



Centers for Medicare & Medicaid Services

Module 08: PACE

2025 Prescription Drug Event (PDE) Participant Guide

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Table of Contents

1. Purpose	6
2. Objective.....	6
3. PACE Overview	6
4. Medicare Part D Payment	7
5. TrOOP Accumulation and TrOOP Balance Transfer	7
6. Prescription Drug Event (PDE) Record Reporting	8
6.1 Estimated Remuneration at POS Amount (ERPOSA)	8
6.2 Pharmacy Price Concessions at POS.....	8
6.3 Patient Pay Amount	9
6.4 Patient Liability Reduction Due to Other Payer Amount (PLRO)	9
6.5 Other TrOOP Amount	9
6.6 Other TrOOP Amount Indicator	9
6.7 Selected Drug Subsidy	9
6.8 Reported Manufacturer Discount	9
6.9 Gross Drug Cost Below Out-of-Pocket Threshold (GD CB).....	10
6.10 Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	10
6.11 Low-Income Cost-Sharing Subsidy Amount (LICS)	10
6.12 Non-covered Plan Paid Amount (NPP)	10
6.13 Quantity Prescribed	10
6.14 Part D Model Indicator	10
6.15 Medicare Prescription Payment Plan Indicator	11
7. Calculating and Reporting PACE Benefits	11
7.1 Calculating and Reporting the Dual-Eligible PACE Benefit.....	11
7.1.1 Example #1: Dual-Eligible PACE Benefit – Deductible Phase (Applicable Drug).....	12
7.1.2 Example #2: Dual-Eligible PACE Benefit – Deductible Phase to ICP (Applicable Drug)	13
7.1.3 Example #3: Dual-Eligible PACE Benefit – Deductible Phase to ICP (Non-Applicable Drug)	14
7.1.4 Example #4: Dual-Eligible PACE Benefit – ICP (Applicable Drug)	15
7.1.5 Example #5: Dual-Eligible PACE Benefit – ICP (MDP Phase-In Eligible Applicable Drug)	16
7.1.6 Example #6: Dual-Eligible PACE Benefit – ICP (Non-Applicable Drug)....	17
7.1.7 Example #7: Dual-Eligible PACE Benefit – ICP to Catastrophic Phase (Applicable Drug)	18
7.1.8 Example #8: Dual-Eligible PACE Benefit – ICP to Catastrophic Phase (Non-Applicable Drug)	19

7.1.9	Example #9: Dual-Eligible PACE Benefit – Catastrophic Phase (Applicable Drug).....	20
7.1.10	Example #10: Dual-Eligible PACE Benefit – Catastrophic Phase (Non-Applicable Drug)	21
7.1.11	Example #11: Dual-Eligible PACE Benefit – Deductible Phase to Catastrophic Phase (Applicable Drug).....	22
7.1.12	Example #12: Dual-Eligible PACE Benefit – Deductible Phase to Catastrophic Phase (Non-Applicable Drug)	23
7.1.13	Example #13: Dual-Eligible PACE Benefit – Covered Insulin Product (Applicable Drug)	25
7.1.14	Example #14: Dual-Eligible PACE Benefit – ACIP-Recommended Vaccine (Applicable Drug)	26
7.1.15	Example #15: Dual-Eligible PACE Benefit – Catastrophic Phase with a Pharmacy Price Concession (Applicable Drug)	27
7.2	Calculating and Reporting the Medicare-Only PACE Benefit.....	28
7.2.1	Example #16: Medicare-Only PACE Benefit – Deductible Phase (Applicable Drug)	29
7.2.2	Example #17: Medicare-Only PACE Benefit – Deductible Phase to ICP (Applicable Drug)	29
7.2.3	Example #18: Medicare-Only PACE Benefit – Deductible Phase to ICP (Non-Applicable Drug)	31
7.2.4	Example #19: Medicare-Only PACE Benefit – ICP (Applicable Drug)	32
7.2.5	Example #20: Medicare-Only PACE Benefit – ICP (MDP Phase-In Eligible Applicable Drug)	33
7.2.6	Example #21: Medicare-Only PACE Benefit – ICP (Non-Applicable Drug)	33
7.2.7	Example #22: Medicare-Only PACE Benefit – ICP to Catastrophic Phase (Applicable Drug)	34
7.2.8	Example #23: Medicare-Only PACE Benefit – ICP to Catastrophic Phase (Non-Applicable Drug)	35
7.2.9	Example #24: Medicare-Only PACE Benefit – Catastrophic Phase (Applicable Drug)	37
7.2.10	Example #25: Medicare-Only PACE Benefit – Catastrophic Phase (Non-Applicable Drug)	37
7.2.11	Example #26: Medicare-Only PACE Benefit – Deductible Phase to Catastrophic Phase (Applicable Drug).....	38
7.2.12	Example #27: Medicare-Only PACE Benefit – Deductible Phase to Catastrophic Phase (Non-Applicable Drug)	40
7.2.13	Example #28: Medicare-Only PACE Benefit – Covered Insulin Product (Applicable Drug)	41
7.2.14	Example #29: Medicare-Only PACE Benefit – ACIP-Recommended Vaccine (Applicable Drug)	42
7.2.15	Example #30: Medicare-Only PACE Benefit – Catastrophic Phase with a Pharmacy Price Concession (Applicable Drug)	43
	Appendix A: Acronyms.....	45

List of Tables

Table 1: CY 2025 Dual-Eligible PACE Benefit	11
Table 2: Dual-Eligible PACE Benefit – Deductible Phase (Applicable Drug).....	12
Table 3: Dual-Eligible PACE Benefit – Deductible Phase to ICP (Applicable Drug).....	13
Table 4: Dual-Eligible PACE Benefit – Deductible Phase to ICP (Non-Applicable Drug)	15
Table 5: Dual-Eligible PACE Benefit – ICP (Applicable Drug).....	15
Table 6: Dual-Eligible PACE Benefit – ICP (MDP Phase-In Eligible Applicable Drug) ..	16
Table 7: Dual-Eligible PACE Benefit – ICP (Non-Applicable Drug).....	17
Table 8: Dual-Eligible PACE Benefit – ICP to Catastrophic Phase (Applicable Drug)...	18
Table 9: Dual-Eligible PACE Benefit – ICP to Catastrophic Phase (Non-Applicable Drug)	19
Table 10: Dual-Eligible PACE Benefit – Catastrophic Phase (Applicable Drug).....	20
Table 11: Dual-Eligible PACE Benefit – Catastrophic Phase (Non-Applicable Drug)....	21
Table 12: Dual-Eligible PACE Benefit – Deductible Phase to Catastrophic Phase (Applicable Drug)	23
Table 13: Dual-Eligible PACE Benefit – Deductible Phase to Catastrophic Phase (Non- Applicable Drug)	24
Table 14: Dual-Eligible PACE Benefit – Covered Insulin Product (Applicable Drug).....	25
Table 15: Dual-Eligible PACE Benefit – ACIP Recommended Vaccine (Applicable Drug)	26
Table 16: Dual-Eligible PACE Benefit – Catastrophic Phase with a Pharmacy Price Concession (Applicable Drug).....	27
Table 17: CY 2025 Medicare-Only PACE Benefit	28
Table 18: Medicare-Only PACE Benefit – Deductible Phase (Applicable Drug).....	29
Table 19: Medicare-Only PACE Benefit – Deductible Phase to ICP (Applicable Drug). 30	
Table 20: Medicare-Only PACE Benefit – Deductible Phase to ICP (Non-Applicable Drug).....	31
Table 21: Medicare-Only PACE Benefit – ICP (Applicable Drug).....	32

Table 22: Medicare-Only PACE Benefit –ICP (MDP Phase-In Eligible Applicable Drug)	33
Table 23: Medicare-Only PACE Benefit – ICP (Non-Applicable Drug)	34
Table 24: Medicare-Only PACE Benefit – ICP to Catastrophic Phase (Applicable Drug)	35
Table 25: Medicare-Only PACE Benefit – ICP to Catastrophic Phase (Non-Applicable Drug)	36
Table 26: Medicare-Only PACE Benefit – Catastrophic Phase (Applicable Drug)	37
Table 27: Medicare-Only PACE Benefit – Catastrophic Phase (Non-Applicable Drug)	38
Table 28: Medicare-Only PACE Benefit – Deductible Phase to Catastrophic Phase (Applicable Drug)	39
Table 29: Medicare-Only PACE Benefit – Deductible Phase to Catastrophic Phase (Non-Applicable Drug)	41
Table 30: Medicare-Only PACE Benefit – Covered Insulin Product (Applicable Drug)	42
Table 31: Medicare-Only PACE Benefit – ACIP-Recommended Vaccine (Applicable Drug)	43
Table 32: Medicare-Only PACE Benefit – Catastrophic Phase with a Pharmacy Price Concession (Applicable Drug)	44
Table 33: Acronyms	45

1. Purpose

This module describes how to calculate and report the Part D benefit for Program of the All-Inclusive Care for the Elderly (PACE) organizations. Each PACE organization is required to have two separate benefit plans. The dual-eligible population is enrolled in a defined standard (DS) benefit plan and the Medicare-only population is enrolled in an enhanced alternative (EA) benefit plan. This PACE module describes how PACE organizations should administer both the DS and EA benefits, including calculating and reporting rules for submitting data starting in Calendar Year (CY) 2025.

2. Objective

The information contained within this module applies to benefit years 2025 and forward. For benefit years prior to 2025, refer to the [2005 PACE Prescription Drug Event Data Training Participant Guide](#) located on the Customer Service and Support Center (CSSC) website.

The information provided in this module will help participants to:

- Utilize the principles for submitting a PDE record with new or updated data elements essential for payment that must be submitted by PACE organizations starting in CY 2025.
- Apply the business rules associated with calculating and reporting the dual-eligible PACE benefit and the Medicare-only PACE benefit.
- Administer and report manufacturer discounts starting in CY 2025 according to the provisions defined in the Inflation Reduction Act (IRA).

3. PACE Overview

PACE is a unique managed care program that provides a range of integrated preventative, acute care, and long-term care services to manage the often complex medical, functional, and social needs of the frail elderly. PACE was created to provide clients, family, caregivers, and professional health care providers with the flexibility to meet a person's health care needs while continuing to live safely in the community.

PACE is a capitated benefit for frail elderly authorized by the Balanced Budget Act of 1997 (BBA) that features a comprehensive service delivery system and integrated Medicare and Medicaid financing. The BBA established PACE as a permanent entity within the Medicare program and enables states to provide PACE services to Medicaid beneficiaries as a state plan option.

Section 1894 of the Social Security Act (the Act) addresses Medicare payments to, and coverage of benefits under, PACE. Section 1934 of the Act addresses PACE as a state option under Medicaid for states electing PACE as an optional Medicaid benefit under Section 1905(a)(26) of the Act. The regulations implementing these PACE statutory requirements are set forth in 42 CFR Part 460.

PACE organizations offer Medicare Part D prescription drug coverage. Participants who join a PACE program will get Part D covered drugs and all other necessary medication from the PACE program. Participants in a PACE program do not need to join a separate Medicare Part D prescription drug plan. Joining a separate Medicare drug plan will cause a participant to be disenrolled from the PACE program.

Historically, PACE organizations have submitted PDE records with minimum required information. The Centers for Medicare & Medicaid Services (CMS) Drug Data Processing

System (DDPS) calculated the payment amounts which were included in Part D payment reconciliation using the data submitted. Beginning in CY 2025, PACE organizations must report additional data elements and DDPS will no longer complete these additional calculations for PDEs with a date of service (DOS) after 12/31/2024.

