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CENTER FOR MEDICARE

DATE: May 3, 2024

TO: Programs of All-inclusive Care for the Elderly (PACE) Organizations

FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group

SUBJECT: 2025 Prescription Drug Event (PDE) Record Reporting Instructions for PACE Organizations

The purpose of this memorandum is to present the Prescription Drug Event (PDE) record reporting instructions effective January 1, 2025, consistent with the provisions of the Inflation Reduction Act of 2022 (IRA) (P.L. 117-169), that are effective January 1, 2025, in the Part D program. Specifically, this document provides contract year (CY) 2025 PDE examples for Programs of All-inclusive Care for the Elderly (PACE) organizations and should not be used for prior benefit years. For prior benefit years, PACE organizations should refer to previous guidance released by the Centers for Medicare & Medicaid Services (CMS).

The IRA made several amendments and additions to the Social Security Act (“the Act”) that affect the structure of the defined standard (DS) Part D drug benefit for CY 2023 and subsequent years. Changes to the structure of the DS Part D drug benefit that are relevant to PDE record reporting for CY 2025 are summarized below,¹ followed by new PACE requirements:

- Beginning in CY 2025, the Coverage Gap Phase will be eliminated, and the DS Part D prescription drug coverage will consist of a three-phase benefit. As such, there will be no initial coverage limit, and the Initial Coverage Phase (ICP) will extend to the maximum annual out-of-pocket (OOP) threshold, at which point the Catastrophic Phase will begin. Beneficiaries will be responsible for all their Part D prescription drug costs until they reach the DS deductible amount, with the exception that the deductible will continue to not apply to any Part D covered insulin product and any adult vaccine recommended by the Advisory Committee on Immunization Practices (ACIP) covered under Part D. In the ICP, the beneficiary pays 25% coinsurance for most covered Part D drugs. There is no

¹ See the Final CY 2025 Part D Redesign Program Instructions for a detailed discussion of IRA-related changes in place for CY 2025. Available at: <https://www.cms.gov/files/document/final-cy-2025-part-d-redesign-program-instructions.pdf>.

beneficiary cost sharing in the Catastrophic Phase.² Table 1 shows the cost parameters used to define each benefit phase in CY 2025. The table also shows beneficiary, plan, and manufacturer liability within each benefit phase of the DS benefit.

Table 1: CY 2025 DS Part D Benefit*

Benefit Phase	Year-to-Date TrOOP Costs	Beneficiary Cost-Sharing	Plan Liability**	Manufacturer Discount
Deductible Phase	< \$590	100% coinsurance	0%	0%
ICP	≥ \$590 < \$2,000	25% coinsurance	Non-Applicable Drug – 75% ³ Applicable Drug ⁴ – 65% Manufacturer Discount Program (Discount Program) Phase-in Eligible Applicable Drug ⁵ – 74%	Non-Applicable Drug – 0% Applicable Drug – 10% Discount Program Phase-in Eligible Applicable Drug – 1%
Catastrophic Phase	= \$2,000 (OOP threshold)	0% coinsurance	Non-Applicable Drug – 100% Applicable Drug – 80% Discount Program Phase-in Eligible Applicable Drug – 99%	Non-Applicable Drug – 0% Applicable Drug – 20% Discount Program Phase-in Eligible Applicable Drug – 1%

² See Attachment III of the Advance Notice of Methodological Changes for Calendar Year (CY) 2025 for Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies and Section 20 of the Final CY 2025 Part D Redesign Program Instructions for a detailed discussion of the benefit phase changes in place in 2025.

³ Consistent with the definition in section 130 of the Medicare Part D Manufacturer Discount Program Final Guidance, non-applicable drug means any Part D drug that is not an applicable drug and not a selected drug (as defined in section 1192(c) of the Act) during a price applicability period (as defined in section 1191(b)(2) of the Act) with respect to such drug. Selected drugs for the first year of the Medicare Drug Price Negotiation Program will not enter a price applicability period until January 1, 2026.

⁴ As defined at section 1860D-14C(g)(2) of the Act and in Section 40.1 of the Medicare Part D Manufacturer Discount Program Final Guidance, applicable drugs under the Discount Program are all Part D drugs approved under a new drug application (NDA) under section 505(c) of the Federal Food, Drug, and Cosmetic Act (FDCA) or, in the case of a biologic product, licensed under section 351 of the Public Health Service Act (PHSA), other than a selected drug (as referred to under section 1192(c) of the Act) dispensed during a price applicability period (as defined in section 1191(b)(2) of the Act). Because the statute defines in part an applicable drug as a Part D drug that is approved under an NDA under section 505(c) of the FDCA or is licensed under section 351 of the PHSA, a Part D drug that meets such criteria will be considered an applicable drug regardless of whether the plan sponsor treats it as a brand name or generic drug under its benefit.

