

PDE Plan-to-Plan (P2P) CBT – Text Only Version

1. Introduction

1.1 Introduction

Welcome to the Medicare Part D Plan-to-Plan (P2P) Reconciliation Computer Based Training (CBT). The purpose of this course is to provide Medicare Advantage Prescription Drug Plans (MAPDs), and Stand-alone Prescription Drug Plans (PDPs), with an understanding of the complete P2P process and to provide an understanding of how the process assigns financial amounts needed for Part D Payment Reconciliation to the appropriate Part D plan. This course should take approximately 90 minutes to complete.

1.2 Disclaimer

This training has been developed with the expectation that there is a basic understanding of Prescription Drug Event (PDE) reporting and processing; and therefore, all terms or other aspects of the program may not be defined in great detail in this training. This training is meant to refresh or improve knowledge on P2P.

This CBT uses HTML5, which is not fully compatible with Internet Explorer. If you encounter issues, it is recommended that you try an alternate Internet browser with the latest update.

1.3 Learning Objectives

During this training, we will review the definition of key P2P terms. We will describe the P2P process flow, edits, and several examples to give you a clearer understanding of the P2P process. We will also describe the Attestation of P2P Reconciliation Payment Data and Record of P2P Reconciliation Payments Worksheet.

1.4 CBT Basics

During this training we will cover the following topics related to P2P: an Introduction Overview, Background and Guidance, P2P Processing within PDE Processing, P2P Reconciliation, Contract/Plan Benefit Package (PBP) Update Scenarios, the P2P Reconciliation Process and Examples, P2P Payment Reporting, and finally the Conclusion.

2. Introduction/Overview

2.1 Introduction/Overview

In this section, we will cover an overview of the P2P Reconciliation Process and the reports that it produces.

2.2 P2P Reconciliation Process Overview

P2P reconciliation is a financial settlement process between two Part D Sponsors in which the Contract of Record compensates the Submitting Contract for all Covered D Plan Paid (CPP) and low-income cost sharing subsidy (LICS) amounts paid by the Submitting Contract for a beneficiary enrolled in the Contract of Record. To minimize P2P activity, it is important for plans to submit enrollment changes timely and maintain accurate and current enrollment information.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

2.3 P2P Reconciliation Process

Centers for Medicare & Medicaid Services (CMS) originally implemented P2P in three phases, but P2P should be viewed as an ongoing process that occurs throughout each coverage year. This process identifies submitted PDE records for a P2P condition and reports the affected PDEs to the Sponsors for financial settlement.

2.4 P2P Reconciliation Process Reports

Throughout the year, Sponsors will receive P2P reports on a monthly basis. The reports show payables and receivables, and Sponsors are responsible for reconciling the full financial amount with one another. Prior to the Annual Part D Payment Reconciliation, CMS will update previously accepted PDEs for any changes in Contract and PBP of Record. This update is known as the P2P Phase III update or Updating of Contract of Record and the Plan of Record. The changes from this update are in the June reports distributed in the year following the benefit year.

Example

The P2P Phase III updates for 2017 are in the benefit year 2017 P2P reports for June 2018, which is Report sequence number 2017018.

The monthly reports will show any new payables and receivables resulting from the Contract and PBP Update. The financial amounts must be reconciled in full, within 30 days from when CMS releases the reports.

This update process is done prior to the Part D Payment Reconciliation to ensure the Contract of Record is responsible for the PDEs for each beneficiary enrolled in their Contract.

3. Background/Guidance

3.1 Home - Background/Guidance

In this section, we want to make sure you understand some basic information regarding P2P. We will cover common terms along with scenarios, review the P2P Reconciliation Process, the Statutory Authority, CMS Transition Period, and Responsibilities.

3.2 Common Terms

Let's review some of the terms related to the process.

Term	Definition
Submitting Contract	Contract submitting PDE data
Submitting PBP	PBP submitting PDE data under the Submitting Contract
Original Contract of Record	Beneficiary enrollment as documented in CMS databases when PDE is saved and accepted by CMS
Original PBP of Record	PBP under the Original Contract of Record as documented in CMS databases

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Term	Definition
P2P PDEs	PDEs in which the Submitting Contract differs from the Contract of Record, according to enrollment information in CMS databases on the date the PDE processed, for the Date of Service (DOS) documented on the PDE. P2P PDEs are for Covered drugs only and are included in Part D Payment Reconciliation. P2P applies only to basic Part D benefits, as defined in the statute.

Note: A PACE organization cannot act as the Submitting Contract but can be the Contract of Record and receive P2P Reports.

3.2.1 Common Terms (Scenario 1)

So now to make sure you understand the terms, let's use a scenario to identify the terms in the P2P PDE process.

John Brown has been enrolled in Summer Health Plan under PBP 002 since January 1, 2017. Fall Health Plan submitted an enrollment record to CMS on August 15, 2017. The enrollment effective date is August 1, 2017 for PBP 001. Summer Health Plan submitted a PDE for John Brown with a September 13, 2017 DOS.

Based on our scenario, consider these questions.

Who is the **Submitting Contract**? It is Summer Health Plan, because it submitted the PDE data.

What is the **Submitting PBP**? It is 002, which is the PBP submitted on the PDE.

Who is the **Original Contract of Record**? It is Fall Health Plan. This is determined based on CMS databases.

Who is the **Original PBP**? This is 001, which is what John selected as the PBP under Fall Health Plan.

Since we have identified Summer Health as the Submitting Contract and Fall Health as the Contract of Record, **do we have a P2P PDE situation**? Yes, we do, since the definition states a P2P PDE is when the Submitting Contract differs from the Contract of Record within CMS databases.

3.3 P2P Process Reconciliation

When there is a P2P PDE, P2P Reconciliation applies. As noted earlier, P2P Reconciliation is a financial settlement in which each Contract of Record compensates each Submitting Contract for all CPP and LICS amounts paid by the Submitting Contract for the Contract of Record's enrollees.

3.3.1 P2P Process Reconciliation (Scenario 1)

Using this scenario, which plan will receive the financial reimbursement from the Contract of Record after CMS processes the PDE? The answer is Summer Health, the Submitting Contract.

3.4 Statutory Authority

The P2P process provides a means to coordinate correction of PDE payments made by a Part D Sponsor other than the Contract of Record. CMS requires that all Part D plans participate in the P2P process.

The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003 established § 1860D-11(j) of the Social Security Act ("Act"), which establishes coordination of benefits.

CMS implemented § 1860D-11(j) of the Act, at 42 CFR 423.464. Under this regulation, Part D Sponsors have an obligation to coordinate benefits with entities providing other prescription drug coverage to Part D eligible

PDE Plan-to-Plan (P2P) CBT – Text Only Version

individuals. This obligation includes other Part D Sponsors.

3.5 CMS Transition Period

CMS established an initial transition period effective end date policy in order to align the P2P reconciliation process with plan formulary transition periods to ensure that all drug costs included in the Summary Reports are Covered Part D drugs with respect to each Part D Sponsor. The start date of this transition period begins with the effective date of enrollment in a specific Contract and PBP.

In order to coordinate benefits between the Submitting Contract and the Contract of Record in a fair and equitable manner, CMS established the policy that the end date of the minimum transition period occurs on the later of 30 days after the effective date of coverage or 30 days after the date CMS processes the enrollment into the new Contract of Record.

This policy protects the Submitting Contract from exposure to costs that would otherwise be incurred outside the Contract of Record's initial transition period when, without its knowledge and beyond its control, that new Part D Sponsor has delayed submitting the enrollment transaction to CMS.

3.6 Part D Sponsor Responsibilities

Part D Sponsors have several responsibilities in the P2P Process. Sponsors are responsible for submitting timely enrollments to CMS to reduce P2P activity.

Additional responsibilities include submitting accurate and timely PDEs, making appropriate PDE adjustments and reversals, and accessing and reviewing monthly P2P Reports as soon as they are released in order to pay one another promptly. Promptly refers to 30 days from CMS distributing the P2P Reports.

In addition, Sponsors must keep their P2P contact information current in the Health Plan Management System. This information must be maintained for payments to be made appropriately.

3.7 Roles and Responsibilities

Let's take a closer look at P2P responsibilities as they relate to Fall and Summer Health Plans using the below scenario.

