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Center for Medicare
Medicare Plan Payment Group

DATE: March 28, 2014

TO: All Part D Plan Sponsors
             Medicare-Medicaid Plans

FROM: Cheri Rice, Director, Medicare Plan Payment Group

SUBJECT: Continuation of the Prescription Drug Event (PDE) Reports and PDE Analysis Reporting
             Initiatives for the 2014 Benefit Year

Reducing fraud and improper payments is a top priority of the Department of Health and Human Services
and the Centers for Medicare & Medicaid Services (CMS). Accordingly, CMS has a number of
initiatives to enhance Medicare payment accuracy and program integrity. In Medicare Part D, correct
payment is dependent on the accuracy of the Prescription Drug Event (PDE) data submitted by Part D
sponsors. For this reason, CMS strongly encourages sponsors to take an active and consistent approach to
ensuring the accuracy of plan-reported PDE data and resolving PDE errors that lead to PDE rejections.

The purpose of this memorandum is to announce the continuation of two reporting initiatives for the 2014
benefit year that support CMS's efforts to improve the accuracy of sponsors' PDE data. The PDE
Reports and PDE Analysis initiatives are both conducted through secure websites maintained by CMS's
contractor, Acumen, LLC (Acumen). The remainder of this memorandum provides an overview of these
two initiatives and describes the actions expected from sponsors. Attachments A and B provide
additional details of each reporting initiative. Attachment C provides instructions for Medicare
Compliance Officers to authorize users for Acumen's websites.

PDE Reports

Since the 2007 benefit year, CMS has been providing sponsors with reports on the quality, timeliness, and
accuracy of their PDE data and error resolution efforts through the Immediately Actionable PDE (IAP)
Errors Reports, released through Acumen's PDE Reports Website. CMS issued guidance on the IAP
Errors Reports in a Health Plan Management System (HPMS) memorandum released on November 8,
2007 titled "Prescription Drug Event Reports and Website." In addition, in June 2010, CMS also began
providing Part D sponsors with reports on PDEs rejects caused by enrollment timing issues through the
Eligibility Errors Reports.

Effective April 2014, CMS will begin producing metrics in the IAP and Eligibility Errors Reports for the
2014 benefit year. CMS will also continue this effort for the 2013 benefit year. However, reports for the

2012 benefit year will be discontinued. Attachment A provides a more detailed overview of the PDE Reports initiative, including a description of the reports and an overview of the actions expected from contracts as part of this process.

PDE Analysis

Since the 2009 benefit year, CMS has utilized the PDE Analysis initiative to address data quality issues on accepted PDE records in advance of the Part D payment reconciliation. With the start of the Coverage Gap Discount Program (CGDP), this initiative was expanded in March 2011 to address data quality issues on accepted PDEs with positive reported gap discount amounts, and to obtain sponsor feedback on gap discount PDEs that have been disputed by pharmaceutical manufacturers. PDEs are currently posted to Acumen's PDE Analysis Website under the following categories:

- General CGDP Data Quality Review – posted approximately every 4-6 weeks
- Part D Payment Reconciliation Data Quality Review – posted approximately every 4-6 weeks
- PDEs Withheld from the CGDP Invoice – posted quarterly at the same time as the invoices
- Manufacturer Disputes – posted quarterly

CMS issued guidance on each of these categories in an HPMS memorandum released on July 30, 2012, titled "Prescription Drug Event (PDE) Analysis Website and Data Quality Review Process for the Coverage Gap Discount Program, Manufacturer Disputes, and Part D Payment Reconciliation." CMS is continuing these efforts as they apply to the 2011-2014 benefit years. Attachment B provides a more detailed overview of the PDE Analysis initiative, including an outline of the actions expected from contracts as part of this process.

Summary

The following table summarizes the expected actions and timelines for the launch of the PDE Reports and PDE Analysis reporting initiatives for the 2014 benefit year.