⁵ Discount Program Phase-in Eligible Applicable Drug refers to applicable drugs of specified manufacturers and specified small manufacturers that are eligible for the Discount Program phase-ins described under section 1860D-14C(g)(4) of the Act and section 50.1 of the Medicare Part D Manufacturer Discount Program Final Guidance.

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

**The plan liability in this column refers to the Covered Plan Paid Amount (CPP) reported on the PDE and does not account for the Medicare Reinsurance amount, which in CY 2025 is 20% for applicable drugs and 40% for non-applicable drugs in the Catastrophic Phase.

- Beginning in CY 2025, section 1860D-2(b)(4)(C)(iii)(II) of the Act, as added by the IRA, makes changes to which costs count toward True Out-of-Pocket costs (TrOOP) by amending the definition of incurred costs to include costs incurred for covered Part D drugs that are reimbursed through insurance or a group health plan, excluding basic prescription drug coverage. As such, these cost categories, which did not meet the definition of incurred costs that count toward TrOOP prior to CY 2025, will be incorporated into TrOOP calculations for CY 2025.⁶ Due to this statutory change, the Non-covered Plan Paid Amount (NPP) field will be TrOOP-eligible beginning in CY 2025. Additionally, because other health insurance (OHI) is TrOOP-eligible in CY 2025, it will be reported on the PDE in the Other TrOOP field rather than in Patient Liability Reduction due to Other Payer Amount (PLRO), which will continue to not count toward TrOOP. Therefore, amounts from payers that are not TrOOP-eligible will continue to be reported in PLRO. These non-TrOOP eligible amounts include the amount paid by the primary payer when a Medicare as a Secondary Payer (MSP) PDE is reported. Finally, because Employer Group Waiver Plans' (EGWPs') supplemental benefits are TrOOP-eligible in CY 2025, they will be reported on the PDE in the NPP field rather than in PLRO.
- Under section 1860D-14A(h) of the Act, as added by section 11201 of the IRA, the Coverage Gap Discount Program (CGDP) sunsets effective January 1, 2025. Under section 1860D-14C of the Act, as added by section 11201 of the IRA, the new Manufacturer Discount Program (Discount Program) will replace the CGDP beginning in CY 2025. The new Discount Program requires manufacturers to provide discounts on applicable drugs in the ICP and Catastrophic Phase of the DS Part D drug benefit. Unlike the CGDP, the new Discount Program applies to applicable drugs dispensed to both Low-Income Subsidy (LIS) and non-LIS beneficiaries.

Section 1860D-14C(g)(1)(C) of the Act, in part, defines an applicable beneficiary under the Discount Program as an individual who incurs TrOOP-eligible costs that exceed the annual DS deductible specified in section 1860D-2(b)(1) of the Act. These costs include TrOOP-eligible costs for drugs not subject to the deductible under the DS benefit (specifically covered insulin products) as well as TrOOP-eligible costs for drugs not subject to the deductible or drugs subject to a reduced deductible under non-DS plans. As

⁶ See Section 30 of the Final CY 2025 Part D Redesign Program Instructions for a detailed discussion of changes to TrOOP.

a result, in CY 2025, TrOOP costs will be used to determine how a beneficiary progresses through all phases of the DS benefit. More specifically, TrOOP costs will determine when a beneficiary enters the ICP of the DS benefit, becomes an applicable beneficiary for the Discount Program, reaches the annual OOP threshold, and subsequently enters the Catastrophic Phase.⁷

- Under section 1860D-2(b)(8) of the Act, as added by section 11401 of the IRA, beginning in CY 2023, the deductible does not apply to any adult vaccine recommended by ACIP. Also, the statute requires these vaccines be exempt from any co-insurance or other cost sharing for beneficiaries. In addition, under section 1860D-2(b)(9) of the Act, as added by section 11406 of the IRA, the deductible does not apply to any covered insulin product beginning in CY 2023. Covered insulin products must be provided with cost sharing that does not exceed the applicable copayment amount, which is \$35 for a one-month supply of each covered insulin product in the ICP in CY 2025.⁸

The following PDE examples use the CY 2025 benefit parameters. The examples in this document address IRA-related changes to the Part D benefit, such as the changes to which payments are TrOOP-eligible, as well as the specific changes to PDE reporting for PACE organizations.