4. Medicare Part D Payment

PACE organizations administer participants' Part D benefits without limitation or condition as to amount, duration, or scope and without application of deductibles, copayments, coinsurance, or other cost-sharing that would otherwise apply to Part D basic coverage. Medicare makes prospective payments for Part D, and PACE organizations submit actual cost data through PDE records used to reconcile the prospectively paid amounts.

PACE organizations are required to annually submit two Part D bids: one for a Plan Benefit Package (PBP) for dually eligible enrollees and one for a PBP for Medicare-only enrollees. The Part D payment to PACE organizations comprises several pieces, including the direct subsidy, reinsurance payments, and risk sharing. Payments for eligible enrollees of either PBP will include a low-income premium subsidy for basic Part D benefits. Payments for dually eligible enrollees will also include a Low-Income Cost-Sharing Subsidy Amount (LICS), an additional amount to cover nominal cost-sharing amounts and an additional premium payment in situations where the PACE plan's basic Part D participant premium is greater than the regional low-income premium subsidy amount.

Beginning in 2025, PACE organizations also receive prospective Manufacturer Discount Program (MDP) payments to cover funds advanced to pay the discounts. Discounts reported on the PDE will be invoiced to manufacturers on a quarterly basis. CMS will reduce prospective MDP payments in the subsequent payment month based on the amount invoiced to the manufacturer. For any benefit year, the prospective payments begin with the January monthly payment for the benefit year and end with the December monthly payment. Adjustments to a benefit year's prospective payments continue to January of the following year.

5. TrOOP Accumulation and TrOOP Balance Transfer

PACE organizations are prohibited from requiring enrollee cost-sharing and offer supplemental benefits to reduce cost-sharing to zero. CMS fully subsidizes dual-eligible individuals' Part D coverage in PACE organizations. PACE participants who are only Medicare-eligible pay a supplemental premium based on the anticipated cost-sharing covered by the PACE plan. Therefore, consistent with PACE rules, there is no participant out-of-pocket (OOP) expense.

Beginning in CY 2025, True Out-of-Pocket costs (TrOOP) are tracked and reported in real-time on the PDE record to support participation in the MDP. Dual-eligible participants will receive TrOOP credit from LICS reported on the PDE. PACE participants who are only Medicare-eligible will receive TrOOP credit from supplemental benefits reported as Non-Covered Plan Paid Amount (NPP) on the PDE.

Sponsors are required to transfer TrOOP and Gross Covered Drug Cost balances whenever a beneficiary changes Part D sponsors during the coverage year. TrOOP balance transfers are important for correctly positioning beneficiaries in the benefit.

If a PACE participant disenrolls from a PACE plan midyear, the participant will need to be provided their Gross Covered Drug Costs and TrOOP amount (even if that amount is \$0). Additionally, PACE organizations must transfer these accumulated values to the subsequent plan, either through participation in the Automated TrOOP Balance Transfer (ATBT) process, or through another means. It's important to note that if a participant disenrolls from either a dual-

eligible or Medicare-only PACE plan, they may have cost-sharing in their new plan. For a dual-eligible, the participant may not be exempt from cost-sharing until they reach the Catastrophic Phase.

If a PACE participant enrolls in a PACE plan midyear after enrollment in a non-PACE plan, the accumulated Gross Covered Drug Costs and TrOOP amounts from the non-PACE plan must be included in the accumulated TrOOP and Gross Covered Drug Costs tracked on the PDE.

6. Prescription Drug Event (PDE) Record Reporting

PACE organizations have historically submitted PDE records with minimum required information. Reconciling each of the Part D payment streams (LICS, direct subsidy, reinsurance, and risk sharing) has required additional calculation and processing by DDPS for PACE organizations.

Beginning in 2025, PACE organizations must submit additional information to participate in the MDP created by section 11201(c) of the IRA, and to conform with regulatory provisions and oversight activities, including the regulatory requirement to account for the maximum pharmacy price concession in the negotiated price.

The updated 2025 PDE Inbound File Layout includes a column indicating whether each field on the layout must be reported by PACE organizations. Additional information on certain fields required for PACE organizations is provided in sections 6.1–6.15, however, PACE organizations should refer to the [2025 PDE Inbound File Layout](#) on the CSSC Operations website for the complete list of required fields.

6.1 Estimated Remuneration at POS Amount (ERPOSA)

For PDEs with a DOS between January 1, 2024, and December 31, 2024, this estimate must reflect the maximum amount of any contingent payments or adjustments that the PACE organization might receive from a network pharmacy that would serve to decrease the total amount that the PACE organization pays for the drug, i.e., all pharmacy price concessions. This estimate must also reflect the rebate or other price concession amount that the PACE organization expects to receive from a pharmaceutical manufacturer or other non-pharmacy entity and has elected to apply to the negotiated price.

For PDEs with a DOS on or after January 1, 2025, this field contains the estimated amount of remuneration that are not pharmacy price concessions that the PACE organization is required to apply, or has elected to apply, to the negotiated price as a reduction in the drug price made available to the beneficiary at the point of sale (POS). This estimate includes the rebate or other price concession amount that the PACE organization expects to receive from a pharmaceutical manufacturer or other non-pharmacy entity and has elected to apply to the negotiated price. This estimate does not include pharmacy price concessions applied at the point of sale, which must be reported in the “Pharmacy Price Concessions at POS” field.

PACE organizations must populate the ERPOSA field to ensure any applicable remuneration reduces the negotiated price. This field must contain a positive dollar amount or zero, but never a negative value. The field should report zero when no ERPOSA is applied at POS.

6.2 Pharmacy Price Concessions at POS

The value entered in the field for DOS on and after January 1, 2025, must report the maximum amount of any contingent payments or adjustments the PACE organization could receive from a network pharmacy that would decrease the total amount the PACE organization pays for the

drug. PACE organizations must populate the Pharmacy Price Concessions at POS field to ensure any applicable pharmacy price concession reduces the negotiated drug price. This field must contain a positive dollar amount or zero, never a negative value. The field should report zero when no pharmacy price concession is applied at POS or when the DOS is before January 1, 2025.

6.3 Patient Pay Amount

This field is used to report the amount paid at the POS by the beneficiary or by their family or friends. PACE organizations must populate the Patient Pay Amount field starting with DOS on and after January 1, 2025, and the field must always contain zero because PACE participants have \$0 cost-sharing.

6.4 Patient Liability Reduction Due to Other Payer Amount (PLRO)

This field reports the amount by which patient liability is reduced due to payment by other payers that are not TrOOP-eligible and do not participate in Part D. Because PACE participants have \$0 cost-sharing, there is no remaining patient liability to be further reduced. Therefore, PACE organizations processing PDEs where Medicare is the primary payer must populate the PLRO field starting with DOS on and after January 1, 2025, and the field must always contain zero.

6.5 Other TrOOP Amount

This field is used to report all additional payments contributing to a participant's TrOOP that is not reported in other TrOOP-eligible fields on the PDE. Because PACE participants have \$0 cost-sharing, there is no remaining patient liability to be further reduced. Therefore, PACE organizations must populate the Other TrOOP Amount field starting with DOS on and after January 1, 2025, and the field must always contain zero.

6.6 Other TrOOP Amount Indicator

PACE organizations must populate the Other TrOOP Amount Indicator field starting with DOS on and after January 1, 2025, and the field must contain a space.

6.7 Selected Drug Subsidy

For PDEs with a DOS on or after January 1, 2026, this field will contain the amount the PACE organization advanced at the POS for a selected drug in the Initial Coverage Phase (ICP). This field must contain a positive dollar amount, or zero dollars when there is no selected drug subsidy applied at the POS. For PDEs with a DOS before January 1, 2026, this field must be zero. The reported subsidy amount will not increment the TrOOP Accumulator amount.

6.8 Reported Manufacturer Discount

For PDEs with a DOS on or after January 1, 2025, this field will contain the reported amount that the PACE organization advanced at point of sale for the manufacturer discount for applicable drugs. For PDEs with a DOS before January 1, 2025, this field must be zero. This amount will not increment the TrOOP Accumulator amount. PACE organizations must populate the Reported Manufacturer Discount field for appropriate implementation of the MDP.

6.9 Gross Drug Cost Below Out-of-Pocket Threshold (GDCB)

This field reports covered drug cost at or below the annual OOP threshold. Any remaining portion of covered drug cost is reported in the Gross Drug Cost Above Out-of-Pocket threshold (GDCA) field. Covered drug cost is the sum of Ingredient Cost Paid, Dispensing Fee Paid, Total Amount Attributed to Sales Tax, and Vaccine Administration Fee or Additional Dispensing Fee. PACE organizations must populate the GDCB field because the values provided in this field, in combination with other fields, indicate the necessity of an applicable manufacturer discount (if any).

6.10 Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)

This field reports covered drug cost at or above the annual OOP threshold. Any remaining portion of covered drug cost is reported in GDCB. Covered drug cost is the sum of Ingredient Cost Paid, Dispensing Fee Paid, Total Amount Attributed to Sales Tax, and Vaccine Administration Fee or Additional Dispensing Fee. PACE organizations must populate the GDCA field because the values provided in this field, in combination with other fields, indicate the necessity of an applicable manufacturer discount (if any).

6.11 Low-Income Cost-Sharing Subsidy Amount (LICS)

This field contains the amount the PACE organization advanced at POS due to the participant's Low-Income Subsidy (LIS) status. This field must contain a positive dollar amount or zero, never a negative value and increments the TrOOP Accumulator amount. This field should be zero for all Medicare-only participants of the PACE organization.

6.12 Non-covered Plan Paid Amount (NPP)

This field reports the difference between the enrollee's cost-sharing under the PACE organization's EA benefit design (\$0 for PACE enrollees) and what the enrollee would have paid under the DS benefit. Dual-eligible PACE plans must populate the NPP field starting with DOS on and after January 1, 2025, and the field must contain a zero. Medicare-only PACE plans must populate the NPP field starting with DOS on and after January 1, 2025, and the field must contain a numeric value. Risk corridor calculations do not include amounts reported as NPP. PACE organizations must populate the NPP field, which increments the TrOOP Accumulator amount.

6.13 Quantity Prescribed

PACE organizations must populate the Quantity Prescribed field on all standard, electronically submitted PDE records for Schedule II drugs starting with DOS on and after January 1, 2025, and the field must contain a numeric value greater than zero. This field must contain zero for PDE records for non-Schedule II drugs or for PDE records with DOS before January 1, 2025. PACE organizations must populate the Quantity Prescribed field to comply with requirements for monitoring Schedule II drugs.

6.14 Part D Model Indicator

While this is a required field for PACE organizations, CMS expects this field to be populated with spaces because PACE organizations cannot offer any Part D Model plans.

6.15 Medicare Prescription Payment Plan Indicator

While this is a required field for PACE organizations, CMS expects this field to be populated with a space because PACE participants do not have cost-sharing.

Resource: [Revised Medicare Part D Manufacturer Discount Program Final Guidance \(December 20, 2024\)](#)

Resource: [New 2025 Prescription Drug Event \(PDE\) File Layouts \(FINAL\) \(April 18, 2023\)](#)

Resource: [2025 Prescription Drug Event \(PDE\) File Layout Updates for all Part D Sponsors, and Additional 2025 Changes to PDE Reporting for PACE Organizations and PACE Guidance \(March 8, 2024\)](#)

7. Calculating and Reporting PACE Benefits

The following PDE examples use CY 2025 benefit parameters. The examples in this section address specific changes to PDE reporting for PACE organizations for calculating and reporting the dual-eligible PACE benefit and the Medicare-only PACE benefit. For additional details related to applicable, non-applicable, and the MDP phase-in for applicable drugs, refer to Module 01: Part D Payment Methodology.