The Submitting Contract is Summer Health, and it is submitting PDEs and attesting to the accuracy of the PDEs, including P2P PDEs. The Submitting Contract would report as Direct and Indirect Remuneration, any earned rebates for P2P PDEs. Again, remember, all PDE data is subject to audit.

Fall Health, as the Contract of Record, is required to make timely payment to the Submitting Contract for all CPP and LICS amounts reported on the monthly reports within 30 days of CMS distribution of these reports. The Contract of Record makes payments without intervention from CMS, as CMS does not dictate the manner of payment. The Contract of Record cannot request any additional documentation or attestations regarding the accuracy of the Submitting Contract's financial data on P2P Reports. The Contract of Record must pay in full the amount displayed on the monthly Payables Report.

CMS provides support through systems and reports, which accept the data and communicate appropriate information to the Sponsors to facilitate the P2P Reconciliation. This information includes CPP and LICS amounts, which plans receive on the P2P Monthly Reports.

Submitting Contract

The Submitting Contract submits accurate and timely PDEs, attests to accuracy of submitted PDEs, including P2P PDEs, and reports any Direct and Indirect Remuneration (DIR) earned for P2P PDEs.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Contract of Record

The Contract of Record makes timely payments to the Submitting Contract of all LICS and CPP reported on P2P Monthly Reports, must pay full amount displayed on reports as amounts cannot be adjusted or netted, has no authorization to request additional documentation or attestation regarding the accuracy of the Submitting Contract's financial data on the P2P Reports, and certifies payments through completing the Record of P2P Reconciliation Payments Worksheet and Attestation of P2P Reconciliation Payment Data.

CMS

CMS identifies the Contract of Record and provides the capacity to accept the data and report back the appropriate P2P information (i.e., CPP and LICS amounts).

4. P2P Processing within PDE Processing

4.1 Home - P2P Processing within PDE Processing

In this section we cover an overview of P2P processing within the PDE processing and P2P edits, CMS communication to plan reports, and report examples.

4.2 P2P Processing within PDE Processing

The Submitting Contract submits PDEs using the PDE Event record layout and submission protocol in use today. The Drug Data Processing System (DDPS) identifies P2P PDEs.

The P2P process ends at the reconciliation cut-off date for the benefit year, so it is important that the Submitting Contract submits any adjustments prior to this cut-off date.

4.2.1 P2P Edits

DDPS conveys the outcome of processing PDEs through Edit Codes, Reject Edit Codes 706 and 784, or Informational Edit Codes 708, 709, and 712.

Edit Code	Description	Record Type
706	DOS does not fall within a valid P2P Period. This edit can trigger when the DOS falls outside of the transition period, when the PDE is submitted after the reconciliation cut-off date, and when the enrollment record is audited off.	REJ
708	Submitting Contract differs from Contract of Record; this PDE is subject to P2P Reconciliation. Applies to Covered drugs.	INF
709	Submitting Contract differs from Contract of Record; however, this PDE is not subject to P2P Reconciliation. PDEs with Drug Coverage Status Code of 'E' or 'O' are not eligible for P2P Reconciliation.	INF
712	Submitting Contract was not the prior Contract of Record for this P2P Period.	INF
784	Duplicate PDE record, originally submitted by different contract.	REJ

The Edit 784 identifies duplicates submitted by different contracts. In other words, a PDE has already been submitted by a different contract and saved before the next contract submits a PDE for the same event.

When DDPS returns Edit 784, it also reports the Original Submitting Contract in positions 436 – 440 on the PDE

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Return File.

The contract that received the reject must communicate with the Original Submitting Contract and both parties must work together to resolve the situation that caused the duplicate.

4.3 P2P Process Flow

Let's walk through the P2P processing within the PDE Processing.

Process Decisions	Process Outcomes
Submitting Contract = Contract of Record	The Submitting Contract submits PDEs, using the PDE record layout, and submission protocol in use today. DDPS compares the Submitting Contract to the Contract of Record.
Submitting PBP = PBP of Record	If the Submitting Contract is the Contract of Record, DDPS will evaluate whether the Submitting Plan is the Plan of Record. This process is part of the non-P2P processing already in place in DDPS.
DOS > 06/30/07	DDPS examines the DOS for Submitting Contracts that are not the Contract of Record, including checking if the DOS is greater than June 30, 2007. The June 30, 2007 date signifies the end date for P2P Phase I PDE processing and the start of P2P Phase 2, which is the current processing.
DOS ≤ the later of the enrollment effective date plus 30 days or the CMS process date plus 30 days	If the DOS is greater than June 30, 2007, then the next step is to determine if the DOS is less than or equal to the later of the enrollment effective date plus 30 days or the CMS process date plus 30 days.
Enrollment Source = D	DDPS evaluates the Enrollment Source ID. In other words, was this a rollover by CMS, which is Enrollment Source ID Code D?
Reject Edit 706	Reject Edit Code 706 triggers when the DOS does not fall within a valid P2P Period.
Submitting Contract = Prior Contract of Record	DDPS evaluates if the submitting contract is the Prior Contract of Record.
Informational Edit 712	Informational Edit Code 712 triggers when the Submitting Contract was not the prior Contract of Record for this P2P Period.
Drug Coverage = C	DDPS evaluates if the PDE Record is for a covered, enhanced alternative, or over the counter drug.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Process Decisions	Process Outcomes
Informational Edit 708	Informational Edit Code 708 triggers when the Submitting Contract differs from the Contract of Record; therefore, this PDE is subject to P2P Reconciliation. This only applies to Covered drugs.
Informational Edit 709	Informational Edit Code 709 triggers when the Submitting Contract differs from the Contract of Record; however, this PDE is not subject to P2P Reconciliation. PDEs with Drug Coverage Status Code of 'E' or 'O' are not eligible for P2P Reconciliation.
Reject Edit 707	Reject Edit Code 707 triggers when the Beneficiary is not enrolled in the Part D PBP on the DOS. In other words, the Submitting PBP is not the PBP of Record.
Resume Editing	DDPS will continue editing the PDE Record as part of the normal editing process.

4.3.1 Process Flow (Scenario 2)

Let's take a look at several examples of the P2P Reconciliation Processing flow, using Scenario 2.

4.3.1.1 PDE Record 1 - Informational Edit 708

John's effective date is September 1. CMS processed the enrollment on September 3. Winter Health Plan submitted a PDE on September 29 for the September 5 claim. DDPS compares the Submitting Contract to the Contract of Record:

Process Decisions	Process Outcomes
Submitting Contract = Prior Contract of Record	In the case of Winter Health Plan, it is not submitting the PDEs as Contract of Record for this scenario.
DOS > 06/30/07	DDPS examines the DOS for Submitting Contracts that are not the Contract of Record, including checking if the DOS for Winter Health Plan is greater than June 30, 2007, which it is. June 30, 2007 is the end date for P2P Phase I PDE processing and the start of Phase 2 P2P processing, which is the current processing.
DOS ≤ the later of the enrollment effective date plus 30 days or the CMS process date plus 30 days	<p>We need to determine if the DOS is less than or equal to the later of the enrollment effective date plus 30 days or the CMS process date plus 30 days.</p> <p>DDPS will find that the DOS is less than the CMS process date plus 30 days for this PDE.</p>

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Process Decisions	Process Outcomes
Enrollment Source = D	DDPS evaluates the Enrollment Source ID and finds that this is not a rollover by CMS, which would have been Enrollment Source ID Code D.
Submitting Contract = Prior Contract of Record	Since Winter Health is the Prior Contract of Record before Spring Health, Informational Edit Code 712 will not be generated.
Drug Coverage = C	DDPS evaluates if the PDE that Winter Health is submitting is for a covered, enhanced alternative, or over-the-counter drug. The type of drug that John filled on September 5 was a Covered Part D drug.
Informational Edit 708	Since the drug is covered, Winter Health will receive Informational Edit Code 708 identifying this as a Covered drug that will be included in Winter Health's P2P reconciliation with Spring Health, who is the Contract of Record.
Resume Editing	DDPS will continue editing the PDE record as part of the normal editing process.

4.3.1.2 PDE Record 2 - Informational Edit 709

Let's take a look at the next PDE Record.

John's effective date is September 1. CMS processed the enrollment on September 3. Winter Health Plan submitted a PDE on September 29 for the September 7 claim.

