

Coverage Gap Discount Program (CGDP) Introduction For Manufacturers October 28, 2010



Agenda

- Introduction and Welcome
- Objectives
- Quarterly Payment Information Flow
- TPA Welcome Letter
- Draft Report Formats

Objectives



- Introduce Third Party Administrator (TPA)
- Initiate process to establish connectivity between TPA and Manufacturers
 - Review TPA Welcome Letter
 - Review reports exchanged between TPA and Manufacturer

Coverage Gap Discount Program (CGDP)



CGDP reduces cost-sharing for non-LIS beneficiaries who purchase applicable drugs in the coverage gap from

100% (in 2010)

~50% (in 2011)

~25%(in 2020)

Gap Discount funded by Manufacturer remains constant at about 50% from 2011 forward

Gap Discount = 50% of Gap Discount eligible cost

Gap Discount eligible cost is cost in the Coverage Gap excluding

Supplemental benefits

Dispensing fee

Vaccine administration fee

On graduated basis Part D Sponsor pays increasing share of cost, from 2.5% in 2013 to 25% in 2020 and thereafter

PDE is Final Action Summary of Individual Claim



- PDE summarizes adjudication of an individual claim
 - Unlike other Medicare Programs, Part D Sponsor (not CMS) adjudicates claims following CMS guidance
 - Part D sponsors must retain audit trails linking PDEs to source billing transactions
 - Reporting is based on final action
 - When sponsor adjusts or deletes previously saved record the “most recent record submitted” is designated as final action record
 - Excludes final action deleted records

Quarterly Report Information Flow



- Sponsor advances Gap Discount payment to pharmacy
- Sponsor sends PDE to CMS
- CMS compiles quarterly reports with payment information from Gap Discount PDEs received during the quarter
- TPA sends quarterly reports to Manufacturer and TPA; quarterly reports based on PDEs with Gap Discounts reported during the quarter
 - Detail report
 - Invoice report
- Within 38 days following report distribution, Manufacturer reimburses Part D sponsor in full for Gap Discount payments sponsor advanced to the pharmacy
- Manufacturer sends confirmation of payment to TPA
- TPA informs CMS that payments were made
- CMS recoups Manufacturer payments from Part D Sponsors

TPA Roles for Quarterly Reports and Payments



- Provide customer support to Manufacturer and/or their Third Party Vendor to assist in establishing and maintaining connectivity
- Distribute Medicare Part D discount information and quarterly invoices to the Manufacturer
- Process acknowledgement transactions related to invoices from the Manufacturers and Part D sponsors
- Confirm “Payment in Full”: Compare Payment Confirmation Report totals to Invoice Report totals; report any discrepancies to CMS
- Coordinate notice to Manufacturer of Part D Sponsor Electronic Funds Transfer (EFT) information

TPA Welcome Letter



- TPA will send Welcome Letter to each Manufacturer Contact person
- Manufacturer will reply with the following
 1. Connectivity options
 - Existing AT&T dedicated circuit and connect direct software (C:D)
 - Existing AT&T Ivans connection and FTP software
 - Internet connection and SFTP software
 2. Technical Contact person information
 3. Third party vendor information, if applicable
 - With Manufacturer authorization, third party vendors may receive copies of detail and invoice reports
 - TPA will provide additional instructions to authorize data exchange between TPA and third party vendor
- Return Welcome Letter within 15 days

TPA Contact Information



- All customer support will be provided through our existing Customer Service and Support Center (CSSC) located at Palmetto GBA LLC in Columbia, South Carolina
- We will offer ongoing support by our dedicated staff through the CSSC Help Line at 877-534-2772
- Hours of operations - Monday through Friday from 8:00am to 7:00pm EST
- Or send inquiries to our email address at: csscooperations@palmettogba.com
- Web site address www.CSSCOoperations.com



Palmetto GBA
PARTNERS IN EXCELLENCE

[About CSSC](#) | [Contact Us](#) | [Hot Topics](#) | [System Status](#)



The CSSC web site provides "one-stop shopping" for Medicare Advantage, Prescription Drug Plans (PDP), MAPD plans and TPA/Drug Manufacturers regarding Risk Adjustment data, Prescription Drug data and Medicare Part D discount information data.

CSSC OPERATIONS

News Update: TPA/Drug Manufacturers Coming Soon! Check back later for important information.

