

## Prescription Drug Event (PDE) Counting Rule changes for Contracts

As changes have been made to the Drug Data Processing System (DDPS) throughout the year to accommodate for new scenarios such as the Plan-to-Plan Reconciliation Process (P2P), there became a need to better define rules on how to count PDEs on the monthly reports. The rules have been defined and will be used beginning with the reports that Contracts will be receiving for December.

There are various monthly reports based on whether a PDE is P2P vs. non-P2P or on its drug coverage status code. The monthly reports are Report 4 (Covered, Enhanced, and Over-the-Counter Drugs) and Reports 40 (Covered, Enhanced, and Over-the-Counter Drugs) through 43. The rules to determine on which report a PDE will be counted have been refined to reflect changes to these classifications (i.e., adjustments may change the P2P status of a PDE or the drug coverage code on a PDE) as the PDE goes through its life cycle.

In order to understand the new rules, it is important to understand the terminology used when documenting counts on the monthly reports. There are gross counts and net counts that will need to be tracked as a result of changes to a PDE.

The Gross Count Fields will report the status of the PDE when it was accepted into the system. However the PDE was classified (P2P versus non-P2P; Covered, Enhanced or OTC) when it was accepted, will reflect which report that PDE will be counted on. The one exception to this rule involves deletion records which are accepted but contain different values than the record it is deleting. In this case, the deletion will be counted on the same report as the record it was deleting, regardless of the values on the delete record. Gross Count Fields include:

- Number of Original PDEs
- Number of Adjustment PDEs
- Number of Deletion PDEs

All fields that are defined as Net Counts will be the distinct count of the PDE records that are reported for the beneficiary on the specific report. Net Count Fields include:

- Rx Count
- Net Number of Catastrophic PDEs
- Net Number of Attachment Point PDEs
- Net Number of Non-Catastrophic PDEs
- Net Number of Non-Standard Format PDEs
- Net Number of Out-of-Network (OON) PDEs

The new counting methodology works as follows:

1. Original, adjustment and deletion records are categorized as “gross” counts.
  - a. Each original and adjustment PDE record is counted and reported under the classifications contained on that PDE record, regardless of subsequent

activity related to the PDE. For example, if a non-P2P PDE is entered and deleted in the same month, Report 4 will show 1 original “gross” count and 1 deleted “gross” count.

- b. Each deletion PDE record is counted and reported under the classifications contained on the PDE record that the deletion record relates to, regardless of the classifications on the delete record itself. This rule is not new to the new counting methodology. Deletion records were always counted in this manner. For example, if an Original PDE came is and was accepted with a Drug Coverage Status Code “C” and later the Deletion PDE is accepted and on that PDE the Drug Coverage Status Code was changed from “C” to “O”, then the deletion gross count will appear on Report 4 for Covered Drugs.
2. The net counts will follow the currently active, non-delete record and be reported under the classifications contained on that PDE record. When the delete record is the active record, the PDE will not be included in the net counts. For example, if a non-P2P PDE is entered and deleted within the same month, the “gross” counts will display 1 original count and 1 delete count but the net counts will be zero.

The following examples below will explain other scenarios that Contracts may see on the monthly reports:

Scenario 1:

A P2P PDE for a covered drug is accepted by CMS then deleted by the Contract within the same month. Although the record was deleted, the Contract of Record will receive a detail record for this beneficiary on Report 42. All amounts for this beneficiary will be zero.

Reports  
Affected:

Report 40 Covered

0 Rx Count  
1 Original Gross Count  
1 Deletion Gross Count

Scenario 2:

A P2P PDE for a covered drug is accepted by CMS in one month and then deleted by the Contract in another month. Although the record was deleted, the Contract of Record will receive a detail record for this beneficiary on Report 42. All amounts for this beneficiary will be zero.

<u>Reports affected:</u>	<u>Report 40 Covered</u>
Month 1:	1 Rx Count 1 Original Gross Count
Month 2:	0 Rx Count 1 Original Gross Count 1 Deletion Gross Count

Scenario 3:

A non-P2P PDE for a covered drug is accepted by CMS and deleted by the Contract in the same month

<u>Reports Affected:</u>	<u>Report 4 Covered</u>
	0 Rx Count 1 Original Gross Count 1 Deletion Gross Count

Scenario 4:

A non-P2P PDE for a covered drug is accepted by CMS in one month and deleted by the Contract in another month.

<u>Reports affected:</u>	<u>Report 4 Covered</u>
Month 1:	1 Rx Count 1 Original Gross Count
Month 2:	0 Rx Count 1 Original Gross Count 1 Deletion Gross Count

Scenario 5:

A PDE is accepted by CMS as a P2P PDE for a covered drug. In that same month, the PDE is submitted by the Contract as an adjusted PDE, which changes the PDE to a non-P2P PDE. Since the PDE was originally a P2P PDE, Report 42 will display a detail record for the beneficiary but will show zero amounts.