Process Decisions	Process Outcomes
Submitting Contract = Prior Contract of Record	Since we have determined that Winter Health is not the Contract of Record for John throughout this scenario, the next step is to evaluate the DOS.
DOS > 06/30/07	We see that the DOS for this PDE Record is greater than June 30, 2007.
DOS ≤ the later of the enrollment effective date plus 30 days or the CMS process date plus 30 days	We need to determine if the DOS is less than or equal to the later of the enrollment effective date plus 30 days or the CMS process date plus 30 days. So, what will DDPS find for this PDE regarding the DOS? It will find the DOS is less than or equal to the CMS process date plus 30 days.
Enrollment Source = D	DDPS evaluates the Enrollment Source ID, to see if this is a rollover by CMS, which is Enrollment Source ID Code D, and finds that it is not a rollover by CMS.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Process Decisions	Process Outcomes
Submitting Contract = Prior Contract of Record	Since Winter Health is the Prior Contract of Record before Spring Health, Informational Edit Code 712 will not be generated.
Drug Coverage = C	DDPS evaluates if the PDE Record is for a covered, enhanced alternative, or over the counter drug. The drug that John purchased on September 7 was an over the counter drug.
Informational Edit 709	Since the drug is over the counter, Winter Health will receive Informational Edit Code 709 identifying this as an over the counter drug that will NOT be included in Winter Health’s P2P reconciliation with Spring Health. Winter Health plan has the option to recover any amounts for over the counter and enhanced alternative drugs directly from the beneficiary.
Resume Editing	DDPS will continue editing the PDE Record as part of the normal editing process.

4.3.1.3. PDE Record 3 - Informational Edit 708

On PDE Record 3, John’s effective date is September 1. CMS processed the enrollment on September 3. Winter Health Plan submitted a PDE on October 20 for the October 2 claim.

Process Decisions	Process Outcomes
Submitting Contract = Prior Contract of Record	Since we have determined that Winter Health is not the Contract of Record for John throughout this scenario, let’s move on to evaluating the DOS.
DOS > 06/30/07	We can see the DOS for this PDE Record is greater than June 30, 2007.
DOS ≤ the later of the enrollment effective date plus 30 days or the CMS process date plus 30 days	We need to determine if the DOS is less than or equal to the later of the enrollment effective date plus 30 days or the CMS process date plus 30 days. DDPS will find for this PDE that the DOS is less than or equal to the CMS process date plus 30 days.
Enrollment Source = D	Because CMS processed the enrollment on September 3 and the PDE has a DOS of October 2, 2017, which is within the CMS process date plus 30 days, DDPS evaluates the Enrollment Source ID and determines that this is not a rollover by CMS using Enrollment Source ID Code D.
Drug Coverage = C	DDPS next evaluates if the PDE Record is for a covered, enhanced alternative, or over the counter drug. The type of drug John filled on October 2 was a Covered drug.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Process Decisions	Process Outcomes
Informational Edit 708	Since the drug is covered, Winter Health will receive Informational Edit Code 708, and it will be included in Winter Health’s P2P reconciliation with Spring Health.
Resume Editing	DDPS will continue editing the PDE record as part of the normal editing process.

4.3.1.3. PDE Record 4 - Reject Edit 706

On the last PDE Record 4, John’s effective date is September 1. Winter Health Plan submitted a PDE on October 29 for the October 15 claim.

Process Decisions	Process Outcomes
Submitting Contract = Prior Contract of Record	Since we already determined that Winter Health is not the Contract of Record for John throughout this scenario, let’s move on to evaluating the DOS.
DOS > 06/30/07	On the last PDE record, which was submitted on October 29, the DOS for this PDE Record is greater than June 30, 2007.
DOS ≤ the later of the enrollment effective date plus 30 days or the CMS process date plus 30 days	The DOS is not less than or equal to the later of the enrollment effective date plus 30 days or the CMS process date plus 30 days. Because CMS processed the enrollment on September 3 and the PDE has a DOS of October 15, 2017, this DOS is beyond the transition period.
Reject Edit 706	In this case, the plan receives the Reject Edit Code 706 indicating the DOS does not fall within a valid P2P period. Winter Health Plan should have updated their enrollment database timely to avoid receiving Edit 706 for this PDE Record.

4.4 CMS Communication to Plans: Reports

When CMS identifies P2P PDEs, CMS communicates with plans via return files and reports to inform them of P2P situations and identifies who are the Submitting Contract and the Contract of Record for the purpose of financial settlement. DDPS sends reports to both the Submitting Contract and the Contract of Record each month. Reports reflect both cumulative amounts and monthly P2P amounts. Below is a review of the reports followed by a summary table.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Report	Information Communicated
DDPS Return File	The DDPS Return File is the standard Return File that plans receive following the processing of PDEs. It provides the disposition of all DET records and where errors occurred; distributed following the processing of PDEs files.
Special Return File	Provides Contract/PBP Update impact on P2P conditions for PDEs; will provide 800-level Update Codes; distributed after Contract/PBP Update that occurs prior to the Part D Payment Reconciliation.
Cumulative Beneficiary Summary Report 04COV	Serves as a YTD cumulative report for the Submitting Contract that provides beneficiary-level PDE financial information necessary to perform the YTD Part D Payment Reconciliation; distributed monthly; displays non-P2P amounts
P2P Accounting Report 40COV/ENH/OTC	Provides the Submitting Contract with a YTD cumulative report of financial amounts reported by the Submitting Contract for P2P PDEs; can be used for accounting purposes but not for Part D Payment Reconciliation; distributed monthly
P2P Receivable Report 41COV	Provides Submitting Contracts with the net change in P2P reconciliation receivable amounts; distributed monthly
P2P Part D Payment Reconciliation Report 42COV	Serves as a YTD cumulative report for the Contract of Record of all financial amounts reported by Submitting Contracts for use in the Contract of Record's Part D Payment Reconciliation; distributed monthly
P2P Payable Report 43COV	Serves as the Contract of Record's invoice for P2P reconciliation; distributed monthly

The most recent report layouts are available on the Customer Service and Support Center website at www.cssoperations.com.

Additional information about the DDPS Return File and Special Return File.

The DDPS Return File should not be confused with the Special Return File.

If Edit Code 708, 709, or 712 apply to the P2P PDEs, DDPS changes the record type to Informational using INF.

If Informational Edit Code 708 applies to a PDE, DDPS also annotates the Contract of Record number in positions 441 through 445 of the DDPS Return File.

DDPS does not report Contract of Record on PDEs receiving Informational Edit Code 709 because these PDEs are exempt from P2P reconciliation.

Note: Obviously, the transfer of True Out of Pocket Costs (TrOOP) balances accumulated for beneficiaries is also very important. The P2P Reports are not a proxy for the TrOOP Balance Transfers, which occurs through Financial Information Reporting (FIR). Plans must review their P2P Monthly Reports and respond to their FIR transactions appropriately to confirm Gross Drug Spend and TrOOP Balance Transfer amounts. Requirements mandate that the transfer-out plan forward Year-to-Date TrOOP and gross covered drug cost balances to the transfer-in plan via Automated TrOOP Balance Transfers.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

4.4.1. CMS Communication to Plans: Reports

The Contract of Record must pay P2P payables to the Submitting Contract within 30 days from the date that CMS distributes P2P Reports. The 30 day time frame also applies when the Submitting Contract owes money to the Contract of Record.

To meet P2P payment timeframes, plans must promptly open and review monthly P2P Reports. Amounts to be paid are not allowed to be netted. Plans make payments without intervention from CMS. CMS does not dictate the manner in which the payment is made.

4.4.2 Scenario Netting

Let's review an example about netting to make sure you are clear about this concept.

Summer Health Contract appears on Fall Health Contract's P2P Payable Report 43 and also appears on Fall Health's P2P Receivable Report 41 for the same month. According to Report 43, Fall Health Contract owes Summer Health Contract \$500.00. According to Report 41, Summer Health owes Fall Health \$200.00.

Can Fall Health send Summer Health a payment for \$300.00, instead of exchanging payments for the P2P amounts?

No, it is not appropriate for Part D Sponsors to net payments to one another. Sponsors are to pay "in full" the amounts shown on Report 43. In this situation, Fall Health should send a payment for \$500.00 to Summer Health, and Summer Health should send Fall Health a payment for \$200.00.