7.1 Calculating and Reporting the Dual-Eligible PACE Benefit

This section demonstrates CY 2025 PDE record reporting for the dual-eligible PACE benefit. Most PACE participants are dually eligible for Medicare and Medicaid. These participants, deemed eligible for the LIS to cover most of the standard beneficiary cost-sharing, will be enrolled in a plan benefit package that generally maps to the DS benefit. Using authority under the provisions of section 1894(d)(2) of the Act, which allows CMS to adjust Medicare payments to PACE organizations to include “such other factors as the Secretary determines to be appropriate,” CMS pays an additional monthly capitated payment to PACE organizations to cover the nominal payments that LIS beneficiaries would have paid under a typical Part D plan.

Table 1 shows the cost parameters used to define each benefit phase in CY 2025. This table also shows how liability is generally reported on the PDE record within each benefit phase of the DS benefit.

Table 1: CY 2025 Dual-Eligible PACE Benefit*

Benefit Phase	Year-to-Date TrOOP Costs	Low-Income Cost-Sharing Subsidy Amount (LICS)**	Covered D Plan Paid Amount (CPP)	Manufacturer Discount
Deductible Phase	< \$590	98%	2%	0%
ICP	≥ \$590 < \$2,000	23%	<ul style="list-style-type: none"> Non-Applicable Drug – 77% Applicable Drug – 67% MDP Phase-in Eligible Applicable Drug – 76% 	<ul style="list-style-type: none"> Non-Applicable Drug – 0% Applicable Drug – 10% MDP Phase-in Eligible Applicable Drug – 1%

Benefit Phase	Year-to-Date TrOOP Costs	Low-Income Cost-Sharing Subsidy Amount (LICS)**	Covered D Plan Paid Amount (CPP)	Manufacturer Discount
Catastrophic Phase	= \$2,000 (OOP threshold)	0%	<ul style="list-style-type: none"> • Non-Applicable Drug – 100% • Applicable Drug – 80% • MDP Phase-in Eligible Applicable Drug – 99% 	<ul style="list-style-type: none"> • Non-Applicable Drug – 0% • Applicable Drug – 20% • MDP Phase-in Eligible Applicable Drug – 1%

*This table excludes cost-sharing for covered insulin products and Advisory Committee on Immunization Practices (ACIP)-recommended vaccines.

**LICS is TrOOP-eligible and progresses the participant through the benefit phases.

7.1.1 Example #1: Dual-Eligible PACE Benefit – Deductible Phase (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$200.00 covered Part D applicable drug that falls entirely within the Deductible Phase. When the claim adjudication begins, the Total Gross Covered Drug Cost (TGDC) Accumulator is \$0.00, and the TrOOP Accumulator is \$0.00. The participant is in the Deductible Phase of the benefit (TrOOP Accumulator + Delta TrOOP ≤ \$590.00).

In the Deductible Phase, the LICS is 98% of the total drug cost ($\$200.00 \times 0.98 = \196.00), and the Covered D Plan Paid Amount (CPP) is 2% of the total drug cost ($\$200.00 \times 0.02 = \4.00). The Patient Pay Amount is always zero for PACE participants. In this example, a manufacturer discount is not calculated because the participant does not meet the definition of an applicable beneficiary (TrOOP-eligible costs for the year do not exceed the annual DS deductible amount of \$590.00).

After the claim is processed, the TGDC Accumulator increases by \$200.00, and the TrOOP Accumulator increases by \$196.00. Table 2 illustrates how the PACE organization would populate the PDE record.

Table 2: Dual-Eligible PACE Benefit – Deductible Phase (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$200.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$200.00
Gross Drug Cost Above Out-of-Pocket Threshold (GD CA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$196.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00

PDE Field	Value
Covered D Plan Paid Amount (CPP)	\$4.00
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$0.00
Total Gross Covered Drug Cost Accumulator	\$0.00
True Out-of-Pocket Accumulator	\$0.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.2 Example #2: Dual-Eligible PACE Benefit – Deductible Phase to ICP (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$100.00 covered Part D applicable drug that moves the participant from the Deductible Phase to the ICP. When the claim adjudication begins, the TG CDC Accumulator is \$571.43, and the TrOOP Accumulator is \$560.00. Because the participant meets the DS deductible midway through the processing of this claim, a portion of the claim applies to the Deductible Phase and a portion falls into the ICP. Only the portion that falls into the ICP is eligible for a discount under the MDP.

When a claim straddles the Deductible Phase and the ICP, the following formula can be used to determine the portion of drug costs that applies towards the Deductible Phase:

Remaining deductible amount / TrOOP-eligible cost-sharing percentage in the Deductible Phase

The remaining deductible amount is calculated by subtracting the TrOOP Accumulator (\$560.00) from the DS deductible amount (\$590.00), which is \$30.00 ($\$590.00 - \$560.00 = \$30.00$). In the Deductible Phase, only the LICS cost-sharing percentage of 98% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the Deductible Phase is 98%. Using the formula above to calculate the portion of drug costs that applies towards the Deductible Phase, the remaining deductible amount of \$30.00 is divided by 98%, which is \$30.61 ($\$30.00 / 0.98 = \30.61). The remaining drug cost of \$69.39 ($\$100.00 - \$30.61 = \69.39) falls into the ICP and is eligible for the MDP.

Of the drug costs applied to the Deductible Phase, LICS is 98% of the drug cost ($\$30.61 * 0.98 = \30.00), and CPP is 2% of the drug cost ($\$30.61 * 0.02 = \0.61). Of the drug costs that fall in the ICP, the manufacturer discount is 10% of the drug cost ($\$69.39 * 0.10 = \6.94), LICS is 23% of the drug cost ($\$69.39 * 0.23 = \15.96), and CPP is 67% of the drug cost ($\$69.39 * 0.67 = \46.49). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TG CDC Accumulator increases by \$100.00, and the TrOOP Accumulator increases by \$45.96. Table 3 illustrates how the PACE organization would populate the PDE record.

Table 3: Dual-Eligible PACE Benefit – Deductible Phase to ICP (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$100.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00

PDE Field	Value
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$100.00
Gross Drug Cost Above Out-of-Pocket Threshold (GD CA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$45.96
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$47.10
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$6.94
Total Gross Covered Drug Cost Accumulator	\$571.43
True Out-of-Pocket Accumulator	\$560.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.3 Example #3: Dual-Eligible PACE Benefit – Deductible Phase to ICP (Non-Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$100.00 covered Part D non-applicable drug that moves the participant from the Deductible Phase to the ICP. When the claim adjudication begins, the TGDCDC Accumulator is \$571.43, and the TrOOP Accumulator is \$560.00. Because the participant meets the DS deductible midway through the processing of this claim, a portion of the claim applies to the Deductible Phase and a portion falls into the ICP.

When a claim straddles the Deductible Phase and the ICP, the following formula can be used to determine the portion of drug costs that applies towards the Deductible Phase:

Remaining deductible amount / TrOOP-eligible cost-sharing percentage in the Deductible Phase

The remaining deductible amount is calculated by subtracting the TrOOP Accumulator (\$560.00) from the DS deductible amount (\$590.00), which is \$30.00 (\$590.00 - \$560.00 = \$30.00). In the Deductible Phase, only the LICS cost-sharing percentage of 98% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the Deductible Phase is 98%. Using the formula above to calculate the portion of drug costs that applies towards the Deductible Phase, the remaining deductible amount of \$30.00 is divided by 98%, which is \$30.61 ($\$30.00 / 0.98 = \30.61). The remaining drug cost of \$69.39 ($\$100.00 - \$30.61 = \69.39) falls in the ICP.

Of the drug costs applied to the Deductible Phase, LICS is 98% of the drug cost ($\$30.61 * 0.98 = \30.00), and CPP is 2% of the drug cost ($\$30.61 * 0.02 = \0.61). Of the drug costs that fall in the ICP, LICS is 23% of the drug cost ($\$69.39 * 0.23 = \15.96), and CPP is 77% of the drug cost ($\$69.39 * 0.77 = \53.43). The Patient Pay Amount is always zero for PACE participants. In this example, a manufacturer discount is not calculated because this drug is a non-applicable drug.

After the claim is processed, the TGDCDC Accumulator increases by \$100.00, and the TrOOP Accumulator increases by \$45.96. Table 4 illustrates how the PACE organization would populate the PDE record.

Table 4: Dual-Eligible PACE Benefit – Deductible Phase to ICP (Non-Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$100.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCEB)	\$100.00
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$45.96
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$54.04
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$0.00
Total Gross Covered Drug Cost Accumulator	\$571.43
True Out-of-Pocket Accumulator	\$560.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.4 Example #4: Dual-Eligible PACE Benefit – ICP (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$320.00 covered Part D applicable drug (\$315.00 ingredient cost with a \$5.00 dispensing fee) that falls entirely within the ICP. When the claim adjudication begins, the TGDCDC Accumulator is \$671.43, and the TrOOP Accumulator is \$605.96. The participant is in the ICP of the benefit (TrOOP Accumulator \geq \$590.00 and TrOOP Accumulator + Delta TrOOP < \$2,000.00).

In the ICP, the manufacturer discount is 10% of the total drug cost ($\$320.00 * 0.10 = \32.00), LICS is 23% of the total drug cost ($\$320.00 * 0.23 = \73.60), and CPP is 67% of the total drug cost ($\$320.00 * 0.67 = \214.40). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGDCDC Accumulator increases by \$320.00, and the TrOOP Accumulator increases by \$73.60. Table 5 illustrates how the PACE organization would populate the PDE record.

Table 5: Dual-Eligible PACE Benefit – ICP (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$315.00
Dispensing Fee Paid	\$5.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCEB)	\$320.00

PDE Field	Value
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$73.60
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$214.40
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$32.00
Total Gross Covered Drug Cost Accumulator	\$671.43
True Out-of-Pocket Accumulator	\$605.96
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.5 Example #5: Dual-Eligible PACE Benefit – ICP (MDP Phase-In Eligible Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$320.00 covered Part D MDP phase-in eligible applicable drug that falls entirely within the ICP. When the claim adjudication begins, the TGDCDC Accumulator is \$671.43, and the TrOOP Accumulator is \$605.96. The participant is in the ICP of the benefit (TrOOP Accumulator \geq \$590.00 and TrOOP Accumulator + Delta TrOOP $<$ \$2,000.00).

Since this drug is eligible for the MDP phase-in, the manufacturer discount is 1% of the total drug cost for CY 2025 (rather than 10% in the ICP). In the ICP, the manufacturer discount is 1% of the total drug cost ($\$320.00 * 0.01 = \3.20), LICS is 23% of the total drug cost ($\$320.00 * 0.23 = \73.60), and CPP is 76% of the total drug cost ($\$320.00 * 0.76 = \243.20). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGDCDC Accumulator increases by \$320.00, and the TrOOP Accumulator increases by \$73.60. Table 6 illustrates how the PACE organization would populate the PDE record.