Risk Adjustment Processing System

- [Register for Email Notifications](#)
- [Enroll to Submit Risk Adjustment Data](#)
- [Risk Adjustment Processing System \(RAPS\)](#)
- [Front-End Risk Adjustment System \(FERAS\)](#)
- [Official Links](#)
- [CMS Instructions](#)
- [Other References](#)
- [User Group Information](#)
- [Training Information](#)
- [Risk Adjustment Data FAQs](#)

Prescription Drug Event

- [Register for Email Notifications](#)
- [Enroll to Submit PDE](#)
- [Drug Data Processing System \(DDPS\)](#)
- [Prescription Drug Front-End System \(PDFS\)](#)
- [National Drug Code \(NDC\)](#)
- [Edits](#)
- [File Layouts](#)
- [Report Layouts](#)
- [PRS Reports Information](#)
- [User Group Information](#)
- [Training Information](#)
- [CMS Instructions](#)
- [Official Links](#)
- [CMS FAQs and Responses](#)

TPA / Drug Manufacturer

Quarterly Payment Reports Overview

- First step in reporting is to establish connectivity with TPA
- Three Reports for Quarterly Payment
 - Detail Report
 - Invoice Report
 - Payment Confirmation Report
- Information to provide a context for establishing connectivity
 - TPA distributes Manufacturer and Part D sponsor versions of reports and resolves questions
 - Report Frequency: Quarterly
 - Source data: PDEs

Detail Report



- Developed per request from Manufacturers to give them a basis for reviewing inputs to the invoice
- Provides row of detail data for each Gap Discount included in the quarterly invoice (Manufacturer Agreement-Exhibit A)
- Detail reports are updated to incorporate changes in subsequent quarters due to adjustments or deletions
- Adjustments or deletions may be initiated independently by Part D sponsor or in response to dispute
- Gap Discount detail records grouped by Labeler Code (first 5 digits of NDC)
- PDE field names and formats used whenever possible

Detail Report Record Format: Draft (page one)

| FIELD NO | FIELD NAME | POSITION | PICTURE | LENGTH | DEFINITION / VALUES |
|----------|-----------------------------------|----------|---------|--------|--|
| 1 | Record Type Code | 1 - 6 | X(6) | 6 | to be defined |
| 2 | Report ID (Year/Quarter) | 7-12 | 9(6) | 6 | Year/Quarter item was placed on the invoice. Format is: "YYYYQQ" |
| 3 | Sequence Number | 12 - 19 | 9(7) | 7 | An incrementing batch sequence number that starts at 000001. |
| 4 | Detail Ref Number | 20-39 | X(20) | 20 | Randomly Assigned number that uniquely identifies the individual Gap Discount PDE |
| 5 | Previous Report ID (Year/Quarter) | 40 - 45 | 9(6) | 6 | Preceding Year/Quarter that item was placed on the invoice. Format is: "YYYYQQ" |
| 6 | Product Service ID | 46-64 | X(19) | 19 | First 11 positions are NDC, no spaces or hyphens, followed by 8 spaces. Format is:MMMMMDDDDPP. |
| 7 | Prescription Service Reference No | 65-76 | 9(12) | 12 | The field length of 12 will be implemented in DDPS on January 1, 2011 in anticipation of the implementation of the NCPDP D.0 standard in 2012 . Prior to D.O implementation values will be right justified and filled with 5 leading zeroes. Applies to all PDEs submitted January 1, 2011 and after |
| 8 | Fill Number | 77-78 | 9(2) | 2 | Values = 00 - 99 |
| 9 | Days Supply | 79-81 | 9(3) | 3 | 000 – 999 |

Detail Report Record Format: Draft (page two)

| FIELD NO | FIELD NAME | POSITION | PICTURE | LENGTH | DEFINITION / VALUES |
|----------|---------------------------------------|----------|----------|--------|--|
| 10 | Quantity Dispensed | 82-91 | 9(7)V999 | 10 | Number of Units, Grams, Milliliters, other. If compounded item, total of all ingredients will be supplied as Quantity Dispensed |
| 11 | Date of Service (DOS) | 92-99 | 9(8) | 8 | CCYYMMDD |
| 12 | Service Provider ID Qualifier | 100-101 | X(2) | 2 | The type of pharmacy provider identifier used in field 12. 01 = National Provider Identifier (NPI) 06 = UPIN 07 = NCPDP Provider ID 08 = State License 11 = Federal Tax Number |
| 13 | Service Provider ID | 102-116 | X(15) | 15 | The identifier for the Service Provider. |
| 14 | Reported Gap Discount Previous Amount | 117-125 | S9(6)V99 | 8 | Reported Gap Discount that was reported on the preceding Detail and Invoice reports |
| 15 | Reported Gap Discount Current Amount | 125-133 | S9(6)V99 | 8 | Reported Gap Discount reported this quarter |
| 16 | Gap Discount Amount this Period | 133-140 | S9(6)V99 | 8 | Calculated as Reported Gap Discount Current Amount minus Reported Gap Discount Previous Amount. Indicates the change in the Gap Discount amount from the amount reported in the preceding Detail and Invoice reports |

