MEDICARE DRUG BENEFIT AND C & D DATA GROUP

TO: All Part D Sponsors

FROM: Cynthia G. Tudor, Ph.D., Director, Medicare Drug Benefit and C & D Data Group

SUBJECT: Quality Assurance Checks for 2013 Data Submitted for Posting on the Medicare Plan Finder Tool

DATE: June 25, 2012

This memo provides a listing of targeted quality assurance (QA) checks that will be performed on the CY2013 required pricing and pharmacy network files for posting on the Medicare Plan Finder (MPF). Part D sponsors are expected to perform QA checks to ensure that these files are complete and accurate as Medicare beneficiaries depend on the display of accurate data to be posted on the Medicare Plan Finder.

All known exceptions that have been granted for the 2012 pricing and pharmacy data will be removed for the 2013 QA analyses. If a Part D sponsor receives an outlier notification for their 2013 pricing and pharmacy data which was previously a known exception in 2012, that sponsor must re-confirm that the data continue to be accurate. If Part D sponsors do not confirm these data, sponsors may have their pricing data suppressed on the Medicare Plan Finder.

CMS will continue to require Part D Sponsors to submit plan finder files during each regular submission window. You will not be able to auto-certify your pharmacy cost file (PC) or pricing file (PF) for the CY2013 MPF. Also, CMS will be updating the calculation for default pricing. Default pricing is displayed on the MPF for non-formulary drugs and formulary drugs submitted without pricing. For CY 2013 data, default pricing will be WAC + 15% for brand drugs and WAC + 20% for generic drugs.

In an effort to continue to assist beneficiaries in making the most informed drug plan choices, the MPF will display drug pricing at 30, 60, or 90 day supply for retail and/or mail order where applicable in CY2013. The MPF will also include ceiling price calculations where applicable. Ceiling pricing reflects an agreement between a plan sponsor and a pharmacy to charge a specific amount for a defined list of medications at a defined fill quantity. The ceiling price is set below the standard plan co-pays for those medications in order to provide an additional cost savings. QA checks for both the 30, 60, or 90 day supply and ceiling pricing will be determined in August and posted on the Medicare Plan Finder Communications tool's home page.

Below are three attachments that outline these data checks. Attachment-A describes the checks that are performed on the required pricing and pharmacy files that are submitted. Attachment-B provides technical specifications for these checks where applicable. QA checks are monitored

throughout the year and will be updated as necessary. Attachment C contains a listing of data errors that will result in suppression, if data are incorrect and/or cannot be validated.

If you have questions regarding this memo, emails should be directed to PlanFinderQA@cms.hhs.gov.

Attachment A
1. Pharmacy Cost (PC) File
    a. Change in PC Network Size – Determine if the retail pharmacy network size had a 10% or greater change compared to the last submission. This check is conducted for all pharmacies and for in-area pharmacies.
    b. High Dispensing Fees – Evaluate if the file contains dispensing fees greater than $100.
    c. No PC File Submitted – Determine if a PC file contains zero records.
    d. Invalid Pharmacy Number Format –
        i. Evaluate pharmacy numbers to ensure they are formatted correctly. The pharmacy number should be 12 digits (10 digit National Provider Identifier (NPI) with a leading one and zero)
        ii. Check to see if the PC contains National Council for Prescription Drug Programs (NCPDP) numbers
    e. Inconsistent Duplicate PC Record – Check for duplicate Pricing Files listed for one pharmacy in one plan. This check will also report duplicate PC records that have any different PC information (e.g. dispensing fee, preferred status, or mail/retail status) for a given plan and pharmacy.
    f. Missing PC Information – Verify that a plan has active pharmacies.
    g. No Mail Order Pharmacies in the PC File
    h. No Preferred Pharmacies (Retail) – Check if organization's uploaded Plan Benefit Package (PBP) indicates that there are preferred retail pharmacies when none are marked preferred in pharmacy cost file
    i. Exclusion of Non-Preferred (Other) Network Pharmacies (Retail) - Check if a plan's network has preferred retail network pharmacies, then there must also be non-preferred (other) retail network pharmacies
    j. Inclusion of Preferred Pharmacies (Retail) – Check if organization's uploaded PBP indicates that there are only other network retail pharmacies but pharmacy cost file indicates preferred retail pharmacies
    k. Pharmacies Marked As Neither Retail Nor Mail Order – Evaluate if a pharmacy is identified as neither retail nor a mail order pharmacy.
    l. Vaccine Administration Fee Outlier –
        i. Identify any vaccine administration fee field that is populated with a zero or is left blank.
        ii. Evaluate each Contract_ID/Plan_ID/Segment_ID/Pharmacy_Number combination that is associated with a specific Price File id to ensure that each vaccine administration fee field associated with that Price File id has the same vaccine administration fee amount.
    m. Mail Order pricing not indicated in PBP – Checks if a plan indicates mail order pharmacies when uploaded PBP does not indicate so.
    n. Floor Price Amount – The PC file contains a floor price that exceeds CMS' floor price threshold. This threshold has been determined by analyzing the distribution of floor prices submitted. CMS will periodically review the threshold, and adjust as necessary.
    o. Floor Price/Dispensing Fee - The PC file contains a floor price where the floor price is less than the dispensing fee.