Table 6: Dual-Eligible PACE Benefit – ICP (MDP Phase-In Eligible Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$320.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCEB)	\$320.00
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$73.60

PDE Field	Value
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$243.20
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$3.20
Total Gross Covered Drug Cost Accumulator	\$671.43
True Out-of-Pocket Accumulator	\$605.96
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.6 Example #6: Dual-Eligible PACE Benefit – ICP (Non-Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$320.00 covered Part D non-applicable drug (\$315.00 ingredient cost with a \$5.00 dispensing fee) that falls entirely within the ICP. When the claim adjudication begins, the TGCDC Accumulator is \$671.43, and the TrOOP Accumulator is \$605.96. The participant is in the ICP of the benefit (TrOOP Accumulator \geq \$590.00 and TrOOP Accumulator + Delta TrOOP $<$ \$2,000.00).

In the ICP, LICS is 23% of the total drug cost ($\$320.00 * 0.23 = \73.60), and CPP is 77% of the total drug cost ($\$320.00 * 0.77 = \246.40). The Patient Pay Amount is always zero for PACE participants. In this example, a manufacturer discount is not calculated because the drug is a non-applicable drug.

After the claim is processed, the TGCDC Accumulator increases by \$320.00, and the TrOOP Accumulator increases by \$73.60. Table 7 illustrates how the PACE organization would populate the PDE record.

Table 7: Dual-Eligible PACE Benefit – ICP (Non-Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$315.00
Dispensing Fee Paid	\$5.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCEB)	\$320.00
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$73.60
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$246.40
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$0.00
Total Gross Covered Drug Cost Accumulator	\$671.43
True Out-of-Pocket Accumulator	\$605.96

PDE Field	Value
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.7 Example #7: Dual-Eligible PACE Benefit – ICP to Catastrophic Phase (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$400.00 covered Part D applicable drug (\$390.00 ingredient cost with a \$10.00 dispensing fee) that moves the participant from the ICP to the Catastrophic Phase. When the claim adjudication begins, the TGDCDC Accumulator is \$6,471.61, and the TrOOP Accumulator is \$1,940.00. Because the participant meets the annual OOP threshold midway through the processing of this claim, a portion of the claim falls into the ICP and a portion falls into the Catastrophic Phase.

When a claim straddles the ICP and the Catastrophic Phase, the following formula can be used to determine the portion of drug costs that fall into the ICP:

Remaining TrOOP amount / TrOOP-eligible cost-sharing percentage in the ICP

The remaining TrOOP amount is calculated by subtracting the TrOOP Accumulator (\$1,940.00) from the annual OOP threshold amount (\$2,000.00), which is \$60.00 ($\$2,000.00 - \$1,940.00 = \$60.00$). In the ICP, only the LICS cost-sharing percentage of 23% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the ICP is 23%. Using the formula above to calculate the portion of drug costs that fall into the ICP, the remaining TrOOP amount of \$60.00 is divided by 23%, which is \$260.87 ($\$60.00 / 0.23 = \260.87). The remaining drug cost of \$139.13 ($\$400.00 - \$260.87 = \139.13) falls in the Catastrophic Phase.

Of the drug costs in the ICP, the manufacturer discount is 10% of the drug cost ($\$260.87 * 0.10 = \26.09), LICS is 23% of the drug cost ($\$260.87 * 0.23 = \60.00), and CPP is 67% of the drug cost ($\$260.87 * 0.67 = \174.78). Of the drug costs in the Catastrophic Phase, the manufacturer discount is 20% of the drug cost ($\$139.13 * 0.20 = \27.83), LICS is 0% of the drug cost ($\$139.13 * 0.00 = \0.00), and CPP is 80% of the drug cost ($\$139.13 * 0.80 = \111.30). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGDCDC Accumulator increases by \$400.00, and the TrOOP Accumulator increases by \$60.00. Table 8 illustrates how the PACE organization would populate the PDE record.

Table 8: Dual-Eligible PACE Benefit – ICP to Catastrophic Phase (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$390.00
Dispensing Fee Paid	\$10.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$260.87
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$139.13
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$60.00

PDE Field	Value
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$286.08
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$53.92
Total Gross Covered Drug Cost Accumulator	\$6,471.61
True Out-of-Pocket Accumulator	\$1,940.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.8 Example #8: Dual-Eligible PACE Benefit – ICP to Catastrophic Phase (Non-Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$400.00 covered Part D non-applicable drug (\$390.00 ingredient cost with a \$10.00 dispensing fee) that moves the participant from the ICP to the Catastrophic Phase. When the claim adjudication begins, the TGCDC Accumulator is \$6,471.61, and the TrOOP Accumulator is \$1,940.00. Because the participant meets the annual OOP threshold midway through the processing of this claim, a portion of the claim falls into the ICP and a portion falls into the Catastrophic Phase.

When a claim straddles the ICP and the Catastrophic Phase, the following formula can be used to determine the portion of drug costs that fall into the ICP:

Remaining TrOOP amount / TrOOP-eligible cost-sharing percentage in the ICP

The remaining TrOOP amount is calculated by subtracting the TrOOP Accumulator (\$1,940.00) from the annual OOP threshold amount (\$2,000.00), which is \$60.00 ($\$2,000.00 - \$1,940.00 = \$60.00$). In the ICP, only the LICS cost-sharing percentage of 23% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the ICP is 23%. Using the formula above to calculate the portion of drug costs that fall into the ICP, the remaining TrOOP amount of \$60.00 is divided by 23%, which is \$260.87 ($\$60.00 / 0.23 = \260.87). The remaining drug cost of \$139.13 ($\$400.00 - \$260.87 = \139.13) falls in the Catastrophic Phase.

Of the drug costs in the ICP, LICS is 23% of the drug cost ($\$260.87 * 0.23 = \60.00), and CPP is 77% of the drug cost ($\$260.87 * 0.77 = \200.87). Of the drug costs in the Catastrophic Phase, LICS is 0% of the drug cost ($\$139.13 * 0.00 = \0.00), and CPP is 100% of the drug cost ($\$139.13 * 1.00 = \139.13). The Patient Pay Amount is always zero for PACE participants. In this example, a manufacturer discount is not calculated because this drug is a non-applicable drug.

After the claim is processed, the TGCDC Accumulator increases by \$400.00, and the TrOOP Accumulator increases by \$60.00. Table 9 illustrates how the PACE organization would populate the PDE record.

Table 9: Dual-Eligible PACE Benefit – ICP to Catastrophic Phase (Non-Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C

PDE Field	Value
Ingredient Cost Paid	\$390.00
Dispensing Fee Paid	\$10.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCCB)	\$260.87
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$139.13
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$60.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$340.00
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$0.00
Total Gross Covered Drug Cost Accumulator	\$6,471.61
True Out-of-Pocket Accumulator	\$1,940.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.9 Example #9: Dual-Eligible PACE Benefit – Catastrophic Phase (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$250.00 covered Part D applicable drug that falls entirely within the Catastrophic Phase. When the claim adjudication begins, the TGDCDC Accumulator is \$9,432.00, and the TrOOP Accumulator is \$2,000.00. The participant is in the Catastrophic Phase of the benefit (TrOOP Accumulator = \$2,000.00).

In the Catastrophic Phase, the manufacturer discount is 20% of the total drug cost ($\$250.00 * 0.20 = \50.00), LICS is 0% of the total drug cost ($\$250.00 * 0.00 = \0.00), and CPP is 80% of the total drug cost ($\$250.00 * 0.80 = \200.00). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGDCDC Accumulator increases by \$250.00, and the TrOOP Accumulator remains unchanged. Table 10 illustrates how the PACE organization would populate the PDE record.

Table 10: Dual-Eligible PACE Benefit – Catastrophic Phase (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$250.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCCB)	\$0.00

PDE Field	Value
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$250.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$200.00
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$50.00
Total Gross Covered Drug Cost Accumulator	\$9,432.00
True Out-of-Pocket Accumulator	\$2,000.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.10 Example #10: Dual-Eligible PACE Benefit – Catastrophic Phase (Non-Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$250.00 covered Part D non-applicable drug that falls entirely within the Catastrophic Phase. When the claim adjudication begins, the TGDCD Accumulator is \$9,432.00, and the TrOOP Accumulator is \$2,000.00. The participant is in the Catastrophic Phase of the benefit (TrOOP Accumulator = \$2,000.00).

In the Catastrophic Phase, LICS is 0% of the total drug cost ($\$250.00 * 0.00 = \0.00), and CPP is 100% of the total drug cost ($\$250.00 * 1.00 = \250.00). The Patient Pay Amount is always zero for PACE participants. In this example, a manufacturer discount is not calculated because the drug is a non-applicable drug.

After the claim is processed, the TGDCD Accumulator increases by \$250.00, and the TrOOP Accumulator remains unchanged. Table 11 illustrates how the PACE organization would populate the PDE record.

Table 11: Dual-Eligible PACE Benefit – Catastrophic Phase (Non-Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$250.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCEB)	\$0.00
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$250.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00

PDE Field	Value
Covered D Plan Paid Amount (CPP)	\$250.00
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$0.00
Total Gross Covered Drug Cost Accumulator	\$9,432.00
True Out-of-Pocket Accumulator	\$2,000.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.11 Example #11: Dual-Eligible PACE Benefit – Deductible Phase to Catastrophic Phase (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for an \$8,000.00 covered Part D applicable drug that moves the participant from the Deductible Phase to the Catastrophic Phase. When the claim adjudication begins, the TGCDC Accumulator is \$0.00, and the TrOOP Accumulator is \$0.00. Because the participant meets the DS deductible and the annual OOP threshold midway through the processing of this claim, portions of the claim fall into all three benefit phases: the Deductible Phase, ICP, and Catastrophic Phase.

When a claim straddles all three benefit phases, the following formulas can be used to determine the portion of drug costs that falls into each phase of the benefit:

Deductible Phase:

Remaining deductible amount / TrOOP-eligible cost-sharing percentage in the Deductible Phase

The remaining deductible amount is calculated by subtracting the TrOOP Accumulator (\$0.00) from the DS deductible amount (\$590.00), which is \$590.00 (\$590.00 - \$0.00 = \$590.00). In the Deductible Phase, only the LICS cost-sharing percentage of 98% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the Deductible Phase is 98%. Using the Deductible Phase formula above to calculate the portion of drug costs that applies towards the Deductible Phase, the remaining deductible amount of \$590.00 is divided by 98%, which is \$602.04 (\$590.00 / 0.98 = \$602.04).

Of the drug costs applied to the Deductible Phase, LICS is 98% of the drug cost (\$602.04 * 0.98 = \$590.00), and CPP is 2% of the drug cost (\$602.04 * 0.02 = \$12.04). At the conclusion of this step, there is \$590.00 of TrOOP accumulation to carry over into the ICP.

ICP:

Remaining TrOOP amount / TrOOP-eligible cost-sharing percentage in the ICP

The remaining TrOOP amount is calculated by subtracting the total TrOOP accumulation thus far (\$590.00) from the annual OOP threshold amount (\$2,000.00), which is \$1,410.00 (\$2,000.00 - \$590.00 = \$1,410.00). In the ICP, only the LICS cost-sharing percentage of 23% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the ICP is 23%. Using the ICP formula above to calculate the portion of drug costs that falls into the ICP, the remaining TrOOP amount of \$1,410.00 is divided by 23%, which is \$6,130.43 (\$1,410.00 / 0.23 = \$6,130.43). The remaining drug cost of \$1,267.53 (\$8,000.00 - \$602.04 - \$6,130.43 = \$1,267.53) falls in the Catastrophic Phase. This amount is determined by subtracting the drug cost in the Deductible Phase and the drug cost in the ICP from the total drug cost.

