



Centers for Medicare & Medicaid Services

Module 02: PDE Process Overview

2025 Prescription Drug Event (PDE) Participant Guide

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1. Purpose

The purpose of this module is to describe the Prescription Drug Event (PDE) submission process by identifying the important terms, key resources, and the submission schedule.

2. Objectives

The information contained within this module applies to benefit years 2025 and forward. For benefit years prior to 2025, refer to the [2011 PDE Participant Guide](#) located on the Customer Service and Support Center (CSSC) website.

The information provided in this module will:

- Identify common PDE data terminology.
- Interpret key components of the PDE data process.
- Interpret the PDE data submission schedule.
- Identify the Centers for Medicare & Medicaid Services (CMS) outreach efforts available to plans.

3. Common Prescription Drug Event Data System Terms

Table 1 provides descriptions for common PDE system terminology.

Table 1: Common Prescription Drug Event Data System Terms

Terms	Description
PDFS	Prescription Drug Event data submitters send data through the Prescription Drug Front-End System .
DDPS	Prescription Drug Event data are processed by the Drug Data Processing System .
IDR	The Integrated Data Repository is a CMS data warehouse that loads and stores all accepted and rejected PDEs.
PRS	The Payment Reconciliation System calculates final reconciliation payment.
MBD	The Medicare Beneficiary Database maintains Medicare beneficiary eligibility and Low-Income Subsidy (LIS) eligibility data.
HPMS	The Health Plan Management System maintains contract and plan-level data for all private health and drug plans participating in the Medicare Advantage (MA) and Part D programs as well as the plan benefit structure data and bid data.
MARx	The Medicare Advantage Prescription Drug System supports the enrollment and payment functions for MA, capitated payments, and prescription drug plans (PDPs).

4. Prescription Drug Event Data Benefit Options

The Medicare Prescription Drug Benefit, Improvement, and Modernization Act of 2003 (MMA) amended the Social Security Act (the Act) by adding Part D to Title 18. Part D requires all plans to provide a minimum set of prescription drug benefits, typically referred to as the Basic benefit or basic prescription drug coverage. The statute designates a specific basic benefit structure called the Defined Standard (DS) and allows two alternate structures that have met certain tests of actuarial equivalence to the DS, the Actuarially Equivalent (AE) plan and the Basic Alternative (BA) plan.

Plans also have the option to provide supplemental benefits that exceed the actuarially equivalent value of the DS benefit. These plans are referred to as Enhanced Alternative (EA) plans. EA benefits can take two forms:

1. Enhanced alternative cost-sharing (EACS) - additional payments by the plan beyond those provided under the DS benefit. EACS applies only to covered Part D drugs.
2. Coverage of non-Part D drugs that require a prescription (e.g., prescription cough and cold agents).

Since EA plans have non-standard benefit structures and some variations in payment methodology, EA plans have several different rules for submitting PDE data for payment calculations.

5. Prescription Drug Event Data Process Overview

Every time a beneficiary fills a prescription covered under Part D, plans must submit a summary of the dispensing event to CMS on the PDE record. The PDE record contains prescription drug cost and payment data that enables CMS to make payments to plans and otherwise administer the Part D benefit. PDE data is submitted by Part D sponsors to PDPS and processed by DDPS.

5.1 Prescription Drug Event Data

Plans must submit a PDE record for each dispensing event. CMS expects that plans will directly link any PDE to the individual claim transaction from which the PDE was extracted and duplicate the summarization.

The data elements required for all PDE records originate from:

- Data elements from the National Council for Prescription Drug Programs (NCPDP) billing request transaction.
- Data elements from the NCPDP billing response transaction.
- Data elements defined by CMS for purposes of administering Part D.

The PDE record includes:

- Entity Information (Submitter ID, Contract No, PBP ID, etc.)
- Beneficiary Information (Medicare Beneficiary Identifier (MBI), Cardholder ID, etc.)
- Event Identification Information (Date of Service, Claim Control Number, etc.)
- Drug and Quantity Identification Information (Product Service ID, Compound Code, etc.)
- Cost Information (Ingredient Cost, Sales Tax, etc.)
- Payment Breakout Information (TrOOP Accumulator, Patient Pay, LICs, etc.)
- Prescriber Information (Prescriber National Provider Identifier (NPI), DAW/Product Selection Code, etc.)
- Service Provider Information (Pharmacy NPI, Pharmacy Service Type, etc.)
- Benefit Design Information (Benefit Phase, Tier, Formulary Code, etc.)

