



Center for Medicare
MEDICARE PLAN PAYMENT GROUP

TO: All Medicare Advantage, Prescription Drug Plan, Cost, PACE, and Demonstration Organizations

FROM: Cheri Rice, Director
Medicare Plan Payment Group

SUBJECT: May 2017 Updates to the Drug Data Processing System (“DDPS”)

DATE: April 14, 2017

Changes to Edit Code 719

Effective May 14, 2017, the Centers for Medicare & Medicaid Services (CMS) will modify informational edit code 719. Edit code 719 is invoked when “Patient liability exceeds the statutorily defined pre-catastrophic maximum for Category 4 Low Income beneficiary who has met deductible.” Patient Liability is a calculated field and edit code 719 had not previously accounted for rounding differences. CMS will modify edit code 719 logic to account for rounding differences by allowing Prescription Drug Events (PDEs) to bypass this edit when the patient liability amount reported by the plan sponsor is within +/- .01 cent of the expected patient liability amount. Sponsors will no longer receive this edit due to rounding differences.

Changes to Edit Code 649

Effective May 14, 2017, CMS will modify logic for edit code 649 (“The Prescription Origin Code is invalid. Valid values for original fill standard formats are 1,2,3,4 & 5”). Prior to this update, PACE plan PDEs were treated as non-standard format and bypassed this edit code. The editing logic will be updated to ensure that standard format PACE plan PDEs will trigger this edit code and reject as appropriate.

Changes to Beneficiary Date of Death Editing

Effective July 1, 2017, CMS will modify the current PDE data editing associated with a beneficiary’s date of death (“DOD”).¹ CMS currently uses two PDE edit codes related to a

¹ See also HPMS memorandum, *Changes to Part D Date of Death PDE Editing Effective July 1, 2017*, January 29, 2016

beneficiary's DOD, edit codes 704 and 714. Edit code 704 is invoked, and the PDE rejects, when the date of service ("DOS") on the PDE is greater than the DOD of the beneficiary plus 32 days. Edit code 714 is an informational edit (*i.e.*, the PDE will not reject when this edit fires) and is invoked when the DOS is greater than the DOD but is within the 32-day allowable margin.

Beginning July 1, 2017, for all PDEs with dates of services on or after July 1, 2017, CMS is reducing the current 32-day margin to a 14-day margin associated with the beneficiary DOD editing when the Pharmacy Service Type field (field 54) on the PDE is equal to 01 - Community/Retail Pharmacy Services AND the Patient Residence field (field 55) is equal to 01 - Home. In all other cases, the PDE editing that allows for a 32-day margin will remain in place. To implement this change, two new PDE edit codes have been created as detailed below.

Edit code 753 is invoked and the PDE will reject if:

1. the pharmacy type is a Community/Retail pharmacy (Pharmacy Service Type = '01'), AND
2. the beneficiary lives at home (Patient Residence = '01'), AND
3. the DOS greater than or equal to July 1, 2017, AND
4. the DOS is greater than the beneficiary death date plus 14 days.

When edit code 753 is invoked, the following message will be received, "The DOS cannot be greater than the date of death (DOD) + 14 days."

Informational edit code 754 is invoked if:

1. the pharmacy is a Community/Retail pharmacy (Pharmacy Service Type = '01'), AND
2. the beneficiary lives at home (Patient Residence = '01'), AND
3. the DOS is greater than or equal to July 1, 2017, AND
4. the DOS is greater than the DOD, AND
5. the DOS is less than or equal to the DOD plus 14 days.

When edit code 754 is invoked, the following message will be received, "The DOS is greater than the date of death (DOD) but is within the 14 day allowable margin." Part D sponsors are expected to evaluate PDE data that receive informational edits to ensure that the data is accurate. If the PDE data is inaccurate, the sponsor must delete or correct the PDE.

In order to ensure that the DOD edits function properly, it is imperative that the Part D sponsors (and/or their downstream entities) accurately populate the Pharmacy Service Type and Patient Residence fields. In addition, we remind sponsors that pursuant to 42 CFR 423.505(k), they must submit accurate payment data (based on best knowledge, information, and belief).

Prior to the implementation of these changes, CMS will post an updated PDE Edit Code Listing spreadsheet to the Customer Service and Support Center ("CSSC") Operations website at

<http://www.csscooperations.com>. Please submit questions regarding these updates to PDEJan2011@cms.hhs.gov.