

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



**Center for Medicare
Medicare Plan Payment Group**

Date: March 13, 2015

To: All Part D Plan Sponsors

From: Cheri Rice, Director
Medicare Plan Payment Group

Subject: Coverage Gap Discount Reconciliation for Benefit Year 2013

The Centers for Medicare & Medicaid Services (CMS) completed the calculations for the 2013 Final Part D Coverage Gap Discount (CGD) Program Reconciliation. The calculations were performed in accordance with § 1860D-14A of the Social Security Act and associated regulations and guidance. The reconciliation calculations utilize all CGD Prescription Drug Event (PDE) data received by 1:00 PM ET on June 30, 2014 that were accepted in the Drug Data Processing System and invoiced through the Quarter 6 invoice for 2013, the prospective Coverage Gap Discount Subsidy Amounts (CGDSA) beginning with January 2013 and ending with 2013 adjustments in January 2014, and all plan information received in the Health Plan Management System (HPMS) through December 2014 for Calendar Year 2013.

In accordance with Section 256(d) of the Balanced Budget and Emergency Deficit Control Act (BBEDCA), CMS computed 2% reductions to CGDSA due to sequestration for purposes of computing the Part D CGD reconciliation. Payments beginning in April 2013 and ending in December 2013 as well as adjustments through January 2014 were used to compute the 2% sequestration reduction amount. This amount can be found on your CGDP reconciliation input and result reports. For more detailed information, please see the HPMS memo dated September 4, 2014 titled "Updates to the Prescription Drug Event (PDE) layout and the Coverage Gap Discount Program (CGDP) Reconciliation Reports."

The CGD payment reconciliation reports will be available in your mailboxes at the Third Party Administrator (TPA) Operations on Tuesday, March 17, 2015. If you cannot access these reports, please contact the TPA at 877-534-2772, Option 1.

Payment adjustments to remit and recover these calculated CGD reconciliation amounts are planned for the April 2015 payment. As part of the Part D CGD payment reconciliation process, these final reconciled gap discount program payments will be subject to the reopening and appeals provisions as found in 42 CFR § 423.346 and 42 CFR § 423.350, respectively. Appeals are filed when a plan sponsor does not believe that the CMS applied its stated payment methodology correctly. Refer to the reopenings

and appeals guidance, which was released through HPMS on May 8, 2008, for additional information on the process for filing an appeal. If you wish to appeal, your request must be filed and received by Wednesday, April 1, 2015. Requests for appeal should be addressed to Cheri Rice and emailed to the Reconciliation Support Contractor, Acumen, LLC, at PartDPaymentSupport@acumenllc.com.

If you intend to mail your appeal, submit the appeal to Acumen at the following address:

Acumen, LLC
Attn: Part D Payment Support
500 Airport Blvd, Suite 365
Burlingame, CA 94010

CMS may reopen final CGD payment determinations. Part D sponsors can submit requests for reopening, as instructed in the May 8, 2008 HPMS memo referenced above. Any requests received from Part D sponsors prior to the release of the final payment determination are not considered valid requests for reopening. The Part D sponsor will have to resubmit the request and the reopening spreadsheet in accordance with the guidance in the May 8, 2008 memo. Please use the reopening spreadsheet in the attachment if submitting a reopening request.

Any questions regarding this memo can be emailed to Acumen.