5.2 Prescription Drug Event Data Submission

DDPS is the information system that collects, validates, and stores PDE data received from plans or their submitters.

PDE records enter DDPS through PDFS. PDFS initially performs format and file level validity checks. Once the file has passed the front-end checks, it moves through DDPS where detail level edits are performed, and the data are stored in the data warehouse located within the IDR.

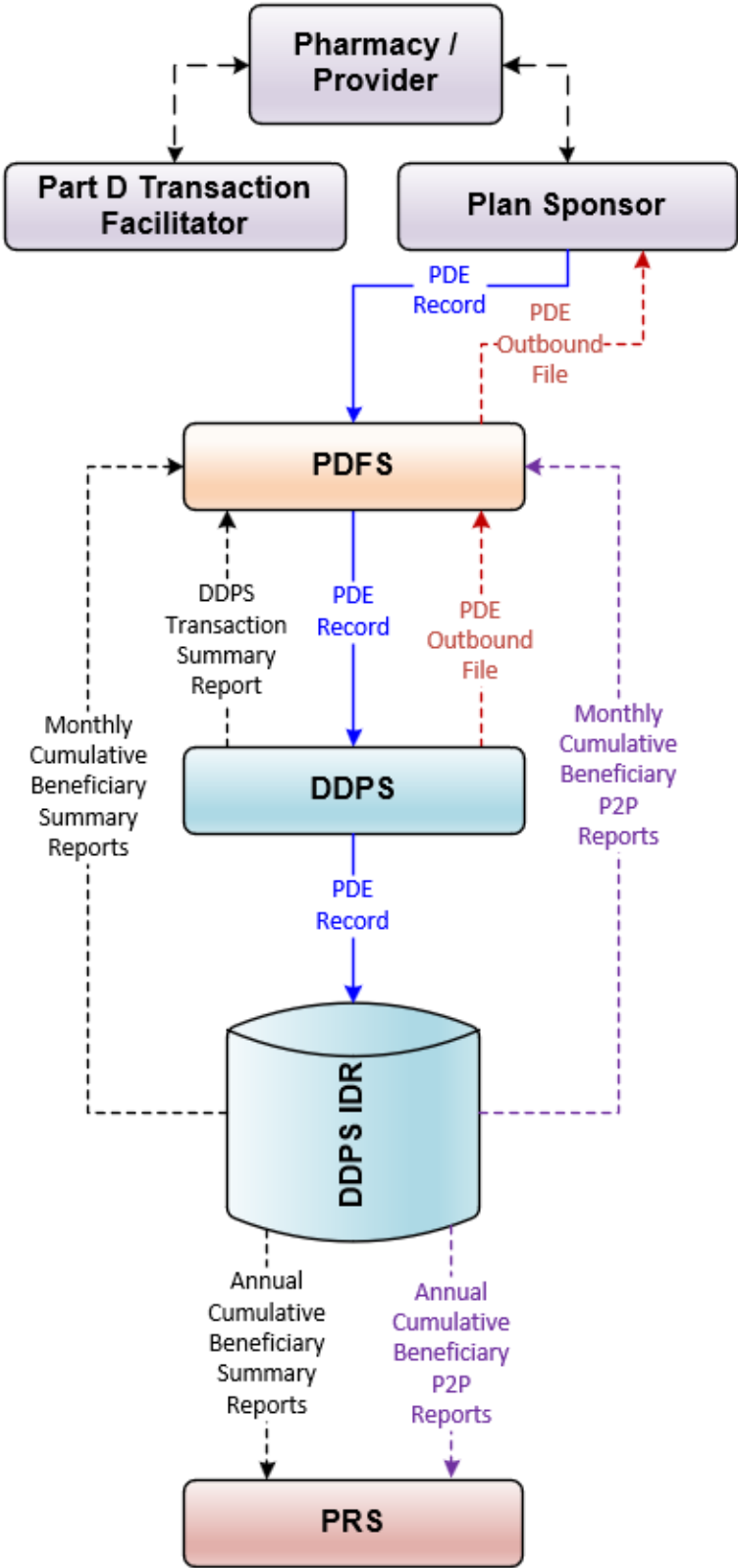
Plans or third-party submitters must submit PDE records electronically to CMS according to the schedule published by CMS. CMS will publish the specific dates for each calendar year via an HPMS memo, annually. Before submitting data to DDPS, new contracts must submit an Electronic Data Interchange (EDI) agreement and Submitter Application, as well as have their certification completed. Their first production file is due no later than March 31st. Both new and existing contracts can submit files through June of the following benefit year. The final PDE Submission deadline for inclusion in the annual Part D payment reconciliation as well as the Direct & Indirect Remuneration (DIR) Submission deadline will be posted annually by CMS. All dates related to the annual PDE submission timeline can be found on the [CSSC website](#) (CSSC Operations -> Prescription Drug Program (Part D) -> Drug Data Processing System).