Action	Date
New 2014 contracts: Identify up to five authorized users for both the PDE Reports and PDE Analysis Websites and submit contact information through Acumen's User Security Website. Instructions are included in Attachment C. **Contracts continuing from 2013:** No action is necessary if your contract has no changes in authorized users or their level of access. Previously authorized users will retain their access to the PDE Reports and PDE Analysis Websites. If necessary, contracts can modify existing user access through Acumen's User Security Website.	New user requests and current user verification due **two weeks from the date of this memorandum**
New contracts and continuing contracts that authorize new users: Be prepared to receive login credentials to access the websites.	Rolling basis, following authorization by Medicare Compliance Officer

CMS and Acumen appreciate your continued cooperation in making the PDE Reports and PDE Analysis initiatives a success. If you have any questions, concerns, or feedback regarding these projects, please contact Acumen at PDE@acumenllc.com or (650) 558-8006.

ATTACHMENT A: Overview of the PDE Reports Initiative

The Immediately Actionable PDE and Eligibility PDE Error Reports released through the PDE Reports Initiative contain metrics based on sponsors' submitted, accepted, and rejected PDEs. The metrics in the scorecards and reports allow sponsors to compare their status to program averages and to monitor progress in improving PDE submission and error resolution efforts over time.

Two types of reports are made available each month:

- **Immediately Actionable PDE (IAP) Errors Reports:** IAPs are a subset of PDEs for which CMS expects sponsors to take immediate and consistent action to correct and resubmit. These errors include rejections for formatting mistakes, data inconsistencies, and failure to grant low income cost-sharing subsidies (LICS), among other issues.

    In addition to the current errors included in the 2013 IAP Errors Reports, new errors that CMS considers to be immediately actionable – 835, 836, and 837 – will be included in the 2014 IAP Reports. A complete listing of errors included in the IAP Errors Reports can be found in the IAP Errors Report Guide, available in the Help Documents library on Acumen's PDE Reports Website.

- **Eligibility Errors Reports:** A PDE is rejected with an Eligibility Error when the enrollment information on the claim for the given date of service is invalid according to CMS's enrollment records. This includes cases in which the beneficiary does not have Part D enrollment, and cases in which the beneficiary is enrolled in a different contract or plan than the claim indicates.

    The errors included in the Eligibility Errors Reports are 705, 706, 707, and 715.

Sponsors are not expected to submit any information to Acumen in response to the IAP or Eligibility Errors Reports. After reviewing the reports, sponsors should proceed with correcting and resubmitting PDEs through the Drug Data Processing System (DDPS) as appropriate or following up on outstanding discrepancies as necessary.

These reports should in no way replace the ongoing review that sponsors routinely conduct to monitor their PDE submissions and rejections. CMS expects that sponsors will continue with error resolution efforts for all errors regardless of whether the errors have been included in the IAP or Eligibility Errors Reports or not.

ATTACHMENT B: Overview of the PDE Analysis Initiative

When PDEs are flagged for data quality issues or when a manufacturer disputes an invoiced PDE, the outlier or disputed PDE is posted to Acumen's PDE Analysis Website for review and action by the sponsor. Sponsors are expected to complete the following actions when PDEs have been flagged for review:

1. **Review Notifications**: Sponsors will receive notification via their PDE Analysis Website discussion board and/or email from Acumen when PDEs require review. This notification will contain important information about the issue identified, benefit year, response process, and pertinent deadlines for taking action on flagged PDEs.

2. **Download and Review Reports**: Reports will be made available via the PDE Analysis Website, containing information on the flagged PDEs. These reports include a description of the category of issue identified, further specifics regarding the data issue, and PDE identifying elements to enable sponsors to research the PDEs.

3. **Research PDEs**: Sponsors are expected to research flagged PDEs to determine the validity and accuracy of the submitted data and evaluate whether or not a data issue exists. Sponsors should specifically determine whether:
   - *PDE data are valid*, indicating that the data are accurate as submitted and that no corrections are required to the claim, <u>or</u>
   - *PDE data are invalid*, indicating that the PDE data are incorrect as submitted and that the sponsor will be adjusting, deleting, reversing, or reprocessing the claim.