Of the drug costs in the ICP, the manufacturer discount is 10% of the drug cost (\$6,130.43 * 0.10 = \$613.04), LICS is 23% of the drug cost (\$6,130.43 * 0.23 = \$1,410.00), and CPP is 67%

of the drug cost ($\$6,130.43 * 0.67 = \$4,107.39$). Of the drug costs in the Catastrophic Phase, the manufacturer discount is 20% of the drug cost ($\$1,267.53 * 0.20 = \253.51), LICs is 0% of the drug cost ($\$1,267.53 * 0.00 = \0.00), and CPP is 80% of the drug cost ($\$1,267.53 * 0.80 = \$1,014.02$). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGDC Accumulator increases by \$8,000.00, and the TrOOP Accumulator increases by \$2,000.00. Table 12 illustrates how the PACE organization would populate the PDE record.

Table 12: Dual-Eligible PACE Benefit – Deductible Phase to Catastrophic Phase (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$8,000.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$6,732.47
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$1,267.53
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICs)	\$2,000.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$5,133.45
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$866.55
Total Gross Covered Drug Cost Accumulator	\$0.00
True Out-of-Pocket Accumulator	\$0.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.12 Example #12: Dual-Eligible PACE Benefit – Deductible Phase to Catastrophic Phase (Non-Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for an \$8,000.00 covered Part D non-applicable drug that moves the participant from the Deductible Phase to the Catastrophic Phase. When the claim adjudication begins, the TGDC Accumulator is \$0.00, and the TrOOP Accumulator is \$0.00. Because the participant meets the DS deductible and the annual OOP threshold midway through the processing of this claim, portions of the claim fall into all three benefit phases: the Deductible Phase, ICP, and Catastrophic Phase.

When a claim straddles all three benefit phases, the following formulas can be used to determine the portion of drug costs that falls into each phase of the benefit:

Deductible Phase:

Remaining deductible amount / TrOOP-eligible cost-sharing percentage in the Deductible Phase

The remaining deductible amount is calculated by subtracting the TrOOP Accumulator (\$0.00) from the DS deductible amount (\$590.00), which is \$590.00 ($\$590.00 - \$0.00 = \$590.00$). In the Deductible Phase, only the LICS cost-sharing percentage of 98% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the Deductible Phase is 98%. Using the Deductible Phase formula above to calculate the portion of drug costs that applies towards the Deductible Phase, the remaining deductible amount of \$590.00 is divided by 98%, which is \$602.04 ($\$590.00 / 0.98 = \602.04).

Of the drug costs applied to the Deductible Phase, LICS is 98% of the drug cost ($\$602.04 * 0.98 = \590.00), and CPP is 2% of the drug cost ($\$602.04 * 0.02 = \12.04). At the conclusion of this step, there is \$590.00 of TrOOP accumulation to carry over into the ICP.

ICP:

Remaining TrOOP amount / TrOOP-eligible cost-sharing percentage in the ICP

The remaining TrOOP amount is calculated by subtracting the total TrOOP accumulation thus far (\$590.00) from the annual OOP threshold amount (\$2,000.00), which is \$1,410.00 ($\$2,000.00 - \$590.00 = \$1,410.00$). In the ICP, only the LICS cost-sharing percentage of 23% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the ICP is 23%. Using the ICP formula above to calculate the portion of drug costs that fall into the ICP, the remaining TrOOP amount of \$1,410.00 is divided by 23%, which is \$6,130.43 ($\$1,410.00 / 0.23 = \$6,130.43$). The remaining drug cost of \$1,267.53 ($\$8,000.00 - \$602.04 - \$6,130.43 = \$1,267.53$) falls in the Catastrophic Phase. This amount is determined by subtracting the drug cost in the Deductible Phase and the drug cost in the ICP from the total drug cost.

Of the drug costs in the ICP, LICS is 23% of the drug cost ($\$6,130.43 * 0.23 = \$1,410.00$), and CPP is 77% of the drug cost ($\$6,130.43 * 0.77 = \$4,720.43$). Of the drug costs in the Catastrophic Phase, LICS is 0% of the drug cost ($\$1,267.53 * 0.00 = \0.00), and CPP is 100% of the drug cost ($\$1,267.53 * 1.00 = \$1,267.53$). The Patient Pay Amount is always zero for PACE participants. In this example, a manufacturer discount is not calculated because this drug is a non-applicable drug.

After the claim is processed, the TGCDC Accumulator increases by \$8,000.00, and the TrOOP Accumulator increases by \$2,000.00. Table 13 illustrates how the PACE organization would populate the PDE record.

Table 13: Dual-Eligible PACE Benefit – Deductible Phase to Catastrophic Phase (Non-Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$8,000.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$6,732.47
Gross Drug Cost Above Out-of-Pocket Threshold (GD CA)	\$1,267.53
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$2,000.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$6,000.00

PDE Field	Value
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$0.00
Total Gross Covered Drug Cost Accumulator	\$0.00
True Out-of-Pocket Accumulator	\$0.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.13 Example #13: Dual-Eligible PACE Benefit – Covered Insulin Product (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$500.00 applicable covered insulin product (\$495.00 ingredient cost with a \$5.00 dispensing fee) that falls entirely within the ICP. When the claim adjudication begins, the TGCDC Accumulator is \$671.43, and the TrOOP Accumulator is \$605.96. The participant is in the ICP of the benefit (TrOOP Accumulator + Delta TrOOP < \$2,000.00 for a covered insulin product).

As a result of the IRA, covered insulin products have unique coverage rules. These products are not subject to the deductible or to typical beneficiary cost-sharing percentages in the ICP. Therefore, these products will not follow the typical LICS and CPP mapping allocations based on benefit phase. However, the MDP may still apply, following the same applicable beneficiary determination rules (TrOOP-eligible costs for the year exceed the annual DS deductible amount of \$590.00). CPP is 100% of the drug cost minus any Reported Manufacturer Discount amount.

In this ICP example, the manufacturer discount is 10% of the total drug cost ($\$500.00 * 0.10 = \50.00), LICS is 0% of the total drug cost ($\$500.00 * 0.00 = \0.00), and CPP is 90% of the total drug cost ($\$500.00 * 0.90 = \450.00). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGCDC Accumulator increases by \$500.00, and the TrOOP Accumulator remains unchanged. Table 14 illustrates how the PACE organization would populate the PDE record.

Table 14: Dual-Eligible PACE Benefit – Covered Insulin Product (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$495.00
Dispensing Fee Paid	\$5.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$500.00
Gross Drug Cost Above Out-of-Pocket Threshold (GD CA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$450.00

PDE Field	Value
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$50.00
Total Gross Covered Drug Cost Accumulator	\$671.43
True Out-of-Pocket Accumulator	\$605.96
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.14 Example #14: Dual-Eligible PACE Benefit – ACIP-Recommended Vaccine (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$100.00 applicable ACIP-recommended vaccine (\$80.00 ingredient cost with a \$20.00 vaccine administration fee) that falls entirely within the ICP. When the claim adjudication begins, the TGDCDC Accumulator is \$671.43, and the TrOOP Accumulator is \$605.96. The participant is in the ICP of the benefit (TrOOP Accumulator \geq \$590.00 and TrOOP Accumulator + Delta TrOOP $<$ \$2,000.00).

As a result of the IRA, ACIP-recommended vaccines have unique coverage rules. These products are not subject to the deductible and there is no beneficiary cost-sharing in the ICP. Therefore, these products will not follow the typical LICS and CPP mapping allocations based on benefit phase. However, the MDP may still apply, following the same applicable beneficiary determination rules (TrOOP-eligible costs for the year exceed the annual DS deductible amount of \$590.00). CPP is 100% of the drug cost minus any Reported Manufacturer Discount amount.

In this ICP example, the manufacturer discount is 10% of the total drug cost ($\$100.00 * 0.10 = \10.00), LICS is 0% of the total drug cost ($\$100.00 * 0.00 = \0.00), and CPP is 90% of the total drug cost ($\$100.00 * 0.90 = \90.00). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGDCDC Accumulator increases by \$100.00, and the TrOOP Accumulator remains unchanged. Table 15 illustrates how the PACE organization would populate the PDE record.

Table 15: Dual-Eligible PACE Benefit – ACIP Recommended Vaccine (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$80.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$20.00
Gross Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$100.00
Gross Drug Cost Above Out-of-Pocket Threshold (GD CA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00

PDE Field	Value
Covered D Plan Paid Amount (CPP)	\$90.00
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$10.00
Total Gross Covered Drug Cost Accumulator	\$671.43
True Out-of-Pocket Accumulator	\$605.96
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.1.15 Example #15: Dual-Eligible PACE Benefit – Catastrophic Phase with a Pharmacy Price Concession (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$500.00 applicable drug (\$495.00 ingredient cost with a \$5.00 dispensing fee) that falls entirely within the Catastrophic Phase, and a pharmacy price concession is applied. When the claim adjudication begins, the TGDCD Accumulator is \$9,432.00, and the TrOOP Accumulator is \$2,000.00. The participant is in the Catastrophic Phase of the benefit (TrOOP Accumulator = \$2,000.00). A maximum pharmacy price concession of \$15.00 applies to this drug. The PACE organization must apply this pharmacy price concession at the POS to arrive at the negotiated price, which must equal the lowest possible reimbursement to the pharmacy.

The pharmacy price concession of \$15.00 first reduces the ingredient cost of \$495.00 to \$480.00. Because the PACE organization has not elected to apply any other remuneration to the POS price, the dispensing fee, vaccine administration fee, and sales tax remain unaffected. The PACE organization uses the reduced negotiated price of \$485.00 to determine the manufacturer discount and CPP amounts.

In the Catastrophic Phase, the manufacturer discount is 20% of the total drug cost ($\$485.00 * 0.20 = \97.00), LICS is 0% of the total drug cost ($\$485.00 * 0.00 = \0.00), and CPP is 80% of the total drug cost ($\$485.00 * 0.80 = \388.00). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGDCD Accumulator increases by \$485.00, and the TrOOP Accumulator remains unchanged. Table 16 illustrates how the PACE organization would populate the PDE record.

Table 16: Dual-Eligible PACE Benefit – Catastrophic Phase with a Pharmacy Price Concession (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$480.00
Dispensing Fee Paid	\$5.00
Total Amount Attributed to Sales Tax	\$0.00
Estimated Remuneration at POS Amount (ERPOSA)	\$0.00
Pharmacy Price Concessions at POS	\$15.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCEB)	\$0.00
Gross Drug Cost Above Out-of-Pocket Threshold (GDCEA)	\$485.00
Patient Pay Amount	\$0.00

PDE Field	Value
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$388.00
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$97.00
Total Gross Covered Drug Cost Accumulator	\$9,432.00
True Out-of-Pocket Accumulator	\$2,000.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2 Calculating and Reporting the Medicare-Only PACE Benefit

This section demonstrates CY 2025 PDE record reporting for the Medicare-only PACE benefit. Some PACE participants are eligible for Medicare, but not Medicaid. These participants will be enrolled in an EA plan in which the PACE organization covers all cost-sharing as enhanced alternative cost-sharing.

Table 17 shows the cost parameters used to define each benefit phase in CY 2025. This table also shows how liability is generally reported on the PDE record within each benefit phase of the DS benefit.