2. Pricing File (PF)
    a. High Unit Cost – Identify National Drug Codes' (NDC) unit costs that are priced at 5 times greater than highest default price and 5 times greater than the median price for that NDC.

b. Low Unit Cost – Identify NDC unit costs that are priced at 10 times less than lowest default price and 10 times less than the median price for that NDC.
c. Missing Pricing File – Determine if a PF has not been submitted.
d. No Active Pricing File – Identify contracts that have only submitted non-active pricing file IDs.
e. PC and PF Mismatch – Identify PF IDs that are expected but have not been submitted. The expected PF IDs are extrapolated from the PC file.
f. PF Unit Cost Discrepancy – Specify if the unit cost field is missing in the PF.
g. Potential Brand Priced at Generic – Check products where the brand price is less than or equal to the generic price (The QA will flag contracts where this potential issue occurs with 20 or more NDCs).
h. Pricing file with duplicate NDC records (different unit costs) – Determine if the PF contains duplicate NDC records with different unit costs.

3. Pricing File (PF) and Formulary File (FF)
a. PF/FF Mismatch – Determine if the PF is missing pricing for reference NDCs found in the last approved FF.

4. Pricing File (PF) and Excluded Drug File (EDF)
a. PF/EDF Mismatch – Determine if the PF is missing pricing for NDCs identified in the submitted EDF.

Attachment B
EXCEPTION LIST FOR PART D PLAN COMPARE WEBSITE DATA SUBMISSION
1. PHARMACY COST (PC) FILE
    a. High Dispensing Fees
        BRAND_DISPENSING_FEE>100 or GENERIC_DISPENSING_FEE>100
    b. Change in PC Network Size

$$\left| \frac{P_2 - P_1}{P_1} \right| > 0.10$$

    where
    P_2 is the total number of in-area pharmacies in the current submission
    P_1 is the total number of in-area pharmacies in the prior submission
    c. Change in PC Network Size

$$\left| \frac{P_2 - P_1}{P_1} \right| > 0.10$$

    where
    P_2 is the total number of pharmacies in the current submission
    P_1 is the total number of pharmacies in the prior submission

    d. Pharmacies Marked as Neither Retail Nor Mail Order
        PHARMACY_RETAIL = 0 AND PHARMACY_MAIL = 0
    e. Vaccine Administration Fee Outlier
        VACCINE_ADMINISTRATION_FEE = 0

2. PRICING FILE (PF)
    a. High Unit Cost
        • RETAIL=1 and UNIT_COST>5*default_MAX and (UNIT_COST / UNIT_COST_MEDIAN > 5)
        ▪ MAIL=1 and unit_cost_90>5*default_MAX and (UNIT_COST_90 / UNIT_COST_MEDIAN_90 > 5)
    b. Low Unit Cost
        • RETAIL=1 and UNIT_COST<1/10*default_MIN and (UNIT_COST / UNIT_COST_MEDIAN < 1/10)
        • MAIL=1 and UNIT_COST_90<1/10*default_MIN (UNIT_COST_90 / UNIT_COST_MEDIAN_90 < 1/10)

Attachment C
Suppressible Errors

File	Type of Error	Description
PC & PF	PC and PF mismatch	The Pharmacy Cost file submitted contains price file ids that have not been included in the submitted Price File.
PC	Change in PC network size	The PC file has had at least a 10% change in the PC network size.
PC	Different Vaccine Administration Fees	The PC file contains Contract_ID/Plan_ID/Segment_ID/Pharmacy_Number combinations that are associated with the same Price File id that have different vaccine administration fees.
PC	Exclusion of Non-Preferred (Other) Network Pharmacies (Retail)	The PC file does not contain non-preferred (other) network retail pharmacies. The organization's uploaded PBP indicates that you have preferred and non-preferred (other) network retail pharmacies.
PC	Floor Price Amount	The PC file contains a floor price that exceeds CMS' floor price threshold. This threshold has been determined by analyzing the distribution of floor prices submitted. CMS will periodically review the threshold, and adjust as necessary.
PC	Floor Price/Dispensing Fee	The PC file contains a floor price where the floor price is less than the dispensing fee.
PC	High dispensing fees	The PC file contains one or more pharmacies with a high brand and generic dispensing fee.
PF	High unit cost	The PF file contains one or more NDCs priced at 5 times greater than the highest default price and 5 times more than median for one or more price IDs.
PF	Low unit cost	The PF file contains one or more NDC(s) priced at 10 times less than lowest default price and 10 times less than median for one or more price IDs.
PC	Missing PC File	No required PC Plan Finder files were submitted.
PC	Missing PC Information	The PC file is missing data for the Plan(s) identified.
PF	Missing PF File	The required PF Plan Finder files were not submitted.
PF	No Active PF File	The files are missing Pricing files for price IDs found in the Pharmacy Cost files.
PC	No Mail Order Pharmacies in the PC File	The PC file does not contain mail order pharmacies. Your organization's uploaded PBP identifies that the plan will be offering mail order.
PC	No Preferred Pharmacies (Retail)	The PC file does not contain preferred retail pharmacies. The organization's uploaded PBP indicates that you have preferred retail pharmacies.
PF	Potential brand priced at generic	The PF file contains GSNs with brands priced at or below generic for one or more price IDs.
PC	Zero or Blank Vaccine Administration Fees	The PC file contains a vaccine administration fee outlier. The PC file's vaccine administration fee field is populated with a zero or is left blank. The Vaccine_Administration_Fee should be the same for each pharmacy within a given PriceID.

PC = Pharmacy cost; PF = Pricing file