MEDICARE PLAN PAYMENT GROUP

TO: All Part D Plan Sponsors

FROM: Cheri Rice, Director
                Medicare Plan Payment Group

SUBJECT: May 2013 Updates to the Drug Data Processing System

DATE: April 23, 2013

The Centers for Medicare & Medicaid Services (CMS) is announcing upcoming changes to the Drug Data Processing System (DDPS) that will take place in the month of May. An updated edit spreadsheet will be posted to the Customer Service and Support Center (CSSC) Operations website. Please submit questions regarding these changes to PDEJan2011@cms.hhs.gov.

Allowing $0 PDEs

Beginning on May 12, 2013, CMS will allow Prescription Drug Event (PDE) records where the sum of the cost fields (*i.e.*, Ingredient Cost Paid+ Dispensing Fee Paid + Vaccine Administration Fee + Total Amount Attributed to Sales Tax) equals zero on all PDEs regardless of date of service (DOS).

Currently, there are two situations in which sponsors may have PDEs with $0.00 in drug costs. First, certain pharmacies (e.g., Wegmans for antibiotics and Atorvastatin) are known to be marketing certain generic prescription drugs for free to their customers. In this case, if beneficiaries fill these free prescriptions using their Part D benefit the plan sponsor should submit a $0.00 PDE. For this particular scenario we expect sponsors to implement for dispensing events with a 2013 date of service. Thus, if a sponsor has already submitted zero dollar event as a $0.01 PDE to get around our previous editing, CMS expects the sponsor to submit an adjustment PDE at $0.00 in cost. We will not require adjustment of PDEs that fit this first scenario for years prior to 2013. Second, as stated in the Calendar Year 2014 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter, if a sponsor recoups the full claims payment from a pharmacy, then the PDE should reflect that recoupment and should indicate $0.00 in drug cost. This policy will impact the payment reconciliation conducted in 2013 for the 2012 coverage year. Thus, any 2012 PDEs with a full recoupment should be adjusted to $0.00 no later than the June 2013 cutoff for the reconciliation of the 2012 coverage year.

All of the edits listed below, with the exception of edit code 694, will be bypassed to allow PDEs with the sum of the cost fields = zero. Edit 694 will be modified to allow the cost fields to equal zero.

Edit 670: For PDEs with a DOS prior to 1/1/2011, if the Catastrophic Coverage Code = 'blank', GDCB must be greater than zero. For DOS 1/1/2011 and forward, if True Out-of-Pocket Accumulator < OOP Threshold, GDCB must be greater than zero. This edit applies to Covered Drugs only. The edit is bypassed if the sum of the cost fields = zero.

Edit 672: For DOS prior to 1/1/2011, if the Catastrophic Coverage Code is 'A', GDCB must be greater than zero. This edit applies to Covered Drugs only. The edit is bypassed if the sum of the cost fields = zero.

Edit 673: For DOS prior to 1/1/2011, if the Catastrophic Coverage Code is 'C', GDCA must be greater than zero. For DOS 1/1/2011 and forward, if True Out-of-Pocket Accumulator = OOP Threshold, GDCA must be greater than zero. This edit applies to Covered Drugs only. The edit is bypassed if the sum of the cost fields = zero.

Edit 694: The sum of Ingredient Cost, Dispensing Fee, and Vaccine Administration Fee must be >= zero. This requirement also applies to OTC drugs funded by administrative costs.

Edit 699: The true out of pocket cost is greater than the out of pocket threshold, the entire PDE falls within the catastrophic coverage phase and submitted GDCA is not greater than 0. This edit applies to Covered drugs with DOS on or after 1/1/2011. The edit is bypassed if the sum of the cost fields = zero.

Modify the "current" System Timestamp to Greenwich Mean Time (GMT)

CMS has been made aware of an issue where any time a PDE is processed by DDPS within 7 hours of the listed Claim Adjudication Timestamp, the DDPS Eastern Time (ET) timestamp appears to be before the submitted Greenwich Mean Time (GMT) timestamp, and the PDE will reject with edit 651. This anomaly occurs because DDPS uses an ET timestamp to compare to a GMT timestamp. Edit 651 will be modified to convert the "current" system timestamp to GMT when comparing the current system timestamp to the submitted Claim Adjudication Timestamp. Sponsors receiving edit 651 as a result of this issue can resubmit the PDEs after May 12, 2013.

Edit 651: The Claim Adjudication Began Timestamp is missing or invalid. For DOS 1/1/2011 and forward, must be a valid timestamp in the CCYY-MM-DD- HH.MM.SS.MMMMMM format. The field cannot contain a future date or < DOS. For DOS prior to 1/1/2011, the field must be zeros or spaces. This edit assumes time is formatted as Greenwich Mean Time (GMT).

Modify the Prescriber ID Edits

Beginning on May 6, 2013, The Prescriber ID and Prescriber ID Qualifier edits will be modified to reflect the regulatory changes that go into effect beginning in 2013. CMS requires PDEs to be submitted with an NPI in the Prescriber ID field as of January 1, 2013. CMS will reject PDEs with a DOS between January 1, 2013 and May 5, 2013 if submitted without a valid Type 1 (individual) or Type 2 (organization) NPI code value. CMS will reject PDEs with a DOS on or after May 6, 2013 if submitted without a valid individual Type 1 NPI code. In addition, CMS will reject PDEs with a DOS of January 1, 2012 or later if submitted with a valid NPI code value that has been deactivated for over one year. The following edits have been modified to reflect these changes.

Edit 622: Prescriber ID Qualifier is missing. This edit applies to all standard format claims, regardless of DOS, and applies to all non-standard format claims with DOS on or after 1/1/2012.

Edit 623: Prescriber ID Qualifier is invalid. Prior to DOS 1/1/2013, the Prescriber ID Qualifier must be equal to '01'-NPI, or '06'-UPIN, or '08 -State License, or '12'-DEA. On or after 1/1/2013, the Prescriber ID Qualifier must be equal to '01'. This edit applies to standard and non-standard format PDEs.

Edit 624: The Prescriber ID is missing. The field must not be blank. This edit applies to all standard format claims, regardless of DOS, and applies to all non-standard format claims with DOS on or after 1/1/2012.

Edit 832: NPI number not found on CMS NPI table; however it contains a valid check digit. This edit applies to Covered Drugs with DOS on or after 1/1/2012. This edit is discontinued beginning 5/6/2013.

Edit 833: NPI number not found on CMS NPI table. This edit applies to Covered Drugs with DOS on or after 1/1/2012. Effective 5/6/2013, the Prescriber ID must be a Type 1 (individual) NPI.

Edit 834: NPI is not active for the Date of Service. This edit applies to Covered Drugs with DOS on or after 1/1/2012. The DOS must be within one year of the NPPES deactivation date.