Table 17: CY 2025 Medicare-Only PACE Benefit*

Benefit Phase	Year-to-Date TrOOP Costs	Non-Covered Plan Paid Amount (NPP)**	Covered D Plan Paid Amount (CPP)	Manufacturer Discount
Deductible Phase	< \$590	100%	0%	0%
ICP	≥ \$590 < \$2,000	25%	<ul style="list-style-type: none"> Non-Applicable Drug – 75% Applicable Drug – 65% MDP Phase-in Eligible Applicable Drug – 74% 	<ul style="list-style-type: none"> Non-Applicable Drug – 0% Applicable Drug – 10% MDP Phase-in Eligible Applicable Drug – 1%
Catastrophic Phase	= \$2,000 (OOP threshold)	0%	<ul style="list-style-type: none"> Non-Applicable Drug – 100% Applicable Drug – 80% MDP Phase-in Eligible Applicable Drug – 99% 	<ul style="list-style-type: none"> Non-Applicable Drug – 0% Applicable Drug – 20% MDP Phase-in Eligible Applicable Drug – 1%

*This table excludes cost-sharing for covered insulin products and ACIP-recommended vaccines.

**NPP is TrOOP-eligible beginning CY 2025 and progresses the participant through the benefit phases.

7.2.1 Example #16: Medicare-Only PACE Benefit – Deductible Phase (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$200.00 covered Part D applicable drug that falls entirely within the Deductible Phase. When the claim adjudication begins, the TG CDC Accumulator is \$0.00, and the TrOOP Accumulator is \$0.00. The participant is in the Deductible Phase of the benefit (TrOOP Accumulator + Delta TrOOP ≤ \$590.00).

In the Deductible Phase, NPP is 100% of the total drug cost (\$200.00 * 1.00 = \$200.00), and CPP is 0% of the total drug cost (\$200.00 * 0.00 = \$0.00). The Patient Pay Amount is always zero for PACE participants. In this example, a manufacturer discount is not calculated because the participant does not meet the definition of an applicable beneficiary (TrOOP-eligible costs for the year do not exceed the annual DS deductible amount of \$590.00).

After the claim is processed, the TG CDC Accumulator increases by \$200.00, and the TrOOP Accumulator increases by \$200.00. Table 18 illustrates how the PACE organization would populate the PDE record.

Table 18: Medicare-Only PACE Benefit – Deductible Phase (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$200.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$200.00
Gross Drug Cost Above Out-of-Pocket Threshold (GD CA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$0.00
Non Covered Plan Paid Amount (NPP)	\$200.00
Reported Manufacturer Discount	\$0.00
Total Gross Covered Drug Cost Accumulator	\$0.00
True Out-of-Pocket Accumulator	\$0.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.2 Example #17: Medicare-Only PACE Benefit – Deductible Phase to ICP (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a \$100.00 covered Part D applicable drug that moves the participant from the Deductible Phase to the ICP. When the claim adjudication begins, the TG CDC Accumulator is \$560.00, and the TrOOP Accumulator is \$560.00. Because the participant meets the DS deductible midway through the processing of

this claim, a portion of the claim applies to the Deductible Phase and a portion falls into the ICP. Only the portion that falls into the ICP is eligible for a discount under the MDP. When a claim straddles the Deductible Phase and the ICP, the following formula can be used to determine the portion of drug costs that applies towards the Deductible Phase:

Remaining deductible amount / TrOOP-eligible cost-sharing percentage in the Deductible Phase

The remaining deductible amount is calculated by subtracting the TrOOP Accumulator (\$560.00) from the DS deductible amount (\$590.00), which is \$30.00 (\$590.00 - \$560.00 = \$30.00). In the Deductible Phase, only the NPP cost-sharing percentage of 100% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the Deductible Phase is 100%. Using the formula above to calculate the portion of drug costs that applies towards the Deductible Phase, the remaining deductible amount of \$30.00 is divided by 100%, which is \$30.00 (\$30.00 / 1.00 = \$30.00). The remaining drug cost of \$70.00 (\$100.00 - \$30.00 = \$70.00) falls into the ICP and is eligible for the MDP.

Of the drug costs applied to the Deductible Phase, NPP is 100% of the drug cost (\$30.00 * 1.00 = \$30.00), and CPP is 0% of the drug cost (\$30.00 * 0.00 = \$0.00). Of the drug costs in the ICP, the manufacturer discount is 10% of the drug cost (\$70.00 * 0.10 = \$7.00), NPP is 25% of the drug cost (\$70.00 * 0.25 = \$17.50), and CPP is 65% of the drug cost (\$70.00 * 0.65 = \$45.50). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGCDC Accumulator increases by \$100.00, and the TrOOP Accumulator increases by \$47.50. Table 19 illustrates how the PACE organization would populate the PDE record.

Table 19: Medicare-Only PACE Benefit – Deductible Phase to ICP (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$100.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$100.00
Gross Drug Cost Above Out-of-Pocket Threshold (GD CA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$45.50
Non Covered Plan Paid Amount (NPP)	\$47.50
Reported Manufacturer Discount	\$7.00
Total Gross Covered Drug Cost Accumulator	\$560.00
True Out-of-Pocket Accumulator	\$560.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.3 Example #18: Medicare-Only PACE Benefit – Deductible Phase to ICP (Non-Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$100.00 covered Part D non-applicable drug that moves the participant from the Deductible Phase to the ICP. When the claim adjudication begins, the TGDC Accumulator is \$560.00, and the TrOOP Accumulator is \$560.00. Because the participant meets the DS deductible midway through the processing of this claim, a portion of this claim applies to the Deductible Phase and a portion falls into the ICP.

When a claim straddles the Deductible Phase and the ICP, the following formula can be used to determine the portion of drug costs that applies towards the Deductible Phase:

Remaining deductible amount / TrOOP-eligible cost-sharing percentage in the Deductible Phase

The remaining deductible amount is calculated by subtracting the TrOOP Accumulator (\$560.00) from the DS deductible amount (\$590.00), which is \$30.00 (\$590.00 - \$560.00 = \$30.00). In the Deductible Phase, only the NPP cost-sharing percentage of 100% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the Deductible Phase is 100%. Using the formula above to calculate the portion of drug costs that applies towards the Deductible Phase, the remaining deductible amount of \$30.00 is divided by 100%, which is \$30.00 (\$30.00 / 1.00 = \$30.00). The remaining drug cost of \$70.00 (\$100.00 - \$30.00 = \$70.00) falls into the ICP.

Of the drug costs applied to the Deductible Phase, NPP is 100% of the drug cost (\$30.00 * 1.00 = \$30.00), and CPP is 0% of the drug cost (\$30.00 * 0.00 = \$0.00). Of the drug costs in the ICP, NPP is 25% of the drug cost (\$70.00 * 0.25 = \$17.50), and CPP is 75% of the drug cost (\$70.00 * 0.75 = \$52.50). The Patient Pay Amount is always zero for PACE participants. In this example, a manufacturer discount is not calculated because the drug is a non-applicable drug.

After the claim is processed, the TGDC Accumulator increases by \$100.00, and the TrOOP Accumulator increases by \$47.50. Table 20 illustrates how the PACE organization would populate the PDE record.

Table 20: Medicare-Only PACE Benefit – Deductible Phase to ICP (Non-Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$100.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$100.00
Gross Drug Cost Above Out-of-Pocket Threshold (GD CA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$52.50
Non Covered Plan Paid Amount (NPP)	\$47.50
Reported Manufacturer Discount	\$0.00

PDE Field	Value
Total Gross Covered Drug Cost Accumulator	\$560.00
True Out-of-Pocket Accumulator	\$560.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.4 Example #19: Medicare-Only PACE Benefit – ICP (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$320.00 covered Part D applicable drug (\$315.00 ingredient cost with a \$5.00 dispensing fee) that falls entirely within the ICP. When the claim adjudication begins, the TGDCDC Accumulator is \$653.84, and the TrOOP Accumulator is \$605.96. The participant is in the ICP of the benefit (TrOOP Accumulator \geq \$590.00 and TrOOP Accumulator + Delta TrOOP < \$2,000.00).

In the ICP, the manufacturer discount is 10% of the total drug cost ($\$320.00 * 0.10 = \32.00), NPP is 25% of the total drug cost ($\$320.00 * 0.25 = \80.00), and CPP is 65% of the total drug cost ($\$320.00 * 0.65 = \208.00). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGDCDC Accumulator increases by \$320.00, and the TrOOP Accumulator increases by \$80.00. Table 21 illustrates how the PACE organization would populate the PDE record.

Table 21: Medicare-Only PACE Benefit – ICP (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$315.00
Dispensing Fee Paid	\$5.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCEB)	\$320.00
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$208.00
Non Covered Plan Paid Amount (NPP)	\$80.00
Reported Manufacturer Discount	\$32.00
Total Gross Covered Drug Cost Accumulator	\$653.84
True Out-of-Pocket Accumulator	\$605.96
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.5 Example #20: Medicare-Only PACE Benefit – ICP (MDP Phase-In Eligible Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$320.00 covered Part D MDP phase-in eligible applicable drug that falls entirely within the ICP. When the claim adjudication begins, the TGCDC Accumulator is \$653.84, and the TrOOP Accumulator is \$605.96. The participant is in the ICP of the benefit (TrOOP Accumulator \geq \$590.00 and TrOOP Accumulator + Delta TrOOP $<$ \$2,000.00).

Since this drug is eligible for the MDP phase-in, the manufacturer discount is 1% of the total drug cost for CY 2025 (rather than 10% in the ICP). In the ICP, the manufacturer discount is 1% of the total drug cost ($\$320.00 * 0.01 = \3.20), NPP is 25% of the total drug cost ($\$320.00 * 0.25 = \80.00), and CPP is 74% of the total drug cost ($\$320.00 * 0.74 = \236.80). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGCDC Accumulator increases by \$320.00, and the TrOOP Accumulator increases by \$80.00. Table 22 illustrates how the PACE organization would populate the PDE record.

Table 22: Medicare-Only PACE Benefit –ICP (MDP Phase-In Eligible Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$320.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$320.00
Gross Drug Cost Above Out-of-Pocket Threshold (GD CA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$236.80
Non Covered Plan Paid Amount (NPP)	\$80.00
Reported Manufacturer Discount	\$3.20
Total Gross Covered Drug Cost Accumulator	\$653.84
True Out-of-Pocket Accumulator	\$605.96
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.6 Example #21: Medicare-Only PACE Benefit – ICP (Non-Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$320.00 covered Part D non-applicable drug (\$315.00 ingredient cost with a \$5.00 dispensing fee) that falls entirely within the ICP. When the claim adjudication begins, the TGCDC Accumulator is \$653.84, and the TrOOP Accumulator is \$605.96. The participant is in the ICP of

the benefit (TrOOP Accumulator \geq \$590.00 and TrOOP Accumulator + Delta TrOOP < \$2,000.00).

In the ICP, NPP is 25% of the total drug cost (\$320.00 * 0.25 = \$80.00), and CPP is 75% of the total drug cost (\$320.00 * 0.75 = \$240.00). The Patient Pay Amount is always zero for PACE participants. In this example, a manufacturer discount is not calculated because the drug is a non-applicable drug.

After the claim is processed, the TGDCDC Accumulator increases by \$320.00, and the TrOOP Accumulator increases by \$80.00. Table 23 illustrates how the PACE organization would populate the PDE record.

Table 23: Medicare-Only PACE Benefit – ICP (Non-Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$315.00
Dispensing Fee Paid	\$5.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCEB)	\$320.00
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$240.00
Non Covered Plan Paid Amount (NPP)	\$80.00
Reported Manufacturer Discount	\$0.00
Total Gross Covered Drug Cost Accumulator	\$653.84
True Out-of-Pocket Accumulator	\$605.96
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.7 Example #22: Medicare-Only PACE Benefit – ICP to Catastrophic Phase (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$400.00 covered Part D applicable drug (\$390.00 ingredient cost with a \$10.00 dispensing fee) that moves the participant from the ICP to the Catastrophic Phase. When the claim adjudication begins, the TGDCDC Accumulator is \$5,990.00, and the TrOOP Accumulator is \$1,940.00. Because the participant meets the annual OOP threshold midway through the processing of this claim, a portion of the claim falls into the ICP and a portion falls into the Catastrophic Phase.

