

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTERS FOR BENEFICIARY CHOICES

DATE: February 12, 2007

TO: Medicare Advantage Organizations, Prescription Drug Plan Sponsors and Other Interested Parties

FROM: Thomas Hutchinson
Director, Medicare Plan Payment Group

SUBJECT: Prescription Drug Event (PDE) Counting Rules.

As changes have been made in the Drug Data Processing System throughout the year to accommodate scenarios such as Plan-to-Plan Reconciliation (P2P), there became a need to better define the rules for counting PDE records on the monthly reports. As a PDE goes through its life cycle, there is the potential for the PDE to change P2P status and/or Drug Coverage Status Code. The previous counting rules did not best represent these changes. The new counting methodology will document certain PDE counts to reflect the change in PDE classification.

The new PDE counting methodology will first appear on the monthly reports for December. The new counting methodology only changes how PDE counts are reported and does not affect the reporting of financial amounts on the reports.

Information explaining the new counting methodology can be found on the customer service website at <http://www.csscooperations.com>. This information provides detailed examples for each possible scenario that could be affected by the new counting methodology.

Questions regarding the new PDE counting methodology should be directed to either Amanda.Ryan@cms.hhs.gov or Jeffrey.Grant@cms.hhs.gov.