<u>Reports affected:</u>	<u>Report 4 Covered</u>	<u>Report 40C</u>
	1 Rx Count	0 Rx Count
	1 Adjusted	1 Original
	Gross Count	Gross Count

Scenario 6:

A PDE is accepted by CMS as a P2P PDE for a covered drug and then is submitted by the Contract as an adjusted PDE in a later month which changes the PDE to a non-P2P PDE. Although the record was changed to non-P2P, the Contract of Record will continue to receive a detail record for this beneficiary on Report 42. All amounts for this beneficiary will be zero.

<u>Reports affected:</u>	<u>Report 4 Covered</u>	<u>Report 40C</u>
Month 1:		1 Rx Count 1 Original Gross Count
Month 2:	1 Rx Count  1 Adjusted Gross Count	0 Rx Count

Scenario 7:

A PDE is accepted by CMS as a non-P2P PDE for a covered drug and in that same month an adjusted PDE is submitted by the Contract, which changes the PDE to a P2P PDE.

<u>Reports affected:</u>	<u>Report 4 Covered</u>	<u>Report 40C</u>
Month 1:	0 Rx Count	1 Rx Count
Month 2:	1 Original Gross Count	1 Adjusted Gross Count

If a PDE is accepted and the Submitting Contract = Contract of Record and the Drug Coverage = C, then the PDE amounts and counts appear on Report 4 Covered.

Previously, if an adjustment came in for the PDE and the Submitting Contract no longer equaled the Contract of Record, then Report 4 Covered counted the PDE in the Rx Count Field, Original PDE Count and Adjusted PDE Count, but the Dollar Amounts for the PDE appeared on Report 40 Covered.

With the new rules, the Original Count will stay on Report 4 Covered, but the Rx Count will be reduced by one on that report. On Report 40 (P2P Report) Covered, the Rx Count and the Adjusted PDE Count will increase by 1 for that beneficiary.

Scenario 8:

The PDE is submitted to CMS as a non-P2P PDE for a covered drug and then is sent in by the Contract as an adjusted P2P PDE in a later month. This PDE will not appear on the P2P reports until the month in which the adjustment is accepted by CMS.

<u>Reports affected:</u>	<u>Report 4 Covered</u>	<u>Report 40C</u>
Month 1:	1 Rx Count 1 Original Gross Count	----
Month 2:	0 Rx Count 1 Original Gross Count	1 Rx Count 1 Adjusted Gross Count

Scenario 9:

The PDE is accepted by CMS as a P2P Covered drug and then is sent in by the Contract as an adjusted PDE in a later month. The adjustment changes the PDE to a P2P Enhanced or Over-the-Counter PDE. For the Submitting Contract, the adjustment will appear on Report 40 E or O. The Contract of Record will continue to receive a detail record for this beneficiary on Report 42. All amounts for this beneficiary will be zero.

<u>Reports affected:</u>	<u>Report 40C</u>	<u>Report 40 E/O</u>
Month 1:	1 Rx Count 1 Original Gross Count	
Month 2:	0 Rx Count 1 Original Gross Count	1 Rx Count 1 Adjusted Gross Count

Scenario 10:

A PDE is accepted by CMS as a P2P Covered Drug PDE one month and then is sent in by the Contract as an adjusted PDE in a later month to make it a non-P2P Covered Drug PDE. Although the record was changed to non-P2P, the Contract of Record will continue to receive a detail record for this beneficiary on Report 42. All amounts for this beneficiary will be zero.

<u>Reports affected:</u>	<u>Report 4 Covered</u>	<u>Report 40C</u>
Month 1:	----	1 Rx Count 1 Original Gross Count
Month 2:	1 Rx Count 1 Adjusted Count	0 Rx Count 1 Original Count

Scenario 11:

A PDE is accepted by CMS as a non-P2P Covered drug and in a later month the Contract submits an adjustment to make the PDE a P2P Covered PDE.

<u>Reports affected:</u>	<u>Report 4 Covered</u>	<u>Report 40C</u>
Month 1:	1 Rx Count 1 Original Gross Count	----
Month 2:	0 Rx Count 1 Original Gross Count	1 Rx Count 1 Adjusted Gross Count

Scenario 12:

A PDE is accepted by CMS as a non-P2P Covered drug and in a later month the Contract submits an adjustment that makes the PDE a non-P2P Enhanced (E) or Over-the-Counter (O) drug.

<u>Reports affected:</u>	<u>Report 4 Covered</u>	<u>Report 4E or O</u>
Month 1:	1 Rx Count 1 Original Gross Count	----
Month 2:	0 Rx Count 1 Original Gross Count	1 Rx Count 1 Adjusted Gross Count

If a PDE is accepted and the Drug Coverage Code = C, then the PDE amounts and counts appear on Report 4 Covered.

Previously, if an adjustment came in for that PDE which changed the Drug Coverage Code = E, then Report 4 Covered counted the PDE in the Rx Count field, Original PDE Count and Adjusted PDE Count, but the Dollar Amounts for the PDE appeared on Report 4 Enhanced.

With the new rules, the Original PDE Count will stay on Report 4 Covered, but the Rx Count will be reduced by one on that report. On Report 4 Enhanced, the Rx Count and the Adjusted PDE Count will increase by 1 for that beneficiary.