4. **Take Action**: Based on the category of data quality issue flagged for the PDE and the results of sponsors' review, the actions required may differ. The notifications sponsors receive from Acumen will contain details regarding the response process for flagged PDEs.
   - For PDEs flagged under the *General CGDP Data Quality Review*, *Part D Payment Reconciliation Data Quality Review,* and *PDEs Withheld from the CGDP Invoice* categories, sponsors are expected to 1) provide a written response with an explanation if the PDE data are valid, or 2) adjust or delete the PDE accordingly if the PDE data are invalid.
   - For PDEs flagged under the *Manufacturer Disputes* category, sponsors must provide a written response to <u>all</u> posted PDEs regardless of whether the PDE is believed to be valid or invalid, in addition to adjusting or deleting invalid PDE data accordingly.

5. **Track Resolution**: The PDE Analysis Website features a Ticket Tracking page that enables sponsors to monitor the status of flagged PDEs. Sponsors should review this page on a regular basis to ensure all outstanding issues have been addressed.

ATTACHMENT C: User Authorization Instructions

Acumen has created websites to facilitate the PDE Reports and PDE Analysis initiatives. These secure websites are accessible only to authorized participants, with each sponsor utilizing a space on the site that is separately secure from all other participants.

In accordance with Federal Information Security Management Act (FISMA) regulations, only the Medicare Compliance Officer is authorized to give access to these websites for each contract. To streamline this process, Acumen has developed the User Security Website – a web tool that allows Medicare Compliance Officers to manage their users on the Acumen websites.

In order for your contract to gain access to the PDE Reports and PDE Analysis Websites, your Medicare Compliance Officer must complete the following steps:

1. **Identify individuals who should have access to each website.**

   If your contract is continuing from 2013, previously authorized users will retain their access to the PDE Reports and PDE Analysis Websites. You may choose to keep the same users or you may modify users.

   If your contract is new in 2014, you must authorize new users for both websites. You may choose to authorize representatives that are currently users on other Acumen websites. However, you must complete the user authorization process again specifically for the PDE Reports and PDE Analysis Websites.

   Appropriate website users are staff who are either directly involved in the process of PDE data submission and resolution or who oversee a third party submitter. If a third party organization is involved in claim submission, you may assign a member of this organization as a user. We recommend, however, you include at least one internal user from your own organization, as one goal of the websites is to help you monitor and resolve third party submission errors.

   For security purposes, contracts are limited to five authorized users per website.

2. **Log onto the User Security Website (https://partd.programinfo.us/user_security).**

   If your contract is continuing from 2013, your current Medicare Compliance Officer should already have access to the User Security Website through existing work with Acumen.

   If your contract is new in 2014, your Medicare Compliance Officer should have received a welcome email and a letter with login credentials via USPS.

   If your Medicare Compliance Officer does not have access to the User Security Website or has never logged in, please contact Acumen at (650) 558-8006.

3. **Authorize users.**

Medicare Compliance Officers must submit an Available User Request Form for each proposed user <u>and</u> authorize access permissions for each user.

All authorized users can log on and navigate the websites and receive email notifications regarding report releases. However, access to the PDE Reports Website can vary according to two possible access levels for each user:

- *Summary Report Only*: User can access a version of the IAP Errors Reports with summary information on PDE submission, rejection, and error resolution statistics. Users with *Summary Report Only* permissions will not be able to access the Eligibility Errors Reports.
- *Summary and Confidential Beneficiary Reports:* User can access confidential beneficiary information in the IAP and Eligibility Errors Reports, in addition to the summary version of the IAP Errors Reports.

To ensure timely access to the websites, Medicare Compliance Officers must complete all steps of the user authorization process **no later than two weeks from the date of this memorandum**.

If you have any questions or require assistance with the user authorization process, please contact Acumen at PDE@AcumenLLC.com or (650) 558-8006.