4.5 Reports (Scenario 2)

Let's apply a little of what we learned about reports using Scenario 2 from earlier. Remember that there are several reports for the Submitting Contract and Contract of Record that provide the financial information necessary for P2P financial settlement.

4.5.1 DDPS Return File Example

For this example, we have populated the record type and edit code based on the processing discussed earlier, then identified with Yes or No if the Contract of Record was populated on the PDE submitted for John Brown's claims.

PDE	Date of Service	PDE Record Submission Date	Record Type	Edit Code	Contract of Record populated (Yes or No)
1	September 5, 2017	September 29, 2017	INF	708	Yes
2	September 7, 2017	September 29, 2017	INF	709	No
3	October 2, 2017	October 20, 2017	INF	708	Yes
4	October 15, 2017	October 29, 2017	REJ	706	No

Who received the DDPS Return File? Winter Health Plan, because it is the Submitting Contract.

PDE 1 was for September 5, 2017 and was submitted on September 29, 2017. The answers should be INF for record type, 708 for Edit Code, and Yes for the Contract of Record populated for the PDE.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

PDE 2 was for September 7, 2017 and was also submitted on September 29, 2017. The answers are INF, Edit Code 709, and No for is the Contract of Record populated for the PDE.

PDE 3 was for the October 2, 2017 claim, which was submitted on October 20, 2017. The answers are INF, Edit Code 708, and Yes for Contract of Record populated for the PDE.

PDE 4 was for the October 15, 2017 claim, which was submitted on October 29, 2017. The answers are REJ, Edit Code 706, and No for Contract of Record populated for the PDE.

4.5.2 Submitting Contract Reports Example

Winter Health Plan will receive two P2P Reports as the Submitting Contract. They are Report 40, which is the accounting report, and Report 41, which is a receivables report.

Report 40 is similar to Report 4, which is the Cumulative Beneficiary Summary Report that plans receive monthly. In this case, the report displays the Year-to-Date cumulative P2P financial amounts reported by Winter Health Plan as the Submitting Contract. Report 40 batches the information by PBP. In the case of John Brown, the information would appear under PBP 001.

Report 40 is available with versions for Covered, Enhanced Alternative, and OTC drugs. Only the Covered drug version identifies the Contract of Record, which is Spring Health Plan; the enhanced alternative and OTC versions will not.

Why won't these reports identify Contract of Record for enhanced alternative or OTC drugs? If you recall, they are not part of the financial settlement requirements for P2P.

In addition to identifying the Contract of Record, these reports identify the CPP, LICS, and P2P Amounts for each PDE for the Covered drugs.

Report 41 is only available for Covered drugs since Covered drugs are the only type of drugs involved in P2P Reconciliation. Report 41 batches the information by Contract of Record. Any P2P amounts for beneficiaries under a specific Contract of Record would be included in one batch. It is possible that there could be a negative P2P amount on this report for a beneficiary because of adjustment or deletion activity. Remember from earlier, if that occurs at the contract level, not the beneficiary or DET level, the Submitting Contract would be required to repay the Contract of Record within 30 days of the date the report was distributed by CMS.

WINTER HEALTH PLAN'S P2P REPORTS (SUBMITTING CONTRACT)

Report 40 – Accounting

Report 41 – Receivables

In scenario 2 for John Brown, which Reports will the Submitting Contract receive? And, for what month's report, will the information appear? The X in the table below indicates on which report the PDE will appear.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

PDE	Date of Service	PDE Record Submission Date	Covered	Enhanced	Over-the-Counter	Month of Report
1	September 5, 2017	September 29, 2017	X			September
2	September 7, 2017	September 29, 2017			X	September
3	October 2, 2017	October 20, 2017	X			October
4	October 15, 2017	October 29, 2017				*See footnote

* PDE 4 was rejected, so it will not appear on these reports.

For PDE1, since it is a Covered drug, it appears in the September Reports 40 and 41. Because Report 40 is a Year-to-Date cumulative report, PDE 1 will continue to show every month after September.

PDE2 is for an OTC and appears in the September Report 40 only. Again, it will continue to appear on Report 40, although there is not a P2P condition for the OTC drug.

PDE3 appears in the October Reports 40 and 41. Also, it will continue to appear on Report 40.

PDE4 will not appear on the reports because the record was rejected and not saved for John Brown. Rejected PDEs are not included in P2P. Winter Health should no longer be submitting PDEs for John.

4.5.4. Contract of Record Reports Example

What reports will Spring Health Plan receive as the Contract of Record? The Contract of Record receives reports for Covered drugs only since these are the only drugs included in P2P Reconciliation.

SPRING HEALTH PLAN'S P2P REPORTS (CONTRACT OF RECORD)

Report 42 – Part D Payment Reconciliation

Report 43 – Payables

PDE	Date of Service	PDE Record Submission Date	COV	Month of Report
1	September 5, 2017	September 29, 2017	X	September
2	September 7, 2017	September 29, 2017		
3	October 2, 2017	October 20, 2017	X	October
4	October 15, 2017	October 29, 2017		*See footnote

* PDE 4 was rejected, so it will not appear on these reports.

The Contract of Record, Spring Health Plan, is receiving Reports 42 and 43. Spring Health Plan will see the PDEs for Dates of Service of September 5, 2017 and October 2, 2017 on their P2P Reports.

Report 42 is Year-to-Date cumulative information of what Spring Health has paid to Submitting Contracts like Winter Health Plan for P2P financial settlement. So, this will include the current month and any previous month's financial settlement.

This report is batched by Spring Health's PBPs. So, any P2P amounts associated with John Brown would appear under PBP 002, the PBP into which John enrolled. Report 43 indicates what Spring Health Plan owes in payables to Winter Health and any other Submitting Contracts for that month.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

5. P2P Reconciliation (Phase III)

5.1 Home - Reconciliation (Phase III)

In this section, we will cover P2P reconciliation background information, Contract/PBP Update, the P2P Process review, the P2P Contract/PBP Update processing, and information edits.

5.2 Background

Let's take a look at the P2P reconciliation process, also known as Phase III, which involves updating the Contract of Record and the Plan of Record.

The P2P Reconciliation Process was implemented in three phases. P2P Phase I and Phase II were implemented to allow for the processing of PDE data, to establish the reporting mechanism, and to establish procedures for financial reconciliation between Contracts. Phase I was a start-up phase for Dates of Service prior to June 30, 2007, and Phase II describes current P2P PDE editing.

Phase III established a process for updating the Contract and PBP of Record on PDEs that were already accepted and saved by CMS for Covered drugs. It is performed for each benefit year after the reconciliation cut-off date and it ensures the Contract or Plan Benefit Package of Record is associated with the PDEs for the enrollee that will be considered when performing the annual Part D Payment Reconciliation. P2P Phase III updates saved PDE data that results in updates to the Contract of Record and PBP of Record due to changes in enrollment data that have occurred after a PDE is submitted.

5.3 Update Prior to Part D Reconciliation

First, let's look at information regarding P2P Contract/PBP Update prior to Part D Payment Reconciliation.

Throughout the benefit year, CMS may receive retroactive enrollments that will not be updated on PDEs for drugs that were already accepted into DDPS by CMS.

For CMS to perform an accurate Part D Payment Reconciliation, the accepted PDEs will have to be attributed to the appropriate Contract and PBP of Record prior to running the Part D Payment Reconciliation. CMS performs a final update for Contract and PBP of Record on accepted PDEs prior to reconciliation.

This update only occurs if there are changes to enrollment data. If changes are made and a P2P condition occurs, the affected Contracts will go through the entire P2P process. The information will appear on the Submitting Contract and the Contract of Record reports.

If the update results in a non-P2P condition that was previously a P2P condition, the PDEs will appear on P2P and non-P2P Reports. Financial settlement will occur between the Submitting Contract and Contract of Record. This update to the contract or PBP of record will always occur prior to Part D Payment Reconciliation.

5.4 P2P Reconciliation Steps 03-05

We are again looking at the P2P Reconciliation process flow from earlier. However, here we are highlighting the Contract and PBP Update, P2P identification and financial settlement, and Part D Reconciliation.

A Contract and PBP Update is when CMS updates the Contract and PBP of Record information on saved PDE data.

When the PDE data results in a change to the Contract and PBP of Record, the updates may result in creating a P2P

PDE Plan-to-Plan (P2P) CBT – Text Only Version

condition or reversing an existing P2P condition.