5.3 Prescription Drug Event Dataflow

Figure 1 provides an overview of the PDE dataflow.

- The pharmacy, physician, or other provider submits a claim to the Plan Sponsor. If necessary, the pharmacy generates a secondary claim to any other payers via the Part D Transaction Facilitator.
- Daily (Monday through Saturday), the following tasks occur:
 - The Part D sponsor submits batches of PDE records daily Monday through Saturday to CMS via the PDFS.
 - PDFS performs format and validity checks on the Inbound PDE file. Once the file has passed front-end checks, PDFS sends the Inbound PDE file to DDPS. In addition, PDFS transmits the PDFS Response Report to Part D sponsors indicating file acceptance or rejection.
 - DDPS processes the PDEs and sends the PDE Outbound File to PDFS showing the acceptance or rejection of each PDE. In addition, PDFS receives a Transaction Error Summary Report that displays the count and rate for each error code found in the submitted PDE data. Both files are returned to the Part D sponsor via PDFS.
 - DDPS sends the Part D PDE records (accepted and rejected) to the IDR Warehouse.
- Monthly, DDPS IDR extracts Part D data for the Cumulative Beneficiary Summary Reports and Plan-to-Plan (P2P) Reports that are provided to Part D sponsors via PDFS. These management reports provide a summary of net accumulated totals for all dollar fields.
- Annually, DDPS provides accepted Part D PDE data to PRS for each Part D reconciliation. PRS creates a beneficiary/plan record for each beneficiary enrolled in a plan during the payment year and calculates reconciliation payments at the beneficiary and plan level.

Figure 1: Prescription Drug Event Dataflow



6. Data Submission Requirements

For each dispensing event, the plan must submit a PDE record. Most organizations or sponsoring entities will use a pharmacy benefit manager (PBM) or other third-party administrator to process incoming claims from pharmacies. Claims typically undergo several rounds of transactions between these parties before the plan finally adjudicates a claim for payment. The PDE is a summary record that documents the final adjudication of a dispensing event.

6.1 Audit Trails

The PDE record summarizes multiple transactions. The plan must maintain audit trails to PDE source data. CMS expects that the plan will be able to directly link any PDE to the individual claim transactions from which the PDE was extracted and replicate the summarization. All PDE data is expected to represent the service components as defined for coverage under a given data field. CMS intends to conduct audits of PDE data to ensure the accuracy of payment.

6.2 Data Submission Requirements for Payment and Reconciliation

As a condition of payment, all Part D plans must submit data and information necessary for CMS to carry out payment. Plans may designate another entity to submit claims for them to CMS, but plans remain responsible for data submission and content. Note that data submission and payment recovery provisions apply even in the event of a change in ownership. Finally, note that by statutory definition, a coverage year corresponds to a calendar year.

6.3 Data Submission During the Coverage Year

Throughout the coverage year, CMS will monitor plan data submission levels to detect plans with submission volumes lower than expected. Low submission patterns often indicate technical or system problems. CMS will work with plans to correct submission problems before the end of the year so they can meet reconciliation submission deadlines. However, the Act places ultimate responsibility on the plan to submit adequate data for payment.