Coverage Gap Discount Program Detail Report (Draft)



| Coverage Gap Discount Program Detail Report (Draft) | | | | | | | | | | | | | |
|---|-------------|----------|--------------------|---------------------------------------|--------|-------------|--------------------|-----------------|-------------------------------|---------------------|---------------------------------------|--------------------------------------|---------------------------------|
| Header Record Manufacturer | | | | | | | | | | | | | |
| Header Record Labeler Code 54321 | | | | | | | | | | | | | |
| Ref# | Current Qtr | Prev Qtr | Product Service ID | Prescription Service Reference Number | Fill # | Days Supply | Quantity Dispensed | Date of Service | Service Provider ID Qualifier | Service Provider ID | Reported Gap Discount Previous Amount | Reported Gap Discount Current Amount | Gap Discount Amount This Period |
| 175 | 201101 | | 54321678901 | 000001114534 | 01 | 030 | 0000000060 | 03/15/11 | 01 | 1111111111 | 0 | 100 | 100 |
| 008 | 201101 | | 54321789001 | 000001112132 | 01 | 015 | 0000000030 | 01/15/11 | 01 | 1111111111 | 0 | 75 | 75 |
| 984 | 201101 | | 54321890101 | 100122224545 | 01 | 030 | 0000000060 | 02/01/11 | 01 | 2222222222 | 0 | 100 | 100 |
| 779 | 201101 | | 54321901201 | 101012221234 | 01 | 030 | 0000000060 | 03/01/11 | 01 | 3333333333 | 0 | 100 | 100 |
| 461 | 201101 | | 54321012301 | 000003336787 | 01 | 015 | 0000000030 | 03/15/11 | 01 | 3333333333 | 0 | 75 | 75 |
| Trailer Record Labeler Code 54321 | | | | | | | | | | | 0 | 450 | 450 |
| Header Record Labeler Code 67251 | | | | | | | | | | | | | |
| 501 | 201101 | | 67251432101 | 000033334569 | 01 | 060 | 0000000060 | 01/02/11 | 01 | 3333333333 | 0 | 100 | 100 |
| 225 | 201101 | | 67251321901 | 000003332018 | 01 | 030 | 0000000060 | 01/18/11 | 01 | 1111111111 | 0 | 75 | 75 |
| 448 | 201101 | | 67251987601 | 100012228991 | 01 | 015 | 0000000015 | 02/12/11 | 01 | 1111111111 | 0 | 75 | 75 |
| Trailer Record Labeler Code 67251 | | | | | | | | | | | 0 | 250 | 250 |
| Trailer Record Manufacturer | | | | | | | | | | | 0 | 700 | 700 |

Please refer to file layouts for full detail

Invoice Report



- Reports quarterly Gap Discount amounts Manufacturers will pay each Part D sponsor
- Manufacturers pay invoice amount in full within 38 days of report distribution.

Note: Payment and dispute are separate activities; payment in full precedes dispute

- CMS and the TPA will perform thorough data quality review to ensure accurate reporting. To assess report accuracy, Manufacturer may check that Detail Report total equals Invoice Report total; report any discrepancies to TPA

Invoice Report Record Format: Draft



| Coverage Gap Discount Program Invoice Report (Draft) | |
|---|------------|
| Manufacturer Header Record | |
| Parent Organization One Header | |
| Contract A Header | |
| Labeler Code 54321 | 175 |
| Labeler Code 67251 | 100 |
| Contract A Trailer | 275 |
| Contract B Header | |
| Labeler Code 54321 | 275 |
| Labeler Code 67251 | 150 |
| Contract B Trailer | 425 |
| Parent Organization Trailer | 700 |
| Manufacturer Trailer Record | 700 |