5.4.1 P2P Reconciliation Steps 03-05 Scenario #1

Looking back at Scenario 1, it will not be subject to the Contract and PBP Update since there is not a change in Contract or PBP of Record after the PDE was accepted and saved by CMS.

After the completion of the benefit year, a statutory Part D Payment Reconciliation is conducted, and all PDE-reported costs must be attributed to the appropriate Contract of Record.

5.3 P2P Contract/PBP Update Processing

The P2P Contract and PBP Update will allow DDPS to query the enrollment database for changes to the Contract and PBP of Record. If this query results in changes, DDPS will update affected PDE data to reflect the changes.

If this query does not result in a change, no update will occur on the saved PDE data. This process will update all changes to the Contract and PBP of Record; it is not limited to changes that affect P2P. This process will also update enrollment information when the beneficiary moves from one PBP to another PBP within the same Contract.

5.5 P2P Contract/PBP Update Processing

P2P Contract and PBP Update will allow the DDPS to query the enrollment database for changes to Contract and PBP of Record. If this query results in changes, DDPS will update affected PDE data to reflect the changes.

If this query does not result in a change, no update will occur on the saved PDE data.

This process will update all changes to Contract and PBP of Record; it is not limited to changes that affect P2P.

This process will also update enrollment information when the beneficiary moves from one PBP to another PBP within the same Contract.

5.5.1 P2P Contract/PBP Update Processing (Continued)

Let's take a look at the Plan to Plan Contract/Plan Benefit Package Update Processing.

CMS developed update codes that will generate because of the P2P Contract and PBP Update. The update codes will be received by the Submitting Contract on a Special Return File. The update codes will only be sent to the Submitting Contract and will not be sent to the Updated or Original Contract of Record.

The Contract and PBP Update to saved PDEs will result in changes that appear on the monthly reports that are issued with the changes from the Contract and PBP Update. The changes from this update are in the June reports distributed in the year following the benefit year (for example, the P2P Phase III updates for 2017 are in the benefit year 2017 P2P Reports for June 2018 Report sequence number 2017018).

The monthly reports will show any new payables and receivables that result from the P2P Contract and PBP Update. Any financial amounts resulting from this process will appear the same as any other financial amounts would appear on a monthly report. Since the financial amounts from the P2P Contract and PBP Update will not be reported differently, the monthly reports should be thoroughly reviewed.

The layout of the monthly reports will not change. The Updated Contract of Record and the Original Contract of Record will only be aware of changes by reviewing the monthly reports.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

5.6 P2P Contract/PBP Edit Codes

Each Update Code is meant to provide the Submitting Contract with an explanation of how the enrollment changes affect the saved PDE. The explanation table will assist the Submitting Contract when evaluating the monthly reports for changes.

These edits will appear on the Special Return File sent to Submitting Contracts after the Contract and PBP Update.

Update Code	Description	P2P Condition
851	Contract of Record has been updated.	Condition now exists.
852	Submitting Contract/PBP is now the Contract/PBP of Record.	Condition no longer exists.
853	PBP of Record has been updated.	Continues to be non-P2P PDE.
854	Contract of Record and PBP of Record have been updated.	New condition established.
855	Submitting Contract is now the Contract of Record, but Updated PBP of Record is different from Submitting PBP.	Condition no longer exists.

6. Contract/PBP Update Scenarios

6.1 Home - Contract/PBP Update Scenarios

In this section, we will cover several Contract/PBP Update scenarios.

6.2 Contract/PBP Update (Scenario 3)

Let's look at Scenario 3.

In this scenario, Cloudy Health PBP 001 submitted a PDE for a Covered drug on November 10, 2017 for Sarah Gray with DOS October 15, 2017. CMS databases indicated that it was the Contract of Record for Sarah.

When CMS conducted the P2P Contract and PBP Update, the Contract and PBP of Record changed to Sunny Health PBP 001 with an effective date of October 1, 2017.

Let's look at how it will appear in the Special Return File. This creates a new P2P condition for this PDE record.

Looking at the table below, who is the "A" and who is "B"? A is Cloudy Health and B is Sunny Health.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Submitting Contract	Submitting PBP	Original Contract of Record	Original PBP of Record	Updated Contract of Record	Updated PBP of Record	Contract of Record Update Reported on Return File	PBP of Record Update Reported on Return File
A	1	A	1	B	1	Yes	No

CMS informed Cloudy Health of this change via the Special Return File with the saved PDE record and reported Update Code 851 to describe the P2P condition.

The Special Return File indicates the Contract of Record, because the new Contract of Record is Sunny Health.

The PBP of Record will not appear on the Special Return File. Since the change occurred based on the contract change, it is not necessary to send the PBP update to Contract A.

6.2.1. Contract/PBP Update – CPP (Scenario 3)

Let’s review the associated monthly reports. We will use CPP to illustrate how the financial data will change between reports.

The CPP for Scenario 3 is \$100. Prior to the P2P Contract and PBP Update, Cloudy Health was the only Contract that had this PDE on a monthly report. The PDE will be documented on Report 4 for the month in which the PDE was submitted and accepted, and the month after submission.

After the P2P Contract and PBP Update, the PDE will appear on monthly reports for both Cloudy Health and Sunny Health. The updated Report 4 will display \$0 since the PDE will be documented on P2P Reports. The Updated Contract of Record, Sunny Health, now owes Cloudy Health \$100 as shown in the P2P Reports 40 through 43.

CPP for this scenario is \$100.

Report	Submission Month	Month after Submission	Update Month
4	\$100	\$100	\$0
40	\$0	\$0	\$100
41	\$0	\$0	\$100
42	\$0	\$0	\$100
43	\$0	\$0	\$100

6.3 Contract/PBP Update (Scenario 4)

Let’s look at Scenario 4. In this scenario, Jane Doe was enrolled in Winter Health Plan PBP 001. However, when Winter Health submitted a PDE on November 1, 2017 for an October DOS, CMS had Spring Health plan as the Contract of Record in their databases, so this created a P2P condition.

After the PDE was accepted and saved by CMS, a retroactive enrollment processed for Winter Health. The retroactive enrollment processed on November 3, 2017, and the effective date of the enrollment was October 1, 2017. When CMS updates the Contract and PBP of Record, Winter Health is now the Updated Contract of Record.

For our purposes, “A” equals Winter Health and “B” equals Spring Health. What is the status of the P2P condition after the Contract and PBP Update? The P2P condition no longer exists after the update.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Winter Health Plan will receive the Special Return File with Update Code 852, which indicates that the Submitting Contract, Winter Health, is now the Contract and PBP of Record. The Contract of Record will not populate on the Special Return File in this example. The PBP of Record will also not appear on the Special Return File because it is unnecessary to populate these fields since P2P no longer exists.

Submitting Contract	Submitting PBP	Original Contract of Record	Original PBP of Record	Updated Contract of Record	Updated PBP of Record	Contract of Record Update Reported on Return File	PBP of Record Update Reported on Return File
A	1	B	1	A	1	No	No

Let’s take a look at the reports that explain the financial part of the example. When the P2P condition existed, Spring Health paid Winter Health \$100, as shown in the original monthly reports to complete the required financial settlement.

In the updated monthly reports, the PDE will appear on Report 4 for Winter Health. Winter Health will see a negative \$100 or a negative amount on Report 41. Spring Health will see a negative \$100 as the amount owed to them on Report 43.

A negative receivable amount means that Winter Health will owe Spring Health. In other words, Winter Health owes Spring Health \$100.

CPP for this scenario is \$100.

Report	Submission Month	Month after Submission	Update Month
4	\$0	\$0	\$100
40	\$100	\$100	\$0
41	\$100	\$0	(\$100)
42	\$100	\$100	\$0
43	\$100	\$0	(\$100)

6.4 Contract/PBP Update (Scenario 5)

In Scenario 5, Jane Brown, John’s wife, changed from Winter Health’s PBP 001 to PBP 002, effective September 1, 2017.

This situation does not qualify as a P2P condition. Even after the Contract and PBP Update, this remains a non-P2P condition. However, CMS will send Winter Health a Special Return File because the Contract and PBP Update is meant to update all enrollment changes including PBP-only updates. The Return file will include all PDEs impacted by the Contract and PBP Update with a DOS of September 1, 2017 through December 31, 2017.