When a claim straddles the ICP and the Catastrophic Phase, the following formula can be used to determine the portion of drug costs that fall into the ICP:

$$\text{Remaining TrOOP amount} / \text{TrOOP-eligible cost-sharing percentage in the ICP}$$

The remaining TrOOP amount is calculated by subtracting the TrOOP Accumulator (\$1,940.00) from the annual OOP threshold amount (\$2,000.00), which is \$60.00 ($\$2,000.00 - \$1,940.00 = \$60.00$). In the ICP, only the NPP cost-sharing percentage of 25% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the ICP is 25%. Using the formula above to calculate the portion of drug costs that falls into the ICP, the remaining TrOOP amount of \$60.00 is divided by 25%, which is \$240.00 ($\$60.00 / 0.25 = \240.00). The remaining drug cost of \$160.00 ($\$400.00 - \$240.00 = \160.00) falls in the Catastrophic Phase.

Of the drug costs in the ICP, the manufacturer discount is 10% of the drug cost ($\$240.00 * 0.10 = \24.00), NPP is 25% of the drug cost ($\$240.00 * 0.25 = \60.00), and CPP is 65% of the drug cost ($\$240.00 * 0.65 = \156.00). Of the drug costs in the Catastrophic Phase, the manufacturer discount is 20% of the drug cost ($\$160.00 * 0.20 = \32.00), NPP is 0% of the drug cost ($\$160.00 * 0.00 = \0.00), and CPP is 80% of the drug cost ($\$160.00 * 0.80 = \128.00). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGCDC Accumulator increases by \$400.00, and the TrOOP Accumulator increases by \$60.00. Table 24 illustrates how the PACE organization would populate the PDE record.

Table 24: Medicare-Only PACE Benefit – ICP to Catastrophic Phase (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$390.00
Dispensing Fee Paid	\$10.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$240.00
Gross Drug Cost Above Out-of-Pocket Threshold (GD CA)	\$160.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$284.00
Non Covered Plan Paid Amount (NPP)	\$60.00
Reported Manufacturer Discount	\$56.00
Total Gross Covered Drug Cost Accumulator	\$5,990.00
True Out-of-Pocket Accumulator	\$1,940.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.8 Example #23: Medicare-Only PACE Benefit – ICP to Catastrophic Phase (Non-Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$400.00 covered Part D non-applicable drug (\$390.00 ingredient cost with a \$10.00 dispensing fee) that moves the participant from the ICP to the Catastrophic Phase. When the claim adjudication begins, the TGCDC Accumulator is \$5,990.00, and the TrOOP Accumulator is

\$1,940.00. Because the participant meets the annual OOP threshold midway through the processing of this claim, a portion of the claim falls into the ICP and a portion falls into the Catastrophic Phase.

When a claim straddles the ICP and the Catastrophic Phase, the following formula can be used to determine the portion of drug costs that fall into the ICP:

Remaining TrOOP amount / TrOOP-eligible cost-sharing percentage in the ICP

The remaining TrOOP amount is calculated by subtracting the TrOOP Accumulator (\$1,940.00) from the annual OOP threshold amount (\$2,000.00), which is \$60.00 ($\$2,000.00 - \$1,940.00 = \$60.00$). In the ICP, only the NPP cost-sharing percentage of 25% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the ICP is 25%. Using the formula above to calculate the portion of drug costs that falls into the ICP, the remaining TrOOP amount of \$60.00 is divided by 25%, which is \$240.00 ($\$60.00 / 0.25 = \240.00). The remaining drug cost of \$160.00 ($\$400.00 - \$240.00 = \160.00) falls in the Catastrophic Phase.

Of the drug costs in the ICP, NPP is 25% of the drug cost ($\$240.00 * 0.25 = \60.00), and CPP is 75% of the drug cost ($\$240.00 * 0.75 = \180.00). Of the drug costs in the Catastrophic Phase, NPP is 0% of the drug cost ($\$160.00 * 0.00 = \0.00), and CPP is 100% of the drug cost ($\$160.00 * 1.00 = \160.00). The Patient Pay Amount is always zero for PACE participants. In this example, a manufacturer discount is not calculated because the drug is a non-applicable drug.

After the claim is processed, the TGDCDC Accumulator increases by \$400.00, and the TrOOP Accumulator increases by \$60.00. Table 25 illustrates how the PACE organization would populate the PDE record.

Table 25: Medicare-Only PACE Benefit – ICP to Catastrophic Phase (Non-Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$390.00
Dispensing Fee Paid	\$10.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$240.00
Gross Drug Cost Above Out-of-Pocket Threshold (GD CA)	\$160.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$340.00
Non Covered Plan Paid Amount (NPP)	\$60.00
Reported Manufacturer Discount	\$0.00
Total Gross Covered Drug Cost Accumulator	\$5,990.00
True Out-of-Pocket Accumulator	\$1,940.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.9 Example #24: Medicare-Only PACE Benefit – Catastrophic Phase (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$250.00 covered Part D applicable drug that falls entirely within the Catastrophic Phase. When the claim adjudication begins, the TGDCDC Accumulator is \$9,432.00, and the TrOOP Accumulator is \$2,000.00. The participant is in the Catastrophic Phase of the benefit (TrOOP Accumulator = \$2,000.00).

In the Catastrophic Phase, the manufacturer discount is 20% of the total drug cost ($\$250.00 * 0.20 = \50.00), NPP is 0% of the total drug cost ($\$250.00 * 0.00 = \0.00), and CPP is 80% of the total drug cost ($\$250.00 * 0.80 = \200.00). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGDCDC Accumulator increases by \$250.00, and the TrOOP Accumulator remains unchanged. Table 26 illustrates how the PACE organization would populate the PDE record.

Table 26: Medicare-Only PACE Benefit – Catastrophic Phase (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$250.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$0.00
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$250.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$200.00
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$50.00
Total Gross Covered Drug Cost Accumulator	\$9,432.00
True Out-of-Pocket Accumulator	\$2,000.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.10 Example #25: Medicare-Only PACE Benefit – Catastrophic Phase (Non-Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$250.00 covered Part D non-applicable drug that falls entirely within the Catastrophic Phase. When the claim adjudication begins, the TGDCDC Accumulator is \$9,432.00, and the TrOOP Accumulator is \$2,000.00. The participant is in the Catastrophic Phase of the benefit (TrOOP Accumulator = \$2,000.00).

In the Catastrophic Phase, NPP is 0% of the total drug cost ($\$250.00 * 0.00 = \0.00), and CPP is 100% of the total drug cost ($\$250.00 * 1.00 = \250.00). The Patient Pay Amount is always zero for PACE participants. In this example, a manufacturer discount is not calculated because the drug is a non-applicable drug.

After the claim is processed, the TGDCDC Accumulator increases by \$250.00, and the TrOOP Accumulator remains unchanged. Table 27 illustrates how the PACE organization would populate the PDE record.

Table 27: Medicare-Only PACE Benefit – Catastrophic Phase (Non-Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$250.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$0.00
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$250.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$250.00
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$0.00
Total Gross Covered Drug Cost Accumulator	\$9,432.00
True Out-of-Pocket Accumulator	\$2,000.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.11 Example #26: Medicare-Only PACE Benefit – Deductible Phase to Catastrophic Phase (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for an \$8,000.00 covered Part D applicable drug that moves the participant from the Deductible Phase to the Catastrophic Phase. When the claim adjudication begins, the TGDCDC Accumulator is \$0.00, and the TrOOP Accumulator is \$0.00. Because the participant meets the DS deductible and the annual OOP threshold midway through the processing of this claim, portions of the claim fall into all three benefit phases: the Deductible Phase, ICP, and Catastrophic Phase.

When a claim straddles all three benefit phases, the following formulas can be used to determine the portion of drug costs that fall into each phase of the benefit:

Deductible Phase:

Remaining deductible amount / TrOOP-eligible cost-sharing percentage in the Deductible Phase

The remaining deductible amount is calculated by subtracting the TrOOP Accumulator (\$0.00) from the DS deductible amount (\$590.00), which is \$590.00 ($\$590.00 - \$0.00 = \$590.00$). In the

Deductible Phase, only the NPP cost-sharing percentage of 100% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the Deductible Phase is 100%. Using the Deductible Phase formula above to calculate the portion of drug costs that applies towards the Deductible Phase, the remaining deductible amount of \$590.00 is divided by 100%, which is \$590.00 ($\$590.00 / 1.00 = \590.00).

Of the drug costs applied to the Deductible Phase, NPP is 100% of the drug cost ($\$590.00 * 1.00 = \590.00), and CPP is 0% of the drug cost ($\$590.00 * 0.00 = \0.00). At the conclusion of this step, there is \$590.00 of TrOOP accumulation to carry over into the ICP.

ICP:

Remaining TrOOP amount / TrOOP-eligible cost-sharing percentage in the ICP

The remaining TrOOP amount is calculated by subtracting the total TrOOP accumulation thus far (\$590.00) from the annual OOP threshold amount (\$2,000.00), which is \$1,410.00 ($\$2,000.00 - \$590.00 = \$1,410.00$). In the ICP, only the NPP cost-sharing percentage of 25% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the ICP is 25%. Using the ICP formula above to calculate the portion of drug costs that fall into the ICP, the remaining TrOOP amount of \$1,410.00 is divided by 25%, which is \$5,640.00 ($\$1,410.00 / 0.25 = \$5,640.00$). The remaining drug cost of \$1,770.00 ($\$8,000.00 - \$590.00 - \$5,640.00 = \$1,770.00$) falls in the Catastrophic Phase. This amount is determined by subtracting the drug cost in the Deductible Phase and the drug cost in the ICP from the total drug cost.

Of the drug costs in the ICP, the manufacturer discount is 10% of the drug cost ($\$5,640.00 * 0.10 = \564.00), NPP is 25% of the drug cost ($\$5,640.00 * 0.25 = \$1,410.00$), and CPP is 65% of the drug cost ($\$5,640.00 * 0.65 = \$3,666.00$). Of the drug costs in the Catastrophic Phase, the manufacturer discount is 20% of the drug cost ($\$1,770.00 * 0.20 = \354.00), NPP is 0% of the drug cost ($\$1,770.00 * 0.00 = \0.00), and CPP is 80% of the drug cost ($\$1,770.00 * 0.80 = \$1,416.00$). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGDCDC Accumulator increases by \$8,000.00, and the TrOOP Accumulator increases by \$2,000.00. Table 28 illustrates how the PACE organization would populate the PDE record.

Table 28: Medicare-Only PACE Benefit – Deductible Phase to Catastrophic Phase (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$8,000.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$6,230.00
Gross Drug Cost Above Out-of-Pocket Threshold (GD CA)	\$1,770.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$5,082.00
Non Covered Plan Paid Amount (NPP)	\$2,000.00
Reported Manufacturer Discount	\$918.00

PDE Field	Value
Total Gross Covered Drug Cost Accumulator	\$0.00
True Out-of-Pocket Accumulator	\$0.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.12 Example #27: Medicare-Only PACE Benefit – Deductible Phase to Catastrophic Phase (Non-Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for an \$8,000.00 covered Part D non-applicable drug that moves the participant from the Deductible Phase to the Catastrophic Phase. When the claim adjudication begins, the TGDCDC Accumulator is \$0.00, and the TrOOP Accumulator is \$0.00. Because the participant meets the DS deductible and the annual OOP threshold midway through the processing of this claim, portions of the claim fall into all three benefit phases: the Deductible Phase, ICP, and Catastrophic Phase.