This document is organized into two sections which contain PDE examples for calculating and reporting the Dual-eligible PACE benefit (Section 1) and the Medicare-only PACE benefit (Section 2).

For more information regarding PACE PDE reporting changes beginning January 1, 2025, please refer to the CMS memorandum titled “2025 Prescription Drug Event File Layout Updates for all Part D Plan Sponsors, and Additional 2025 Changes to PDE Reporting for PACE Organizations” published March 8, 2024.⁹

Please direct questions regarding this memo to PACEPartDPayment@cms.hhs.gov.

PDE Examples:

Section 1 – Calculating and Reporting the Dual-Eligible PACE Benefit

⁷ See the Medicare Part D Manufacturer Discount Program Final Guidance for a detailed discussion of the implementation of the Discount Program in 2025.

⁸ For additional information on submitting PDEs for covered insulin products and ACIP-recommended vaccines in accordance with the IRA, see the September 26, 2022 Health Plan Management System (HPMS) memorandum, Implementing the Cost Sharing Maximums Established by the Inflation Reduction Act for Covered Insulin Products and ACIP-Recommended Vaccines for Contract Year 2023 and the May 16, 2023 HPMS memorandum, Prescription Drug Event Record Reporting Instructions for the Implementation of the Inflation Reduction Act for Contract Year 2024.

⁹ Memo available at https://www.hhs.gov/guidance/sites/default/files/hhs-guidance-documents/2025_Prescription_Drug_Event_File_Layout_Updates_and_PACE_Guidance_508_G.pdf.

- [Example #1:](#) Dual-Eligible PACE Benefit – Deductible Phase (Applicable Drug)
- [Example #2:](#) Dual-Eligible PACE Benefit – Deductible Phase to ICP (Applicable Drug)
- [Example #3:](#) Dual-Eligible PACE Benefit – Deductible Phase to ICP (Non-Applicable Drug)
- [Example #4:](#) Dual-Eligible PACE Benefit – ICP (Applicable Drug)
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- [Example #13:](#) Dual-Eligible PACE Benefit – Covered Insulin Product (Applicable Drug)
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- [Example #15:](#) Dual-Eligible PACE Benefit – Covered Insulin Product in the Catastrophic Phase with a Pharmacy Price Concession (Applicable Drug)

Section 2 – Calculating and Reporting the Medicare-Only PACE Benefit

- [Example #16:](#) Medicare-Only PACE Benefit – Deductible Phase (Applicable Drug)
- [Example #17:](#) Medicare-Only PACE Benefit – Deductible Phase to ICP (Applicable Drug)

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

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

[Example #20](#): Medicare-Only PACE Benefit – ICP (Discount Program Phase-In Eligible Applicable Drug)

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

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

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

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

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

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

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

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

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

[Example #30](#): Medicare-Only PACE Benefit – Covered Insulin Product in the Catastrophic Phase with a Pharmacy Price Concession (Applicable Drug)

Section 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 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 2 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.¹⁰

Table 2: 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%	Non-Applicable Drug – 77% Applicable Drug – 67% Discount Program Phase-in Eligible Applicable Drug – 76%	Non-Applicable Drug – 0% Applicable Drug – 10% Discount Program Phase-in Eligible Applicable Drug – 1%
Catastrophic Phase	= \$2,000 (OOP threshold)	0%	Non-Applicable Drug – 100% Applicable Drug – 80% Discount Program Phase-in Eligible Applicable Drug – 99%	Non-Applicable Drug – 0% Applicable Drug – 20% Discount Program Phase-in Eligible Applicable Drug – 1%

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

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

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 (TGCDC) Accumulator is \$0.00, and the TrOOP Accumulator is \$0.00. The participant is in the Deductible Phase of the benefit (TrOOP Accumulator + Delta TrOOP¹¹ ≤ \$590.00).

In the Deductible Phase, the Low-Income Cost-Sharing Subsidy Amount (LICS) is 98% of the total drug cost (\$200.00 * 0.98 = \$196.00), and the Covered D Plan Paid Amount (CPP) is 2% of

¹⁰ See Section 110 of the Final CY 2025 Part D Redesign Program Instructions; Advance Notice of Methodological Changes for Calendar Year (CY) 2006 Medicare Advantage (MA) Payment Rates, pg. 56; 2005 PACE Prescription Drug Event Resource Guide, Section 14.