Winter Health is still contract “A” in this scenario.

So, the Contract of Record will not need to be populated in the return file.

What about the PBP? Yes, because CMS will inform plans of PBP-only updates.

Winter Health will see Update Code 853 describing this condition for an update in PBP of Record.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Submitting Contract	Submitting PBP	Original Contract of Record	Original PBP of Record	Updated Contract of Record	Updated PBP of Record	Contract of Record Update Reported on Return File	PBP of Record Update Reported on Return File
A	1	A	1	A	2	No	Yes

Although the financial information will remain on Report 4, the information will be found under the new PBP of Record.

CPP for this scenario is \$100

Report	Submission Month	Month after Submission	Update Month
4 (PBP 001)	\$100	\$100	\$0
4 (PBP 002)	\$0	\$0	\$100

6.5 Contract/PBP Update (Scenario 6)

On to Scenario 6 where Frank Cloud was enrolled in Winter Health Plan effective August 1, 2017. Winter Health submitted a PDE record on September 17, 2017 for DOS September 2, 2017. On August 15, 2017, Spring Health submitted an enrollment transaction for Frank with a September 1, 2017 effective date, which created a P2P condition. Spring Health settled financially with Winter Health.

Summer Health Plan also submitted an enrollment for Frank on September 25, 2017, with effective date August 1, 2017. Winter Health was not informed that Summer Health was the Contract of Record until it received the Special Return File following the Contract and PBP Update.

Submitting Contract	Submitting PBP	Original Contract of Record	Original PBP of Record	Updated Contract of Record	Updated PBP of Record	Contract of Record Update Reported on Return File	PBP of Record Update Reported on Return File
A	1	B	1	C	1	Yes	No

We now have three plans in this example. Who are A, B, and C in the table above? “A,” the Submitting Contract, is Winter Health. “B,” the Original Contract of Record, is Spring Health. “C,” the Updated Contract of Record, is Summer Health.

Update Code 854 was reported on the file, which indicated a new P2P condition.

So, is the Updated Contract of Record reported? Yes; however, the PBP will not be reported since the P2P number did not change.

6.5.1 Contract/PBP Update - CPP (Scenario 6 - continued)

Originally, Spring Health was the Contract of Record in this example, and it paid \$100 in CPP to Winter Health for the P2P PDE from September for Frank.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

After the enrollment information updated, Summer Health became the new Contract of Record. As a result, Winter Health must repay Spring Health the \$100 for CPP it was originally paid.

Winter Health is returning the money that initially exchanged hands according to the Original Monthly Reports. This is shown by negative dollar amounts on Report 41 for Winter Health and Report 43 for Spring Health.

CPP for this scenario is \$100

Contract A to Contract B

Report	Submission Month	Month after Submission	Update Month
40	\$100	\$100	\$0
41	\$100	\$0	(\$100)
42	\$100	\$100	\$0
43	\$100	\$0	(\$100)

6.5.2 Contract/PBP Update - CPP (Scenario 6 - continued)

Because of the new P2P condition between Winter Health and Summer Health, Summer Health is now the Contract of Record. Therefore, Summer Health owes Winter Health \$100 in CPP for the PDE.

Summer Health will be aware of the P2P liability through the P2P Monthly Reports generated during the P2P Contract and PBP Update month.

This update will cause two changes on the P2P Reports for Winter Health. Winter Health will see changes in the Detail record rows for Contract of Record B, which is Spring Health and Contract of Record C, which is Summer Health on Reports 40 and 41.

So, the result is Winter Health owes Spring Health \$100, and Winter Health will receive \$100 from Summer Health.

CPP for this scenario is \$100

Contract A to Contract C

Report	Submission Month	Month after Submission	Update Month
4	\$0	\$0	\$0
40	\$0	\$0	\$100
41	\$0	\$0	\$100
42	\$0	\$0	\$100
43	\$0	\$0	\$100

6.6 Contract/PBP Update (Scenario 7)

Now, let's look at Scenario 7. Sarah Blue was enrolled in Winter Health under PBP 001 in August 2017. Spring Health enrolled Sarah in their plan with an Enrollment effective date of September 1, 2017. During September, Winter Health submitted a PDE. Spring Health paid Winter Health for the PDE because of the P2P condition.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Sarah re-enrolled into Winter Health for September 2017 under PBP 002. This transaction processed after the Enrollment into Spring Health. During the Contract and PBP Update Process, the affected PDEs were updated to reflect the change in Contract or PBP. Winter Health is the Contract of Record, but the PBP had changed according to the Special Return File from PBP 001 to PBP 002.

Submitting Contract	Submitting PBP	Original Contract of Record	Original PBP of Record	Updated Contract of Record	Updated PBP of Record	Contract of Record Update Reported on Return File	PBP of Record Update Reported on Return File
A	1	B	1	A	2	No	Yes

In the above table, “A” is still Winter Health, and “B” is still Spring Health.

Update Code 855 is received.

The Contract of Record is not populated.

In this case, the PBP of Record is populated, because the PBP changed.

6.6.1 Contract/PBP Update (Scenario 7 - continued)

Originally, Spring Health paid Winter Health \$100 in CPP amounts for the PDE. Now we know that the P2P condition no longer exists. Winter Health must repay Spring Health the \$100 that was initially paid. This is displayed as a negative amount on the Updated P2P Monthly Reports. For Winter Health, Report 4 will now display the CPP amounts under the Updated PBP.

CPP for this scenario is \$100

Report	Submission Month	Month after Submission	Update Month
4	\$0	\$0	\$100
40	\$100	\$100	\$0
41	\$100	\$0	(\$100)
42	\$100	\$100	\$0
43	\$100	\$0	(\$100)

6.7 Contract/PBP Update (Scenario 8)

Let’s look at Scenario 8. Kelly Yellow enrolls in Spring Health in July, which disenrolled her from Winter Health Plan. Spring Health paid Winter Health for Kelly’s P2P PDEs for Covered drugs that occurred during the transition period. Kelly then switched PBPs in July, not long after her enrollment was effective.

Note that in the table below, “A” is Winter Health and “B” is Spring Health.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Winter Health will not receive a Special Return File about this update, because the update occurred at the PBP level within the same Contract of Record.

There is no impact to the financial settlement that already occurred between Spring Health and Winter Health.

Submitting Contract	Submitting PBP	Original Contract of Record	Original PBP of Record	Updated Contract of Record	Updated PBP of Record	Contract of Record Update Reported on Return File	PBP of Record Update Reported on Return File
A	1	B	1	B	2	No	No

This update will not result in a change in financial dollar amounts for Winter and Spring Health because they already settled financially on the original P2P condition. However, on the monthly reports, the financial amounts for Spring Health will now be found under the Updated PBP of Record.

6.8 Contract/PBP Update - CPP (Scenario 8)

This update will not result in a change in financial dollar amounts for Winter and Spring Health because they already settled financially on the original P2P condition. However, on the monthly reports, the financial amounts for Spring Health will now be found under the Updated PBP of Record.

CPP for this scenario is \$100

Report	Submission Month	Month after Submission	Update Month
40	\$100	\$100	\$100
41	\$100	\$0	\$0
42	\$100	\$100	\$100
43	\$100	\$0	\$0

7. P2P Reconciliation Process and Examples

7.1 Home - Reconciliation Process and Examples

In this section, we will cover an overview of the P2P reconciliation process and examples.

7.2 P2P Reconciliation Process Overview

Let's review some information about the P2P Reconciliation process before we talk about reconciliation.

The goal of the monthly P2P financial settlement process is to ensure that the Contract of Record is financially responsible for PDEs that were submitted to CMS for each beneficiary that is enrolled in the Contract of Record according to CMS databases.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Report 42COV will display the year-to-date financial totals for P2P conditions between the Contract of Record and Submitting Contracts. This report is a sum of each Monthly Report 43 received by the Contract of Record. For Part D Payment Reconciliation, the totals from Report 42COV and Report 4 will be summed for the Contract of Record.

The Submitting Contract will have rebates for some PDEs that were submitted to CMS and resulted in a P2P condition.

The Submitting Contract will report the DIR earned for any P2P claims. In addition to DIR, Actual P2P Non-covered Plan Paid Amounts, or NPPA, are submitted by Enhanced Alternative Plans, known as EA Plans.

