

DEPARTMENT OF HEALTH & HUMAN
SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

DATE: May 10, 2024
TO: All Part D Plan Sponsors
FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group
SUBJECT: May 2024 Updates to the Drug Data Processing System (DDPS)

The Centers for Medicare & Medicaid Services (CMS) is announcing upcoming changes to the Drug Data Processing System (DDPS), effective May 13, 2024. CMS is posting the DDPS Edit Spreadsheet and the inbound and outbound 2024 PDE file layouts reflecting these updates on the Customer Service Support Center (CSSC) Operations [website](#) concurrent with the release of this memo.

Please submit questions regarding these updates to PDE-Operations@cms.hhs.gov.

Allow PACE Organizations to Submit Estimated Remuneration at Point of Sale Amount (ERPOSA)

DDPS processing has been modified to allow PACE organizations to submit dollars in the ERPOSA field for all dates of service (DOS), effective May 13, 2024. This modification will enable PACE organizations to comply with the pharmacy price concessions final rule.¹

Modification to DDPS Edit 810

DDPS Edit 810 is a reject edit that ensures ERPOSA = \$0.00 on PDEs submitted by PACE organizations. Effective May 13, 2024, this edit will be disabled for all DOS. Prescription Drug Events (PDEs) that have been previously rejected with Edit 810 may be resubmitted on or after May 13, 2024.

Modification to DDPS Edit 646

DDPS Edit 646 has been revised to reflect the field name change from “Estimated Rebate at Point of Sale” to “Estimated Remuneration at POS Amount”. Accordingly, the message to be

¹ 87 FR 27704, 27833 (May 9, 2022), available [here](#).

reported has been updated to “The ERPOSA is missing or invalid.” No action is required due to this verbiage change.

Calendar Year (CY) 2024 Updates

Modification to DDPS Edit 787

DDPS Edit 787 is an informational edit that occurs when the benefit phase indicators do not match the True Out-of-Pocket (TrOOP) and Total Gross Covered Drug Cost (TGCDC) Accumulators reported on the PDE record. Effective May 13, 2024, DDPS has modified the valid benefit phase logic used in this edit for PDEs with DOS in 2024 and forward to account for the Inflation Reduction Act (IRA) change that eliminated beneficiary cost-sharing in the Catastrophic Phase. Existing logic for PDEs with DOS prior to January 1, 2024 will remain unchanged. This modification will prevent PDEs that straddle into the Catastrophic Phase from erroneously receiving this informational edit and, therefore, will prevent unnecessary research by plan sponsors.

Modification to the CMS Calculated Coverage Gap Discount for Covered Insulin Products and Advisory Committee on Immunization Practices (ACIP) Recommended Adult Vaccines reported by Employer Group Waiver Plans (EGWPs)

Effective May 13, 2024, DDPS has modified the CMS Coverage Gap Discount calculation logic for covered insulin products and ACIP-recommended adult vaccines submitted by EGWPs that straddle from the Coverage Gap Phase to the Catastrophic Phase and have DOS in CY 2024. This modification will allow EGWPs to submit PDEs in accordance with Example #14 provided in the May 16, 2023 HPMS memorandum, “Prescription Drug Event Record Reporting Instructions for the Implementation of the Inflation Reduction Act for Contract Year 2024”. Plans should evaluate whether they have PDEs previously rejected with Edit 870 that fall into this scenario to determine if they are valid as submitted or require an adjustment.

DDPS Processing of CY EGWP PDEs with non-EGWP Supplemental Payers reported in the Payment Liability Reduction due to Other Payer (PLRO) Field

Part D sponsors have reported issues with PDE rejects of Coverage Gap to Catastrophic Phase straddle claims submitted by CY EGWPs where at least a portion of the PLRO populated on the PDE is attributable to a non-EGWP supplemental payer (this can either be a combination of both EGWP Other Health Insurance (OHI) and a non-EGWP supplemental payer amount, or the entire PLRO amount could be from the non-EGWP supplemental payer). This occurs because DDPS is unable to differentiate on the PDE whether the PLRO amount represents the EGWP OHI or the non-EGWP supplemental payer amount. PDEs should not be rejected when a non-EGWP supplemental payer amount subsequently reduces TrOOP below the Out-of-Pocket (OOP) threshold.

In order to appropriately edit CY EGWP straddle claims with PLRO from a non-EGWP supplemental payer, beginning May 13, 2024, CMS has updated the Catastrophic Coverage Code field to accept the new valid value of ‘N’. CY EGWPs submitting Coverage Gap to Catastrophic

Phase straddle claims that have at least a portion of the PLRO field populated with an amount attributable to a non-EGWP supplemental payer should submit the new valid value of 'N' in the Catastrophic Coverage Code field. Plans should evaluate whether they have previously rejected PDEs that fall into this scenario to determine if they are valid as submitted or require an adjustment.