¹¹ Delta TrOOP is defined as total TrOOP-eligible costs that are accrued on the individual PDE being reported, excluding the TrOOP Accumulator value, and represents the change in TrOOP from the preceding PDE.

the total drug cost (\$200.00 * 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 TGCDC Accumulator increases by \$200.00, and the TrOOP Accumulator increases by \$196.00. The table below illustrates how the PACE organization would populate the PDE record.

PDE Field ¹²	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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$200.00
Gross Covered 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)	\$196.00
Patient Liability Reduction Due to Other Payer Amount (PLRO)	\$0.00
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>

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 TGCDC 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 Discount Program.

¹² Additional information about the PDE record can be found on the PDE Inbound File Layout, which is located on the Customer Service and Support Center (CSSC) Operations [website](#).

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:

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

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 and is eligible for the Discount Program.

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 TGDCDC Accumulator increases by \$100.00, and the TrOOP Accumulator increases by \$45.96. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCEB)	\$100.00
Gross Covered 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)	\$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>

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 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.

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:

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

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 TG CDC Accumulator increases by \$100.00, and the TrOOP Accumulator increases by \$45.96. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$100.00
Gross Covered 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>

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 TG CDC 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 TG CDC Accumulator increases by \$320.00, and the TrOOP Accumulator increases by \$73.60. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$320.00
Gross Covered 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>

Example #5: Dual-Eligible PACE Benefit – ICP (Discount Program 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 Discount Program phase-in eligible¹³ applicable drug that falls entirely within the ICP. When the claim adjudication begins, the TG CDC 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 Discount Program 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 TG CDC Accumulator increases by \$320.00, and the TrOOP Accumulator increases by \$73.60. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$320.00
Gross Covered Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$0.00
Patient Pay Amount	\$0.00

¹³ The IRA provides for lower applicable discounts for certain manufacturers' applicable drugs marketed as of August 16, 2022 during a multi-year phase-in period, which concludes by 2031. See Section 50.1 of the Medicare Part D Manufacturer Discount Program Final Guidance for a detailed discussion of the phase-ins beginning in 2025 and the November 17, 2023 HPMS memorandum, Medicare Part D Manufacturer Discount Program: Methodology for Identifying Specified Manufacturers and Specified Small Manufacturers for a detailed description of the methodology CMS uses to identify manufacturers that qualify for the phase-in discounts.

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)	\$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>

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 TG CDC 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 TG CDC Accumulator increases by \$320.00, and the TrOOP Accumulator increases by \$73.60. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$320.00
Gross Covered 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
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

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 TGCDL 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:

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

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 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 TGCDL Accumulator increases by \$400.00, and the TrOOP Accumulator increases by \$60.00. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$260.87
Gross Covered 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)	\$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>

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 TGCDCA 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:

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

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 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. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$260.87
Gross Covered 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>

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 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).

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. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$0.00
Gross Covered 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>

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 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, 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 TGDCDC Accumulator increases by \$250.00, and the TrOOP Accumulator remains unchanged. The table below illustrates how the PACE organization would populate the PDE record.

PDE Field	Value
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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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$0.00
Gross Covered 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>

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 TGDCD 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:

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

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 in 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 TG CDC Accumulator increases by \$8,000.00, and the TrOOP Accumulator increases by \$2,000.00. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$6,732.47
Gross Covered 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)	\$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>

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 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:

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

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:

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

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. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$6,732.47
Gross Covered 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)	\$6,000.00
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>

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).¹⁴

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 Discount Program 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 TGDCDC Accumulator increases by \$500.00, and the TrOOP Accumulator remains unchanged. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$500.00
Gross Covered 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	\$671.43
True Out-of-Pocket Accumulator	\$605.96
Beginning Benefit Phase	<SPACE>

¹⁴ The parameters for determining if a beneficiary is in the ICP are different for covered insulin products compared to other covered Part D drugs because under section 1860D-2(b)(9) of the Act covered insulin products are not subject to the deductible.

Ending Benefit Phase	<SPACE>
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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 Discount Program 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. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$100.00
Gross Covered 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)	\$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>

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 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). A maximum pharmacy price concession of \$15.00 applies to this drug. The PACE organization must apply this pharmacy price concession at the point of sale (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 TGDCDC Accumulator increases by \$485.00, and the TrOOP Accumulator remains unchanged. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$0.00
Gross Covered 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>

Section 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 enhanced alternative (EA) plan in which the PACE organization covers all cost-sharing as enhanced alternative cost-sharing. Table 3 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 3: 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%	Non-Applicable Drug – 75% Applicable Drug – 65% Discount Program Phase-in Eligible Applicable Drug – 74%	Non-Applicable Drug – 0% Applicable Drug – 10% Discount Program Phase-in Eligible Applicable Drug – 1%
Catastrophic Phase	= \$2,000 (OOP threshold)	0%	Non-Applicable Drug – 100% Applicable Drug – 80%	Non-Applicable Drug – 0% Applicable Drug – 20%

			Discount Program Phase-in Eligible Applicable Drug – 99%	Discount Program Phase-in Eligible Applicable Drug – 1%
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*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.