The NPPA is used to credit EA plans in the Part D Payment Reconciliation for NPP amounts paid on behalf of a low-income (LI) status beneficiary when reported on a PDE that was subsequently included in a P2P transaction. This amount is on Report 40.

7.3 P2P Reconciliation Process Example

CMS has an established requirement that plans submit enrollments within at least seven (7) days of the application date.

The P2P transition period provides additional incentive to submit enrollments to CMS as rapidly as possible, and ideally daily, to minimize potential P2P liabilities.

Later enrollment submissions expose a new Contract of Record to potentially more P2P PDE activity and greater potential financial liability. Essentially, as the frequency of enrollment submissions increases, the plan's liability decreases.

Example

A Part D Sponsor that submits enrollments to CMS within 24 hours of receipt will incur almost no additional P2P transition period liabilities under the policy.

However, a Part D Sponsor that batches enrollments and sends them into CMS just before payment cut off in the following month, will subject itself to an approximate 45-day potential transition period liability for P2P reimbursements.

The Submitting Contract can also further reduce P2P activity. When the Submitting Contract begins to receive PDEs with Informational Edit Code, 708, which indicates that CMS records show that the beneficiary is no longer enrolled in the submitting Contract.

The Submitting Contract should compare their enrollment records with CMS records and take necessary action to ensure that the enrollment information for the beneficiary is correct.

7.4 P2P Reconciliation Process Example

Let's now take a look at an example of the financial settlement between Submitting Contracts and Contract of Record that results from P2P processing and occurs on a monthly basis and ends with PDEs submitted prior to the PDE deadline for the annual Part D Payment Reconciliation.

John Brown disenrolls from Winter Health Plan. Spring Health Plan submits his enrollment to CMS and CMS processed the enrollment on October 13, 2017.

This means that the beneficiary is disenrolled from Winter Health Plan as of September 30, 2017 and enrolled in Spring Health Plan as of October 1, 2017.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Enrollment Information

Contract	Start Date	End Date
Winter Health Plan	07/01/17	09/30/17
Spring Health Plan	10/01/17	

7.5 P2P Reconciliation Process Example

So, let's look at how the change in enrollment impacts PDE Activity and P2P conditions. The table below summarizes the PDE records submitted and processed by Winter Health Plan for John Brown.

Let's determine if there is a P2P condition for each PDE record based on the enrollment information listed above.

The first two PDE records are for the same DOS and were both processed on September 29. Based on the enrollment in CMS' databases, Winter Health Plan is the Contract of Record. When these PDEs process, they will be viewed as non-P2P. Winter Health Plan will see the information reflected on the Cumulative Beneficiary Summary Report, which is also known as Report 4.

The third and the fourth PDEs also occurred on the same DOS and were both processed on October 3. On this date, Winter Health Plan was known as the Contract of Record. The PDEs will appear on Report 4, but will process through the P2P Contract and PBP Update that occurs annually prior to Part D Payment Reconciliation. The PDEs bolded in the third and fourth row are in transition.

The fifth and sixth PDEs were processed on October 25 for DOS October 9. The Winter Health Plan is no longer the Contract of Record. These PDEs will appear on the P2P Reports.

The seventh PDE was processed on October 25 as well, but this was for DOS October 15. Again, Winter Health Plan is no longer the Contract of Record, and therefore the PDE will appear on the P2P Reports. This PDE is within the 30 day transition period.

The last PDE had a DOS of November 16, which is beyond this 30 day period. So, Winter Health Plan will receive a Reject Edit Code of 706 for this PDE, and the PDE is not within a valid P2P transition period. The PDE will not appear on a monthly report since it was not accepted.

PDE Activity

Date of Service	CPP	CMS Processed Date	P2P Condition?
09/28/17	\$42.50	09/29/17	No
09/28/17	\$23.42	09/29/17	No
10/02/17	\$18.36	10/03/17	Yes
10/02/17	\$12.20	10/03/17	Yes
10/09/17	\$14.72	10/25/17	Yes
10/09/17	\$23.42	10/25/17	Yes
10/15/17	\$15.45	10/25/17	Yes
11/16/17	\$42.50	11/18/17	No

PDE Plan-to-Plan (P2P) CBT – Text Only Version

7.6 P2P Reconciliation Process Example

Now, let's look at the monthly reports for Winter Health Plan based on the PDE data submitted above. First, we will look at the Winter Health Plan monthly reports for September and October. Report 4 for September provides the DOS and the CPP for each.

Winter Health Plan - September Monthly Reports

Report 4

DOS	CPP
09/28/17	\$42.50
09/28/17	\$23.42

7.7 P2P Reconciliation Process Example

As you can see, the third and the fourth PDEs occurred on October 2, 2017 and were both processed on October 3. On this date, Winter Health Plan was known as the Contract of Record. The PDEs will appear on Report 4. Once the Contract and PBP Update occurs, you will see those PDEs reflected on Reports 40 and 41. The Contract and PBP Update will occur after the PDE reconciliation deadline, and changes will appear in the June reports in the year following the benefit year.

In October, Reports 40 and 41 indicate the CPP that Spring Health Plan is responsible for reimbursing Winter Health Plan for PDEs five (5) through seven (7) in this example.

Winter Health Plan - October Monthly Reports

Report 4

DOS	CPP
10/02/17	\$18.36
10/02/17	\$12.20

Reports 40 and 41

DOS	CPP	Contract of Record
10/09/17	\$14.72	Spring Health
10/09/17	\$23.42	Spring Health
10/15/17	\$15.45	Spring Health

7.8 P2P Reconciliation Process Example

Spring Health Plan's Reports 42 and 43 indicate the amounts that it must pay Winter Health Plan for PDEs five (5) through seven (7)

Spring Health Plan has 30 days from the day CMS distributed the P2P Reports to pay Winter Health Plan.

Now, let's take a look at what happens to the reports following the Contract and PBP Update.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Spring Health Plan - October Monthly Reports

Reports 42 and 43

DOS	CPP
10/09/17	\$14.72
10/09/17	\$23.42
10/15/17	\$15.45

7.9 P2P Reconciliation Process Example

After the PDE reconciliation deadline, CMS updates the enrollment information on previously accepted PDEs for the benefit year being reconciled.

Winter Health Plan will receive a Special Return File that contains the affected PDEs. The Update Code 851 is sent to Winter Health Plan to inform them that the Contract of Record has been updated; a P2P condition now exists.

Winter Health Plan for Contract/PBP Update

Special Return File

DOS	CPP	Contract of Record	Update Code
10/02/17	\$18.36	Spring Health	851
10/02/17	\$12.20	Spring Health	851

7.10 P2P Reconciliation Process Example

The amounts that were previously documented on Report 4 for the third and fourth PDEs in this example will now be documented on the P2P amounts on Reports 40 and 41 for Winter Health Plan.

Winter Health Plan – June Monthly Reports

Reports 40 and 41

DOS	CPP	Contract of Record
10/02/17	\$18.36	Spring Health
10/02/17	\$12.20	Spring Health

7.11 P2P Reconciliation Process Example

Spring Health Plan now receives Reports 42 and 43 with the CPP owed to Winter Health Plan for the P2P PDEs following the Contract and PBP Update.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

Spring Health Plan – June Monthly Reports

Reports 42 and 43

DOS	CPP
10/02/17	\$18.36
10/02/17	\$12.20

7.12 P2P Reconciliation Process Example

Amounts from Reports 4 and 42 will be summed and used in the Part D Payment Reconciliation. These reports reflect the first seven PDEs of the eight submitted for John Brown. This is because the eighth PDE Rejected with Edit Code 706, so it will not be a part of P2P Reconciliation or Part D Payment Reconciliation.

Winter Health Plan and Spring Health Plan for Part D Payment Reconciliation

Winter Health Plan

Reports	Total CPP
Report 4	\$65.92
Report 42	\$ 0.00

Spring Health Plan

Reports	Total CPP
Report 4	\$ 0.00
Report 42	\$84.15

8. P2P Payment Reporting

8.1 P2P Payment Reporting

Let's turn our attention to P2P Attestation and Record of P2P Reconciliation Payments.

8.2 Attestation

The Attestation of P2P Reconciliation Payment Data and the Record of P2P Reconciliation Payments worksheet is completed at the Parent Organization level.

