DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CMS
CENTERS for MEDICARE & MEDICAID SERVICES

CENTER FOR DRUG AND HEALTH PLAN CHOICE

Date: September 17, 2009

To: All Part D Plan Sponsors

From: Thomas Hutchinson
               Director, Medicare Plan Payment Group

Subject: Changes to Prescription Origin Code in Drug Data Processing System
               (DDPS) Processing

The Department of Health and Human Services (HHS) and the Centers for Medicare & Medicaid Services (CMS) both encourage and support the utilization of electronic prescribing within the Part D program. In 2009, the Prescription Origin Code field was added to the Prescription Drug Event (PDE) record layout to allow CMS to begin collecting data that demonstrate the frequency of electronic prescribing. CMS released guidance on September 26, 2008 on the Prescription Origin Code in an HPMS memo called "Upcoming Drug Data Processing System (DDPS) Changes."

Beginning with dates of service 2010 and forward, Prescription Origin Code will be required on PDEs for original fills submitted in standard format. CMS will also begin additional editing of the Prescription Origin Code field for dates of service 2010 and beyond.

For PDEs for original fills submitted in standard format with dates of service 2010, the valid values are:

- 1 = Written
- 2 = Telephone
- 3 = Electronic
- 4 = Facsimile

Blank and "0" (Not Specified) will no longer be valid values for original fills submitted in standard format with dates of service beginning January 1, 2010.

DDPS will reject, with new edit 649, any original fill standard format PDE with dates of service 2010 and beyond that does not have a valid value in the Prescription Origin Code field.

> Edit 649 – The Prescription Origin Code is invalid. Valid values for original fill standard formats are "1", "2", " 3", and "4".

For dates of service 2009 and prior, the Prescription Origin Code will continue to be optional. Prescription Origin Code will also be optional in the following situations:

- Dates of service 2010 and forward for standard format PDEs for refills (Fill Number not equal to 00), and
- Dates of service 2010 and forward for non-standard format PDEs.

For PDEs with dates of service 2009 and prior, and for non-standard format PDEs or PDEs reporting refills, the following are valid values:

- 0 = Not Specified
- 1 = Written
- 2 = Telephone
- 3 = Electronic
- 4 = Facsimile
- Blank

Edit 648 will continue to reject any PDEs that do not have a blank or an accepted value in this field for dates of service 2009 and prior, and for PDEs with dates of service 2010 and forward for non-standard format PDEs and for PDEs reporting refills.

> Edit 648 – The Prescription Origin Code is invalid. Valid values are "blank", "0", "1", "2", "3", and "4".

Part D plans can continue to report Prescription Origin Code on PDEs with any date of service. On PDEs with dates of service prior to 2009, the Prescription Origin Code will be accepted, but will not be retained by CMS systems.

Part D plans can obtain the Prescription Origin Code via the National Council for Prescription Drug Programs (NCPDP) 5.1 optional field 419 DJ. CMS strongly recommends that Part D sponsors work with their network pharmacies to begin using the NCPDP 5.1 optional field 419 DJ. CMS believes that the migration to electronic prescribing has the potential to significantly reduce administrative inefficiencies and errors that are caused by a paper-based process.

For questions regarding this change, please contact Tara Waters at Tara.Waters@cms.hhs.gov.