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 TGCDC 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 TGCDC Accumulator increases by \$200.00, and the TrOOP Accumulator increases by \$200.00. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$200.00
Gross Covered 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)	\$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>

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 TGDCDC 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 Discount Program.

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:

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

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 in the ICP and is eligible for the Discount Program.

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 TGDCDC Accumulator increases by \$100.00, and the TrOOP Accumulator increases by \$47.50. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$100.00
Gross Covered 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)	\$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>

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 TGDCDC 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:

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

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 in 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 TGDCDC Accumulator increases by \$100.00, and the TrOOP Accumulator increases by \$47.50. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$100.00
Gross Covered 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)	\$52.50
Non Covered Plan Paid Amount (NPP)	\$47.50
Reported Manufacturer Discount	\$0.00
Total Gross Covered Drug Cost Accumulator	\$560.00
True Out-of-Pocket Accumulator	\$560.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

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 TG CDC Accumulator is \$653.84, and the TrOOP Accumulator is \$605.96. The participant is in the ICP of the benefit (TrOOP Accumulator ≥ \$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 TG CDC Accumulator increases by \$320.00, and the TrOOP Accumulator increases by \$80.00. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$320.00
Gross Covered 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>

Example #20: Medicare-Only PACE Benefit – ICP (Discount Program 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 Discount Program phase-in eligible applicable drug that falls entirely within the ICP. When the claim adjudication begins, the TG CDC 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 Discount Program 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 TG CDC Accumulator increases by \$320.00, and the TrOOP Accumulator increases by \$80.00. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$320.00
Gross Covered 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)	\$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>

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 TGDCDC Accumulator is \$653.84, and the TrOOP Accumulator is \$605.96. The participant is in the ICP of the benefit (TrOOP Accumulator ≥ \$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. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCEB)	\$320.00
Gross Covered 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>

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 TG CDC 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 TG CDC Accumulator increases by \$400.00, and the TrOOP Accumulator increases by \$60.00. The table below illustrates how the PACE organization would populate the PDE record.

PDE Field	Value
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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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$240.00
Gross Covered Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$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>

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 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, 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 TGCDC Accumulator increases by \$400.00, and the TrOOP Accumulator increases by \$60.00. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$240.00
Gross Covered Drug Cost Above Out-of-Pocket Threshold (GDCA)	\$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>

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 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).

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 TGCDC Accumulator increases by \$250.00, and the TrOOP Accumulator remains unchanged. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$0.00
Gross Covered 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>

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 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).

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 TGCDC Accumulator increases by \$250.00, and the TrOOP Accumulator remains unchanged. The table below illustrates how the PACE organization would populate the PDE record.

PDE Field	Value
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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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$0.00
Gross Covered 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>

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 TGDCD 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:

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

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 TG CDC Accumulator increases by \$8,000.00, and the TrOOP Accumulator increases by \$2,000.00. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$6,230.00
Gross Covered 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
Total Gross Covered Drug Cost Accumulator	\$0.00
True Out-of-Pocket Accumulator	\$0.00
Beginning Benefit Phase	<SPACE>
Ending Benefit Phase	<SPACE>

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 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 fall into each phase of the benefit:

Deductible Phase:

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

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:

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

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 TG CDC Accumulator increases by \$8,000.00, and the TrOOP Accumulator increases by \$2,000.00. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GD CB)	\$6,230.00
Gross Covered 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)	\$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>

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 TG CDC 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 Discount Program 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. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$500.00
Gross Covered 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>

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 Discount Program 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 TGDCDC Accumulator increases by \$100.00, and the TrOOP Accumulator remains unchanged. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$100.00
Gross Covered 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)	\$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>

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 TGCDC Accumulator increases by \$485.00, and the TrOOP Accumulator remains unchanged. The table below illustrates how the PACE organization would populate the PDE record.

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 Covered Drug Cost Below Out-of-Pocket Threshold (GDCB)	\$0.00
Gross Covered 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>