The Sponsor submits the Record of P2P Reconciliation Payments in HPMS as Part of the annual Part D Payment Reconciliation and must electronically sign an attestation in HPMS called the Attestation of P2P Reconciliation Payment Data.

By electronically signing the P2P attestation, the Part D Sponsor certifies (based on best knowledge, information, and belief) that accurate and complete P2P reconciliation payments have been made by the Part D Sponsor in accordance with the P2P Payable Reports and the P2P Receivable Reports.

The attestations can only be signed by the Plan Sponsor's Chief Executive Officer (CEO), Chief Financial Officer (CFO), or Chief Operating Officer (COO), and must be submitted electronically through HPMS. Attestations are

PDE Plan-to-Plan (P2P) CBT – Text Only Version

available to others in View. One (1) attestation should be signed per Parent Organization per contract year, and it may not be substituted or revised. Therefore, Part D Sponsors offering multiple contracts should submit one (1) attestation for all contracts combined for the applicable contract year.

8.3 P2P Payment Reporting

Part D Sponsors must submit the Record of P2P Reconciliation Payments to reflect any P2P payments made for the contract year. The report must be provided in the Record of P2P Reconciliation Payments Worksheet, which is an Excel worksheet, and must be submitted in the Health Plan Management System. For information on populating the P2P worksheet, see the Helpful Hints found in Health Plan Management System (HPMS) under Plan Bids > Part D Attestations > Contract Year XXXX > (under Documentation on the left side) P2P Worksheet/Attestation Helpful Hints.

The worksheet template is downloaded from the Part D Attestation Module in HPMS and cannot be modified aside from adding your plan data. For instance, you should not add formulas to cells or make any changes to column titles. If the worksheet is modified, it cannot be uploaded in HPMS.

When Sponsors enter the P2P Worksheet submission form, they must select one and only one parent Organization. Then, a screen appears from which to choose one or multiple contracts that the upload file will contain.

8.4 P2P Payment Reporting

Once the P2P Worksheet is populated, it can be uploaded to HPMS when the P2P attestation is electronically signed. Note that even if a Sponsor does not have P2P activity, a worksheet must still be submitted. See the Helpful Hints in HPMS for more information.

9. Conclusion

9.1 Conclusion

Let's take a moment to answer some questions. Then, before you leave, check your knowledge on the training.

9.2 Tip 1

If you receive payments from Part D Sponsors for P2P amounts but often do not receive supporting documentation indicating if the payment is for one P2P Report, more than one benefit year, or several P2P Reports, how should Sponsors address this issue?

Sponsors are required to pay one another within 30 days of the date on which CMS distributes P2P Reports. Prompt payment based upon the most recent P2P Reports will help the Sponsor receiving the payments to account for the payment amounts. Sponsors should not send lump sum payments for previous months.

If a Sponsor sends one payment for two benefit years, for example, by sending payments for the January 2018 Report 43 for Benefit Year 2017 and for the January 2018 Report 43 for Benefit Year 2018, the Sponsor should specify that it is sending payments for two different benefit years, so that the contract receiving the payments can understand exactly how to apply the payments. The documentation should include the month and benefit year of the report(s) for which the payment is made and the Contract number(s).

PDE Plan-to-Plan (P2P) CBT – Text Only Version

If a Sponsor discovers it has failed to make a timely payment and remits payment after the required 30 days, the Sponsor shall send to the recipient a detailed breakdown of the payment by payable month. Payment of the entire payable amount within 30 days does not require this special notification.

If a Submitting Contract receives a payment and cannot account for the payment based on reviewing their Report 41, the Submitting Contract should contact the contract sending the payments to request the exact month(s) and benefit year(s) of the Report 43 for which the contract is sending payments.

As stated in the P2P guidance, it is inappropriate for a contract to require additional documentation or to question the accuracy of the P2P Reports. The request to obtain information as to which monthly P2P Report and benefit year to attribute a payment is appropriate. This information is not considered proprietary information.

9.3 Tip 2

What happens if I miss a P2P Payment?

You should pay the plan immediately if you are past the 30 day period. Since you may be combining payment with other P2P payments, send documentation showing the other plan exactly what payments you are sending.

9.4 Tip 3

What should a Sponsor do if a Part D Sponsor that no longer offers Medicare Part D owed P2P amounts, but has not sent the P2P payment?

Despite no longer offering Medicare Part D, the Sponsor is still obligated to follow the P2P Guidance and should send payment within 30 days of the date on which CMS distributes the P2P Report. If payment is not sent within 30 days, the Sponsor should contact the organization. The P2P contact information is found in HPMS. A terminated contract may not be on the most current list of P2P contacts. All previous P2P contact lists are found in "HPMS In the News Archive."

Contracts must maintain current contact information in HPMS.

9.5 Resources

Please visit these websites for additional information and resources:

- www.cms.gov
- www.csscooperations.com
- The Health Plan Management System (HPMS) Portal (Login required)
- HPMS page on CMS site: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/Overview.html>

9.6 Summary

During this training, we reviewed the definitions for key P2P terms. We described the P2P process flow, edits, and several examples to give a clearer understanding of the P2P process. We also described the attestation of P2P Reconciliation Payment Data and Record of P2P Reconciliation Payments Worksheet.

In addition, it is key to remember that P2P reconciliation is a financial settlement process between two Part D Sponsors in which the Contract of Record compensates the Submitting Contract for all CPP or LICs amounts paid by the Submitting Contract for a beneficiary who belongs to the Contract of Record. To minimize P2P activity, it is important for plans to submit enrollment changes timely and maintain accurate and current enrollment

PDE Plan-to-Plan (P2P) CBT – Text Only Version

information. CMS originally implemented P2P in three phases, but P2P should be viewed as an ongoing process that occurs throughout each coverage year.

Sponsors will receive P2P Reports on a monthly basis. The reports show payables and receivables, and Sponsors are responsible for reconciling the full financial amount with one another. Any new payables and receivables resulting from the Contract and PBP Update will appear in the June month-end reports received in the year following the benefit year.

The financial amounts must be reconciled in full and paid within 30 days of when CMS releases the reports. The Contract and PBP Update process is done prior to the Part D Payment Reconciliation to ensure the Contract of Record is responsible for all the PDEs for each beneficiary enrolled in their Contract.

9.7. Assessment

9.7.1. Assessment Overview

Welcome to the assessment portion of the training. In this assessment, you will be given five questions and the opportunity to select the correct answers.

9.7.2. Assessment Question

Question: Where can I find the P2P Contact list?

- a) MARx
- b) HPMS
- c) CSSC Operations website at www.csscooperations.com
- d) DDPS

Answer: The correct answer is b, HPMS.

Feedback: P2P Contact lists are located in HPMS. Contracts are responsible for ensuring contact information is up to date to facilitate P2P communication for reconciliation of payments.

9.7.3 Assessment Question

Question: Is it True or False?

A missed P2P Payment should be paid to the plan immediately if you are past the 30 day period.

Answer: The correct answer is True.

Feedback: You should pay the plan immediately if you are past the 30 day period. Since you may be combining payment with other P2P payments, send documentation showing the other plan exactly what payments you are sending.

9.7.4 Assessment Question

Question: Is it True or False?

I can net payments to a plan if there are amounts on my Receivable Report and my Payable Report.

Answer: The correct answer is False.

Feedback: CMS instructs plans to pay P2P amounts in full. Netting payments is not permitted.

PDE Plan-to-Plan (P2P) CBT – Text Only Version

9.7.5. Assessment Question

Question: Is it True or False?

Part D Sponsors must submit a separate Record of P2P Reconciliation Payments for each contract.

Answer: The correct answer is False.

Feedback: Part D Sponsors must submit the Record of P2P Reconciliation Payments to reflect any P2P payments made for the contract year. The system does not limit Sponsors to submitting for only one contract. When Sponsors enter the Record of P2P Reconciliation Payments Worksheet submission form, they must select one and only one Parent Organization. Then, a screen appears from which to choose one or multiple contracts that the upload file will contain.

9.7.6. Assessment Question

Question: Who can sign the P2P Attestation module in HPMS?

- a) CEO
- b) CFO
- c) COO
- d) All of the above

Answer: The correct answer is d, all of the above.

Feedback: The CEO, CFO, and COO can all sign the P2P Attestation module in HPMS.