

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



**Center for Medicare
Medicare Plan Payment Group**

Date: May 16, 2011

To: All Part D Plan Sponsors

From: Cheri Rice, Director
Medicare Plan Payment Group

Subject: Timely Submission of Prescription Drug Event (PDE) Records and
Resolution of Rejected PDEs

PDE records include critical cost data that the Centers for Medicare and Medicaid Services (CMS) uses for Part D payment reconciliation. To ensure timely submission of PDE data by Part D sponsors, CMS is clarifying the PDE data submission timeframes. Part D sponsors shall:

- Submit original PDEs within 30 days following Date Claim Received or Date of Service (whichever is greater);
- Resolve rejected records and re-submit within 45 days following receipt of rejected record status from CMS;
- Submit adjustments 45 days of discovery; and
- Submit adjustments and deletions within 45 days following discovery of issue requiring change.

This submission schedule will help ensure that CMS receives substantially complete data within thirty days following the close of the benefit year. In addition, it allows for more time after PDE submission for Part D sponsors to update data as needed in advance of the reconciliation deadline. Consistent with 42 CFR Section 423.343(c)(1), each year the reconciliation deadline will be 11:59 PM, eastern time, on the federal business day immediately before June 30.

CMS carefully scrutinizes PDE reject trends for specific edits associated with delayed updates in enrollment (edits 705, 706, 707 and 713), delayed updates in low income eligibility status changes (edits 716-721), and benefit administration errors caused by

benefit set-up errors with the PBM (779). Often these errors are due to inadequate communication between the Part D sponsor and CMS, or between the Part D sponsor and the PBM, or are due to the Part D sponsor's failure to oversee PBM activities. If such errors occur, we expect sponsors to promptly take corrective action and resolve the issue to prevent a recurrence.

Please refer questions about this guidance to our dedicated mailbox, PDEJan2011@cms.hhs.gov . Thank you.