

DEPARTMENT OF HEALTH & HUMAN
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CENTER FOR MEDICARE

DATE: September 13, 2024

TO: All Part D Sponsors

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SUBJECT: Reporting Routing Values for the Medicare Prescription Payment Plan

The purpose of this memorandum is to provide instructions to Part D sponsors for populating routing identifier values within the Health Plan Management System (HPMS) for the Medicare Prescription Payment Plan.

As stated in the final part one Medicare Prescription Payment Plan guidance, to ensure a uniform, consistent claims adjudication process and to leverage existing Part D processes to minimize operational burdens, Part D sponsors and pharmacies must use a Bank Identification Number (BIN) and Processor Control Number (PCN) electronic claims processing methodology for applicable Medicare Prescription Payment Plan transactions.¹ Part D sponsors must provide a Medicare Prescription Payment Plan BIN/PCN and any other pertinent billing information to the pharmacy on paid claim responses when the enrollee is also a Medicare Prescription Payment Plan participant. This method results in two transactions being submitted to the same Part D sponsor, using two different BIN/PCN combinations. The Part D sponsor's primary unique BIN/PCN (as required by 42 CFR § 423.120(c)(4)) will be used for the initial Part D claim adjudication, while a second Medicare Prescription Payment Plan BIN/PCN will be used to process only the final out-of-pocket (OOP) participant liability amount.² As stated in section 50.1 of the final part one guidance, the transaction processed through the Medicare Prescription Payment Plan BIN/PCN will be submitted after processing any applicable other payer transactions in order to capture the final patient responsibility amount after all other payers have

¹ Medicare Prescription Payment Plan: Final Part One Guidance on Select Topics, Implementation of Section 1860D-2 of the Social Security Act for 2025, and Response to Relevant Comments, available at: <https://www.cms.gov/inflation-reduction-act-and-medicare/part-d-improvements/medicare-prescription-payment-plan>

² Please see section 50.5 of the final part two Medicare Prescription Payment Plan guidance for details related to processing of covered Part D claims for program participants in special settings.

paid. In addition, the final part one guidance requires that Part D sponsors assign a program-specific PCN that starts with “MPPP” and report the new BIN/PCN to CMS.³

The functionality to report the Medicare Prescription Payment Plan-specific BIN/PCN is now operational in HPMS. By October 15, 2024, Part D sponsors must follow the directions below to report their Medicare Prescription Payment Plan-specific BIN/PCN. CMS plans on extracting and posting the information on the CMS website in early November 2024 to assist those involved in the processing of pharmacy claims for Part D enrollees who have opted into the Medicare Prescription Payment Plan. The BIN/PCN quarterly extract can be found on the Part D Information for Pharmaceutical Manufacturers page at the following website: <https://www.cms.gov/medicare/coverage/prescription-drug-coverage/part-d-information-pharmaceutical-manufacturers>.

The BIN/PCN data are entered in the Bid Submission Module within HPMS (HPMS Home Page: Plan Bids> Bid Submission> CY2025). In the left Bid Submission menu, under Manage Plans, click Edit PCN/BIN Data. On the Select a Contract screen, enter a contract number in the field provided (Option 1) or select a contract number (Option 2). Click Next to advance to the Update and Save Data screen.

To add the Medicare Prescription Payment Plan BIN and PCN, select a plan on the Update and Save Data screen. Type the processing numbers in the corresponding fields. BIN numbers for the Medicare Prescription Payment Plan must be 6 or 8 numerical digits, and PCN numbers for the Medicare Prescription Payment Plan must be within 10 alphanumeric characters and start with “MPPP”.

Enter a new effective begin date in Effective Date of Change or select a date from the calendar by clicking the icon on the screen. The effective date must be within the plan’s calendar year. Ensure the accuracy of data and click Save.

For questions regarding HPMS functionality, please contact the HPMS Help Desk at either 1-800-220-2028 or hpms@cms.hhs.gov.

For questions related to the Medicare Prescription Payment Plan, please contact MedicarePrescriptionPaymentPlan@cms.hhs.gov.

³ As noted in the final part two guidance, requirements related to the Medicare Prescription Payment Plan apply to all Part D sponsors, including both stand-alone Medicare prescription drug plans (PDPs) and Medicare Advantage (MA) plans with prescription drug coverage (MA-PDs), as well as Employer Group Waiver Plans (EGWPs), cost plans, and demonstration plans. However, CMS does not expect Part D plans that exclusively charge \$0 cost sharing for covered Part D drugs to all plan enrollees to offer enrollees the option to pay their OOP costs through monthly payments over the course of the plan year or otherwise comply with the final part one guidance or final part two guidance.