Modification to DDPS Edit 671

DDPS Edit 671 is a reject edit that occurs when the TrOOP Accumulator + Delta TrOOP \leq the OOP Threshold and Gross Drug Cost Above Out-of-Pocket Threshold (GDCA) $>$ zero for DOS before 1/1/2024, and when the TrOOP Accumulator + Delta TrOOP $<$ the OOP Threshold and GDCA $>$ zero for DOS on or after 1/1/2024. Effective May 13, 2024, this edit will be bypassed for PDEs submitted by CY EGWPs where PLRO is not equal to zero and the Catastrophic Coverage Code = 'N'.

Modification to DDPS Edit 629

DDPS Edit 629 is a reject edit that occurs when the Catastrophic Coverage Code field is invalid. Effective May 13, 2024, DDPS modified Edit 629 to allow the new value of 'N' to be accepted as a valid value in the Catastrophic Coverage Code on the PDE.

Modification to DDPS Edit 755

DDPS Edit 755 is a reject edit that occurs when the Drug Coverage Status Code = 'E' or 'O' and the Catastrophic Coverage Code = 'A' or 'C'. Effective May 13, 2024, DDPS modified Edit 755 to reject PDEs where the Drug Coverage Status Code = 'E' or 'O' and the Catastrophic Coverage Code = 'A', 'C', or 'N'.

New Cost Edit for Medicaid Subrogation

When a plan indicates a PDE is a Medicaid subrogation claim by populating the Non-Standard Format Code = 'A', the PDE will be evaluated to ensure it conforms to Medicaid subrogation reporting requirements. A new cost edit has been created to validate necessary payment fields equal \$0.00.

New DDPS Edit 689

DDPS Edit 689 is a new reject edit that ensures PDEs for Medicaid subrogation claims do not contain non-zero amounts in the following payment fields: Patient Pay Amount, Other TrOOP Amount, Low Income Cost Sharing Subsidy Amount (LICS), PLRO, Non Covered Plan Paid Amount (NPP), and Reported Gap Discount. Edit 689 is effective May 13, 2024 and applies to all DOS. Plans should evaluate whether they have previously accepted PDEs that fall into this scenario to determine if they are valid as submitted or require an adjustment.

IRA – New ACIP-recommended Adult Vaccine Edits

Other TrOOP Amount should equal zero on ACIP-recommended Adult Vaccine PDEs

DDPS Edit 909 is a new informational edit to ensure that Other TrOOP Amount is zero on ACIP-recommended adult vaccines. For DOS in 2023, the edit will be returned when the Other TrOOP Amount is greater than zero and the Other TrOOP Amount Indicator is blank or 'B'. For DOS in 2024 and beyond, the edit will be returned when the Other TrOOP Amount is greater than zero. This informational edit will help prevent over-reporting of the Other TrOOP Amount on ACIP-recommended adult vaccines without rejecting the PDE and will remind sponsors to confirm the values reported are accurate. CMS will monitor the number of informational edits triggered and may conduct outreach if PDE reporting issues are identified.

PLRO should equal zero on non-Medicare Secondary Payer (MSP) ACIP-recommended Adult Vaccine PDEs

DDPS Edit 910 is a new informational edit to ensure that sponsors do not report PLRO on ACIP-recommended adult vaccines where Medicare is the primary payer, except in limited circumstances. This informational edit will help prevent over-reporting of PLRO on ACIP-recommended adult vaccines without rejecting the PDE and will remind sponsors to confirm the values reported are accurate. CMS will monitor the number of informational edits triggered and may conduct outreach if PDE reporting issues are identified.

Modification to the CMS Calculated Coverage Gap Discount for Value-Based Insurance Design (VBID) Model Eligible PDEs

DDPS has modified the CMS Coverage Gap Discount calculation logic for PDEs submitted with a value of '01' (01 = Value-based Insurance Design Model) in the Part D Model Indicator field. This modification will resolve Edit 870 rejections that Part D sponsors may be receiving when submitting PDEs in accordance with the examples provided in the December 1, 2022 HPMS memorandum, "VBID Prescription Drug Event (PDE) Reporting Guidance for Contract Year (CY) 2023."² Plans should evaluate whether they have PDEs previously rejected with Edit 870 that fall into this scenario to determine if they are valid as submitted or require an adjustment.

² VBID Model participating Part D sponsors are required to comply with CMS guidance regarding PDE reporting, as noted in the applicable year's Contract Amendment Addendum.