DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

CENTER FOR BENEFICIARY CHOICES

MEMORANDUM

Date: December 21, 2006

To: All Part D Sponsors

From: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group

Subject: Medicare Part D HPMS Reporting Requirements for Contract Year 2007

CMS has posted CY 2007 Reporting Requirements at http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/PartDReportingRequirements_NextYear.pdf. This version is pending final OMB approval, and reflects any enhancements or clarifications made as a result of multiple public comment periods during 2006. CMS considered all comments and suggestions during the finalization of these requirements for CY 2007. The feedback provided by plans, industry, advocacy groups, and other Part D stakeholders is greatly appreciated.

The following changes have been made for the CY2007 reporting requirements, as compared to those effective for CY2006.

- Suspension of enrollment/disenrollment reporting by Part D Contracts.
- Reporting of reversal data is allowed at either the Part D Contract or Plan (PBP) level, instead of only at the PBP level.
- Clarification for reporting of the prescription cost of all covered Part D medications on a per Medication Therapy Management Program (MTMP) beneficiary per month basis.
- Additional reporting of MTMP data, including the method used to enroll beneficiaries into the MTMP, the number of beneficiaries who discontinued participation from the MTMP due to death at any time during the reporting period, the number of beneficiaries who discontinued participation from the MTMP due to disenrollment from the Plan at any time during the reporting period, the number of beneficiaries who discontinued participation from the MTMP at their request at any time during the reporting period, and the number of covered Part D 30-day equivalent prescriptions per MTMP beneficiary per month.
- Additional reporting of grievance data, including the number of quality of care grievances received related to Part D, number of exception grievances received related to Part D, number of appeal grievances received related to Part D, and the total number of grievances received related to Part D.

- Addition of five new reporting sections: Pharmacy & Therapeutics (P&T) Committees, Transition, Long-term Care (LTC) Pharmacy rebates, Performance of Part D Activities, and Drug Benefit Analyses. The Drug Benefit Analyses section is reported on only non-LIS beneficiaries enrolled in the Plan.
- Renaming the Prior Authorization, Step Edits, Non-Formulary Exceptions, and Tier Exceptions reporting section as the Exceptions reporting section.
- Additional reporting of exceptions data, including the number of pharmacy transactions rejected due to quantity limits , the number of quantity limit exceptions requested, and the number of quantity limit exceptions approved.
- Additional reporting of appeals data, including the number of redeterminations resulting in partial reversal of original decision, the number of adverse redeterminations due to insufficient evidence of medical necessity from enrollee's prescribing physician, the number of IRE decisions for standard reconsideration resulting in partial reversal of original coverage determination or redetermination, and the number of IRE decisions for expedited reconsideration resulting in partial reversal of original coverage determination or redetermination.
- Suspension of reporting Call Center data through 3rd quarter 2007.
- Reporting of overpayment data at the Contract level, instead of Plan (PBP) level.
- Reporting of Pharmaceutical Manufacturer Rebates, Discounts, and Other Price Concessions data at Part D Sponsor or Contract level.
- Clarification of Licensure and Solvency reporting requirements for direct EGWPs and PDPs.

CMS would also like to clarify recent issues raised regarding reporting of rebate data. All reports of Pharmaceutical Manufacturer Rebates, Discounts, and Other Price Concessions data should include administrative fees. Rebate amounts should be reported as the full amounts requested or received.

Due to systems reporting constraints, CMS is not requiring plans to report Long Term Care (LTC) Pharmacy Rebates at the 11 digit NDC level in 2007. However, in order to provide appropriate utilization management for beneficiaries who reside in long term care facilities, we expect that Part D Plans will request such additional detail on rebates from LTC pharmacies to ensure appropriate utilization for their beneficiaries who reside in a LTC Facility. Plans should request such additional NDC level detail from the LTC pharmacies to better understand and monitor the dosage/route combination of medications prescribed to these beneficiaries, particularly when they are aware that incentives exist for the use of these specific drugs. CMS expects that it will upgrade its systems to collect these NDC level data in the future. In the interim, CMS reserves the right to request Long-term Care (LTC) rebate information at the NDC level, if needed.

Questions regarding the Medicare Part D HPMS Reporting Requirements for Contract Year 2007 should be sent to CMS via email to partd-planreporting@cms.hhs.gov and should include "CY2007 Reporting Requirements" as the subject.