When a claim straddles all three benefit phases, the following formulas can be used to determine the portion of drug costs that fall into each phase of the benefit:

Deductible Phase:

Remaining deductible amount / TrOOP-eligible cost-sharing percentage in the Deductible Phase

The remaining deductible amount is calculated by subtracting the TrOOP Accumulator (\$0.00) from the DS deductible amount (\$590.00), which is \$590.00 (\$590.00 - \$0.00 = \$590.00). In the Deductible Phase, only the NPP cost-sharing percentage of 100% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the Deductible Phase is 100%. Using the Deductible Phase formula above to calculate the portion of drug costs that applies towards the Deductible Phase, the remaining deductible amount of \$590.00 is divided by 100%, which is \$590.00 (\$590.00 / 1.00 = \$590.00).

Of the drug costs applied to the Deductible Phase, NPP is 100% of the drug cost (\$590.00 * 1.00 = \$590.00), and CPP is 0% of the drug cost (\$590.00 * 0.00 = \$0.00). At the conclusion of this step, there is \$590.00 of TrOOP accumulation to carry over into the ICP.

ICP:

Remaining TrOOP amount / TrOOP-eligible cost-sharing percentage in the ICP

The remaining TrOOP amount is calculated by subtracting the total TrOOP accumulation thus far (\$590.00) from the annual OOP threshold amount (\$2,000.00), which is \$1,410.00 (\$2,000.00 - \$590.00 = \$1,410.00). In the ICP, only the NPP cost-sharing percentage of 25% is TrOOP-eligible, so the TrOOP-eligible cost-sharing percentage in the ICP is 25%. Using the ICP formula above to calculate the portion of drug costs that fall into the ICP, the remaining TrOOP amount of \$1,410.00 is divided by 25%, which is \$5,640.00 (\$1,410.00 / 0.25 = \$5,640.00). The remaining drug cost of \$1,770 (\$8,000.00 - \$590.00 - \$5,640.00 = \$1,770.00) falls in the Catastrophic Phase. This amount is determined by subtracting the drug cost in the Deductible Phase and the drug cost in the ICP from the total drug cost.

Of the drug costs in the ICP, NPP is 25% of the drug cost (\$5,640.00 * 0.25 = \$1,410.00), and CPP is 75% of the drug cost (\$5,640.00 * 0.75 = \$4,230.00). Of the drugs costs in the Catastrophic Phase, NPP is 0% of the drug cost (\$1,770.00 * 0.00 = \$0.00), and CPP is 100% of the drug cost (\$1,770.00 * 1.00 = \$1,770.00). The Patient Pay Amount is always zero for

PACE participants. In this example, a manufacturer discount is not calculated because the drug is a non-applicable drug.

After the claim is processed, the TGCDC Accumulator increases by \$8,000.00, and the TrOOP Accumulator increases by \$2,000.00. Table 29 illustrates how the PACE organization would populate the PDE record.

Table 29: Medicare-Only PACE Benefit – Deductible Phase to Catastrophic Phase (Non-Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$8,000.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$6,230.00
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$1,770.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$6,000.00
Non Covered Plan Paid Amount (NPP)	\$2,000.00
Reported Manufacturer Discount	\$0.00
Total Gross Covered Drug Cost Accumulator	\$0.00
True Out-of-Pocket Accumulator	\$0.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.13 Example #28: Medicare-Only PACE Benefit – Covered Insulin Product (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$500.00 applicable covered insulin product (\$495.00 ingredient cost with a \$5.00 dispensing fee) that falls entirely within the ICP. When the claim adjudication begins, the TGCDC Accumulator is \$653.84, and the TrOOP Accumulator is \$605.96. The participant is in the ICP of the benefit (TrOOP Accumulator + Delta TrOOP < \$2,000.00 for a covered insulin product).

As a result of the IRA, covered insulin products have unique coverage rules. These products are not subject to the deductible or to typical beneficiary cost-sharing percentages in the ICP. Therefore, these products will not follow the typical NPP and CPP mapping allocations based on benefit phase. However, the MDP may still apply, following the same applicable beneficiary determination rules (TrOOP-eligible costs for the year exceed the annual DS deductible amount of \$590.00). CPP is 100% of the drug cost minus any Reported Manufacturer Discount amount.

In this ICP example, the manufacturer discount is 10% of the total drug cost ($\$500.00 * 0.10 = \50.00), NPP is 0% of the total drug cost ($\$500.00 * 0.00 = \0.00), and CPP is 90% of the total drug cost ($\$500.00 * 0.90 = \450.00). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGDCDC Accumulator increases by \$500.00, and the TrOOP Accumulator remains unchanged. Table 30 illustrates how the PACE organization would populate the PDE record.

Table 30: Medicare-Only PACE Benefit – Covered Insulin Product (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$495.00
Dispensing Fee Paid	\$5.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$500.00
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$450.00
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$50.00
Total Gross Covered Drug Cost Accumulator	\$653.84
True Out-of-Pocket Accumulator	\$605.96
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.14 Example #29: Medicare-Only PACE Benefit – ACIP-Recommended Vaccine (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$100.00 applicable ACIP-recommended vaccine (\$80.00 ingredient cost with a \$20.00 vaccine administration fee) that falls entirely within the ICP. When the claim adjudication begins, the TGDCDC Accumulator is \$653.84, and the TrOOP Accumulator is \$605.96. The participant is in the ICP of the benefit (TrOOP Accumulator \geq \$590.00 and TrOOP Accumulator + Delta TrOOP $<$ \$2,000.00).

As a result of the IRA, ACIP-recommended vaccines have unique coverage rules. These products are not subject to the deductible and there is no beneficiary cost-sharing in the ICP. Therefore, these products will not follow the typical NPP and CPP mapping allocations based on benefit phase. However, the MDP may still apply, following the same applicable beneficiary determination rules (TrOOP-eligible costs for the year exceed the annual DS deductible amount of \$590.00). CPP is 100% of the drug cost minus any Reported Manufacturer Discount amount.

In this ICP example, the manufacturer discount is 10% of the total drug cost ($\$100.00 * 0.10 = \10.00), NPP is 0% of the total drug cost ($\$100.00 * 0.00 = \0.00), and CPP is 90% of the total drug cost ($\$100.00 * 0.90 = \90.00). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGCDC Accumulator increases by \$100.00, and the TrOOP Accumulator remains unchanged. Table 31 illustrates how the PACE organization would populate the PDE record.

Table 31: Medicare-Only PACE Benefit – ACIP-Recommended Vaccine (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$80.00
Dispensing Fee Paid	\$0.00
Total Amount Attributed to Sales Tax	\$0.00
Vaccine Administration Fee or Additional Dispensing Fee	\$20.00
Gross Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$100.00
Gross Drug Cost Above Out-of-Pocket Threshold (GD CA)	\$0.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$90.00
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$10.00
Total Gross Covered Drug Cost Accumulator	\$653.84
True Out-of-Pocket Accumulator	\$605.96
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

7.2.15 Example #30: Medicare-Only PACE Benefit – Catastrophic Phase with a Pharmacy Price Concession (Applicable Drug)

This example demonstrates how to report a PDE when a participant fills a prescription for a \$500.00 applicable drug (\$495.00 ingredient cost with a \$5.00 dispensing fee) that falls entirely within the Catastrophic Phase, and a pharmacy price concession is applied. When the claim adjudication begins, the TGCDC Accumulator is \$9,432.00, and the TrOOP Accumulator is \$2,000.00. The participant is in the Catastrophic Phase of the benefit (TrOOP Accumulator = \$2,000.00). A maximum pharmacy price concession of \$15.00 applies to this drug. The PACE organization must apply this pharmacy price concession at the POS to arrive at the negotiated price, which must equal the lowest possible reimbursement to the pharmacy.

The pharmacy price concession of \$15.00 first reduces the ingredient cost of \$495.00 to \$480.00. Because the PACE organization has not elected to apply any other remuneration to the POS price, the dispensing fee, vaccine administration fee, and sales tax remain unaffected. The PACE organization uses the reduced negotiated price of \$485.00 to determine the manufacturer discount and CPP amounts.

In the Catastrophic Phase, the manufacturer discount is 20% of the total drug cost ($\$485.00 * 0.20 = \97.00), NPP is 0% of the total drug cost ($\$485.00 * 0.00 = \0.00), and CPP is 80% of the total drug cost ($\$485.00 * 0.80 = \388.00). The Patient Pay Amount is always zero for PACE participants.

After the claim is processed, the TGDC Accumulator increases by \$485.00, and the TrOOP Accumulator remains unchanged. Table 32 illustrates how the PACE organization would populate the PDE record.

Table 32: Medicare-Only PACE Benefit – Catastrophic Phase with a Pharmacy Price Concession (Applicable Drug)

PDE Field	Value
Drug Coverage Status Code	C
Ingredient Cost Paid	\$480.00
Dispensing Fee Paid	\$5.00
Total Amount Attributed to Sales Tax	\$0.00
Estimated Remuneration at POS Amount (ERPOSA)	\$0.00
Pharmacy Price Concessions at POS	\$15.00
Vaccine Administration Fee or Additional Dispensing Fee	\$0.00
Gross Drug Cost Below Out-of-Pocket Threshold (GDCEB)	\$0.00
Gross Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$485.00
Patient Pay Amount	\$0.00
Other TrOOP Amount	\$0.00
Low Income Cost Sharing Subsidy Amount (LICS)	\$0.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
Covered D Plan Paid Amount (CPP)	\$388.00
Non Covered Plan Paid Amount (NPP)	\$0.00
Reported Manufacturer Discount	\$97.00
Total Gross Covered Drug Cost Accumulator	\$9,432.00
True Out-of-Pocket Accumulator	\$2,000.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

Resource: [2025 Prescription Drug Event \(PDE\) Record Reporting Instructions for PACE Organizations \(May 3, 2024\)](#)

Appendix A: Acronyms

Table 33: Acronyms

Acronym	Literal Translation
ACIP	Advisory Committee on Immunization Practices
ATBT	Automated TrOOP Balance Transfer
BBA	Balanced Budget Act of 1997
CMS	Centers for Medicare & Medicaid Services
CPP	Covered D Plan Paid Amount
CSSC	Customer Service and Support Center
CY	Calendar Year
DDPS	Drug Data Processing System
DOS	Date of Service
DS	Defined Standard
EA	Enhanced Alternative
ERPOSA	Estimated Remuneration at POS Amount
GDCA	Gross Drug Cost Above Out-of-pocket Threshold
GDCB	Gross Drug Cost Below Out-of-pocket Threshold
ICP	Initial Coverage Phase
IRA	Inflation Reduction Act
LICS	Low-Income Cost-Sharing Subsidy Amount
LIS	Low-Income Subsidy
MDP	Manufacturer Discount Program
NPP	Non Covered Plan Paid Amount
OOP	Out-of-Pocket
PACE	Program of the All-Inclusive Care for the Elderly
PBP	Plan Benefit Package
PDE	Prescription Drug Event
PLRO	Patient Liability Reduction Due to Other Payer Amount
POS	Point of Sale
SPAP	State Pharmaceutical Assistance Program
TGDCD	Total Gross Covered Drug Cost
TrOOP	True Out-of-Pocket