Confirmation of Accurate Reporting



Detail Report total equals Invoice Report total

| Coverage Gap Discount Program Detail Report (Draft) | | | | | | |
|---|-------------|----------|--------------------|---------------------------------------|--------|-------------|
| Header Record Manufacturer | | | | | | |
| Header Record Labeler Code 54321 | | | | | | |
| Ref# | Current Qtr | Prev Qtr | Product Service ID | Prescription Service Reference Number | Fill # | Days Supply |
| 175 | 201101 | | 54321678901 | 000001114534 | 01 | 030 |
| 008 | 201101 | | 54321789001 | 000001112132 | 01 | 015 |
| 984 | 201101 | | 54321890101 | 100122224545 | 01 | 030 |
| 779 | 201101 | | 54321901201 | 101012221234 | 01 | 030 |
| 461 | 201101 | | 54321012301 | 000003336787 | 01 | 015 |
| Trailer Record Labeler Code 54321 | | | | | | |
| Header Record Labeler Code 67251 | | | | | | |
| 501 | 201101 | | 67251432101 | 0000033456 | 01 | 030 |
| 225 | 201101 | | 6725132101 | 000003332018 | 01 | 030 |
| 448 | 201101 | | 67251987601 | 100012228991 | 01 | 015 |
| Trailer Record Labeler Code 67251 | | | | | | |
| Trailer Record Manufacturer | | | | | | |
| | | | | | | 0 |
| | | | | | | 700 |
| | | | | | | 700 |

| Coverage Gap Discount Program Invoice Report (Draft) | |
|--|-----|
| Manufacturer Header Record | |
| Parent Organization One Header | |
| Contract A Header | |
| Labeler Code 54321 | 175 |
| Labeler Code 67251 | 100 |
| Contract A Trailer | 275 |
| Contract B Header | |
| Labeler Code 54321 | 275 |
| Labeler Code 67251 | 150 |
| Contract B Trailer | 425 |
| Parent Organization Trailer | 700 |
| Manufacturer Trailer Record | |
| | 700 |

Please refer to file layouts for full detail

Detail Report Showing Adjustment from Previous Quarter



Quarter 1

| Ref# | Current Qtr | Prev Qtr | Product Service ID | Prescription Service Reference Number | Fill # | Days Supply | Quantity Dispensed | Date of Service | Service Provider ID Qualifier | Service Provider ID | Reported Gap Discount Previous Amount | Reported Gap Discount Current Amount | Gap Discount This Period |
|------|-------------|----------|--------------------|---------------------------------------|--------|-------------|--------------------|-----------------|-------------------------------|---------------------|---------------------------------------|--------------------------------------|--------------------------|
| 008 | 201101 | | 54321789001 | 000001112132 | 01 | 015 | 0000000030 | 01/15/11 | 01 | 1111111111 | 0 | 75 | 75 |
| 984 | 201101 | | 54321890101 | 100122224545 | 01 | 030 | 0000000060 | 02/01/11 | 01 | 2222222222 | 0 | 100 | 100 |
| 779 | 201101 | | 54321901201 | 101012221234 | 01 | 030 | 0000000060 | 03/01/11 | 01 | 3333333333 | 0 | 100 | 100 |

Quarter 3

| Ref# | Current Qtr | Prev Qtr | Product Service ID | Prescription Service Reference Number | Fill # | Days Supply | Quantity Dispensed | Date of Service | Service Provider ID Qualifier | Service Provider ID | Reported Gap Discount Previous Amount | Reported Gap Discount Current Amount | Gap Discount This Period |
|------|-------------|----------|--------------------|---------------------------------------|--------|-------------|--------------------|-----------------|-------------------------------|---------------------|---------------------------------------|--------------------------------------|--------------------------|
| 008 | 201103 | 201101 | 54321789001 | 000001112132 | 01 | 015 | 0000000030 | 01/15/11 | 01 | 1111111111 | 75 | 50 | -25 |
| 984 | 201103 | 201101 | 54321890101 | 100122224545 | 01 | 030 | 0000000060 | 02/01/11 | 01 | 2222222222 | 100 | 85 | -15 |
| 779 | 201103 | 201101 | 54321901201 | 101012221234 | 01 | 030 | 0000000060 | 03/01/11 | 01 | 3333333333 | 100 | 0 | -100 |

Please refer to file layouts for full detail

Confirmation of Payment Report



- Report design is underway
- Expect format similar to Invoice Report
- Timeline:
 - Manufacturer makes payment to Part D sponsor within 38 calendar days of report distribution
 - Manufacturer sends Confirmation of Payment report to TPA 5 days following (by day 43)

Comments/Questions

Please submit comments and questions on the evaluation form.

