D13	Gap discount for disputed PDE exceeds maximum discount amount for a single PDE	N/A	N/A	Reported Gap Discount Amount
D14	Total accumulated gap discounts reported across multiple PDEs for a single beneficiary exceed cumulative maximum discount amount	N/A	N/A	Reported Gap Discount Amount (analyzed at the beneficiary level)
N/A	N/A	D33	Reported discount for this NDC Exceeds Specified or Specified Small Phase-In	Product Service ID Date of Service Reported MDP Discount Amount
N/A	N/A	D34	Reported Discount Amount does not Align with TROOP Accumulator	Reported MDP Discount Amount TrOOP Accumulator

CGDP Dispute Reason	CGDP Dispute Reason Description	MDP Dispute Reason	MDP Dispute Reason Description	Relevant PDE Fields
N/A	N/A	D35	NDC is a Selected Drug	Product Service ID Date of Service Drug Status Indicator
D99	Other	D99	Other	Varies based on manufacturer's explanation for the dispute

Please note that sponsors do not have the ability to contest CMS's determination to uphold a dispute, and that sponsors must take adequate corrective action regardless of if the sponsor agrees with the upheld determination. Such corrections are monitored on a regular basis to ensure that action is being taken by the sponsor. Failure to complete the necessary actions in accordance with CMS's timeliness standards may result in compliance action.

General questions regarding the CGDP or MDP invoicing or dispute processes should be directed to the TPA at TPAOperations@tpadministrator.com. Questions regarding the Upheld Dispute Tracking Reports or the PDE Analysis Website should be sent to Acumen at PDEAnalysis@acumenllc.com.