

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicare
7500 Security Boulevard
Baltimore, Maryland 21244-1850



**Center for Medicare
Medicare Plan Payment Group**

Date: March 18, 2013
To: All Part D Plan Sponsors
From: Cheri Rice, Director
Medicare Plan Payment Group
Subject: Coverage Gap Discount Reconciliation for benefit year 2011

CMS completed the calculations for the 2011 Final Part D Coverage Gap Discount (CGD) Program Reconciliation. The calculations were performed in accordance with §1860D-14a of the Social Security Act and associated regulations and guidance. The reconciliation calculations utilize all CGD Prescription Drug Event (PDE) data received in the Drug Data Processing System (DDPS) by June 30, 2012 and invoiced in the Quarter 6 invoice for 2011, prospective Coverage Gap Discount Subsidy Amounts beginning with January 2011 and ending with 2011 adjustments in January 2012, and all plan information received in the Health Plan Management System (HPMS) through Quarter 6 (June 2012) of Calendar Year 2011.

The CGD payment reconciliation reports will be available in your mailboxes at the Third Party Administrator (TPA) Operations on Monday, April 1, 2013. If you cannot access these reports, please contact TPA Operations at 877-534-2772, option 1.

Payment adjustments to remit and recover these calculated CGD reconciliation amounts are planned for the June 2013 payment. As part of the Part D CGD payment reconciliation process, these final reconciled gap discount program payments will be subject to the reopening and appeals provisions as found in 42 CFR 423.350. Appeals are filed when a plan sponsor does not believe that the Centers for Medicare & Medicaid Services (CMS) applied its stated payment methodology correctly. Refer to the reopenings and appeals guidance, which was released through HPMS on May 8, 2008, for additional information on the process for filing an appeal. If you wish to appeal, your request must be filed and received by April 16, 2013. Requests for appeal should be addressed to Cheri Rice, and sent to the Reconciliation Support Contractor, Strategic Health Solutions (Strategic):

StrategicHealthSolutions, LLC
8830 Stanford Blvd., Suite 405
Columbia, MD 21045

If you intend to send your appeal electronically, submit the appeal to Strategic at PartDPaymentReview@strategichs.com.

CMS may reopen final CGD payment determinations. Part D Sponsors can submit requests for reopening, as instructed in the May 8, 2008 HPMS memo referenced above. Any requests received from Part D Sponsors prior to the release of the final payment determination are not considered valid requests for reopening. The Part D Sponsor will have to resubmit the request and the reopening spreadsheet in accordance with the guidance in the May 8, 2008 memo. Please use the reopening spreadsheet in the attachment if submitting a reopening request.

Any questions regarding this memo can be sent to Strategic.

Attachment