6.4 Data Submission at the End of the Coverage Year

PDE records, adjustments, or deletions that are received after the end of the sixth month of the subsequent coverage year will not be considered in reconciliation. As prescribed in legislation, a coverage year corresponds to a calendar year. Therefore, prescription drug claims, including adjustments for all dates of service within a calendar year, must be submitted to CMS by the CMS published PDE submission deadline in order to be processed for payment reconciliation. Cost information (e.g., DIR, LICS, and risk corridor costs) is required within six months of the end of the coverage year in order to be considered for payment and reconciliation. Therefore, DIR for all dates of service within a calendar year must be submitted to CMS by the Direct & Indirect Remuneration (DIR) Submission deadline published annually. Late submission or submission of insufficient data to conduct reconciliation may result in payment recovery through a lump-sum recovery, either by adjusting or ceasing monthly payments throughout the remainder of a coverage year, or by adjusting monthly payments in a subsequent year.

6.5 Appeals

Part D sponsors may appeal final payment decisions if the sponsor believes the payment methodology described in the final Part D rule and in interpretive guidance has not been applied correctly. Under no circumstances may this process be used to submit new payment information after established deadlines.

7. Technical Assistance and Support

In an effort to ensure that participating plans have the necessary tools and information to be successful with the Prescription Drug Event data process, Technical Assistance and Support tools are provided in Table 2.

Table 2: Technical Assistance and Support

Initiative	Description
<p>Customer Service & Support Center (CSSC)</p>	<p>This toll-free helpline (1-877-534-2772) is available Monday – Friday 8:00 a.m. to 7:00 p.m. ET (with the exception of observed corporate holidays) to provide assistance.</p> <p>The support center provides ongoing assistance.</p> <p>PDFS is available for submission of PDE data 24 hours a day, 7 days a week regardless of holidays. The only exception would be from 2:00 p.m. to 10:00 p.m. ET on Sunday when the systems and equipment are routinely maintained.</p>
<p>csscooperations.com</p>	<p>The CSSC website is the gateway to the PDE Data Processing System. Visitors to the site can access information about DDPS/PDFS, including opportunities to register for service, enroll to submit data, and obtain comprehensive information about data entry and report layouts. In addition, the site provides valuable links to CMS instructions and other official resources. User Group and other technical assistance information are regularly posted. Finally, the site provides up-to-date system status alerts and answers to frequently asked questions.</p> <p>To register for email updates, go to the Subscribe to Email Updates page.</p>
<p>Customer Support for Medicare Modernization (CSMM) MAPD Help</p>	<p>The Medicare Advantage Prescription Drug (MAPD) Helpdesk provides technical system support to CMS business partners for the implementation and operation of Medicare Parts C and D. This system information is provided to assist external business partners with connectivity, testing, and data exchange with CMSI.</p> <p>Users may contact the MAPD Helpdesk by calling 1-800-927-8069, emailing mapd-help@cms.hhs.gov, or viewing the website at cms.gov/mapd-helpdesk. The MAPD Helpdesk is available Monday – Friday 7:00 a.m. to 7:30 p.m. ET.</p>

Appendix A: Acronyms

Table 3: Acronyms

Acronym	Literal Translation
AE	Actuarially Equivalent
BA	Basic Alternative
CMS	Centers for Medicare & Medicaid Services
CSSC	Customer Service & Support Center
DDPS	Drug Data Processing System
DIR	Direct and Indirect Remuneration
DS	Defined Standard
EA	Enhanced Alternative
EACS	Enhanced Alternative Cost-Sharing
HPMS	Health Plan Management System
IDR	Integrated Data Repository
IRA	Inflation Reduction Act
LICS	Low-Income Cost-Sharing Subsidy Amount
MA	Medicare Advantage
MA-PD	Medicare Advantage Prescription Drug Plan
MARx	Medicare Advantage Prescription Drug System
MBD	Medicare Beneficiary Database
MMA	Medicare Prescription Drug Benefit, Improvement, and Modernization Act of 2003
NCPDP	National Council for Prescription Drug Programs
OOP	Out-of-Pocket
P2P	Plan-to-Plan
PDE	Prescription Drug Event
PDFS	Prescription Drug Front-end System
POS	Point of Sale
PRS	Payment Reconciliation System
TGDCD	Total Gross Covered Drug Cost
TrOOP	True Out-of-Pocket Costs