

Manufacturers Webinar

June 1, 2011

Announcements

- MDBG Announcements
- Post payment confirmation procedures
- 1099 update
- 15 character manufacturer id on payments
- Payment and payment confirmation date corrections
- EFT update from 5/13
- Suggested topics for the next webinar

Webinar Schedule

- July 6th, 2011 4:00-5:00 p.m. ET

Agenda

- Low Volume Revisited
- Payment Confirmation Response Reports
- Information Flow for Dispute Process
- Dispute Edits
- Dispute File Level Edit Response File Layout
- Average Manufacturer Price Explanation

Low Volume Background Slide

- Currently no low volume invoices have been distributed.
- CMS has not decided when low volume will be invoiced.
- The definition of low volume is 10 or fewer beneficiaries with the same NDC 9 drug dispensed by the same pharmacy.

Low Volume

Information:

Quarter 2

- 10 PDEs have been identified as part of a privacy related low volume group.
 - All 10 have a gap discount amount of \$1
- These 10 PDEs will be billed in summary as a low volume summary record DETLV.

Low Volume Example Continued

Header Record Manufacturer								
Header Record Labeler Code 54321								
Record Type	LV Ref#	Current Qtr	Prev Qtr	Labeler Code	Reported Gap Discount Previous Amount	Reported Gap Discount Current Amount	Gap Discount Amount This Period	PDE Count
DETLV	5432102011000000 0000	201102	000000	54321	0	10	10	10
Trailer Record Labeler Code 54321								
Trailer Record Manufacturer								

Low Volume Continued

(Example 2 continued)

Information:

Quarter 3

- Enough PDEs have been submitted to satisfy the privacy related requirements of 10 beneficiaries in the low volume summary.
- A new PDE for a new beneficiary in the NDC 9/pharmacy group came in this quarter with a gap discount amount of \$1.
- 10 PDEs for 10 different beneficiaries, each with a gap discount amount of \$1, will now be billed individually. Previously these were invoiced in the low volume summary.
- An adjusted low volume summary will reflect the PDEs that have been removed . The amount of the -\$10 low volume summary and the 10 \$1 PDE's will net to zero.
- Note: The DETLV and DETCG reference numbers are different. PDEs that move from the DETLV record to individual DETCG records summary have a Y in Prior Low Volume Discount Flag.

Low Volume Continued

Header Record Manufacturer								
Header Record Labeler Code 54321								
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DETLV	5432102011000000 0000	201102	000000	54321	0	10	10	10
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Header Record Manufacturer								
Header Record Labeler Code 54321								
Record Type	LV Ref#	Current Qtr	Prev Qtr	Labeler Code	Reported Gap Discount Previous Amount	Reported Gap Discount Current Amount	Gap Discount Amount This Period	PDE Count
DET LV	54321020110000000000	201103	201102	54321	10	0	-10	0
Trailer Record Labeler Code 54321								
Trailer Record Manufacturer								

Payment Confirmation

Calendar Days vs Business Days

- Language in the Manufacturers Agreement requires payment from Manufacturers to Sponsors by the 38th CALENDAR day after the Invoice date.
- Sponsors are required to file their Payment Confirmation within 5 BUSINESS days of the payment deadline.

Payment Confirmation Response Report

Legend for highlighted fields in Payment Confirmation Response Report		
RUN DATE	CCYYMMDD	The date the report was created by the TPA.
MANUFACTURER ID	XXXXXX	The mailbox id that sent the report to the TPA for processing.
PNUMBER	PPPPP	The p number in the header record of the returned report.
REPORT ID	YYYYQQ	The report id of the report received by the TPA.
FILE ID	AAAAA	The file id of the report received by the TPA.
RECORD TYPE	TTTTT	The record type that is in error.
TPACH SEQ NO	999999	The last TPACH sequence number of the record in error.
LBLR SEQ NO	888888	The LBLR sequence number of the record in error.
ERROR CODE(s)	EEEE	The error code issued by the TPA.
ERROR DESCRIPTION	DDDDDD	The description of the error code issued by the TPA.

Payment Confirmation Response Report: Status = Accepted

COVERAGE GAP DISCOUNT PROGRAM – USER GROUP

REPORT: TPA-RESPM

THIRD PARTY ADMINISTRATOR

RUN DATE: CCYYMMDD

TPA RESPONSE REPORT

MANUFACTURER ID: XXXXXX PNUMBER: PPPPP

REPORT ID: YYYYQQ FILE ID: AAAAA STATUS: ACCEPTED RECEIPT OF THE REPORT

Payment Confirmation Response Report: Status = Rejected (multiple reject reasons)

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REPORT: TPA-RESPM                THIRD PARTY ADMINISTRATOR
RUN DATE: 20110526              TPA RESPONSE REPORT

MANUFACTURER ID: XP9898 PNUMBER: P9898
REPORT ID: 201101 FILE ID: 10MPC STATUS: REJECTED RECEIPT OF THE REPORT

RECORD   TPACH   LBLR           ERROR           ERROR DESCRIPTION
TYPE     SEQ NO  SEQ NO        CODE
TPAMH
TPACH    0000001
LBLR     0000001  0000002      E011            MISSING RECORD TYPES IN FILE
TPAMT
E001     INVALID REPORT ID
E009     INVALID CONTRACT
E008     PAYMENT AMOUNT NOT NUMERIC
    
```

File status: Rejected

Lists information for each error: record type, sequence number (if applicable), error code and error description.

Payment Confirmation Response Report

Status: Discrepant

TPA-RESPM THIRD PARTY ADMINISTRATOR
 RUNREPORT: DATE: CCYYMMDD TPA RESPONSE REPORT
 MANUFACTURER ID: XXXXXX PNUMBER: P PPPP
 REPORT ID: YYYYQQ FILE ID: AAAAA STATUS: DISCREPANT RECEIPT OF THE REPORT

RECORD TYPE	TPACT SEQ NO	ERROR CODE	ERROR DESCRIPTION
TPACT	9999999	E012	CONFIRMED PAYMENT AMT <> INVOICE PAYMENT AMT
TPAMT		E012	CONFIRMED PAYMENT AMT <> INVOICE PAYMENT AMT

File status: Discrepant

Issued any time when the PAYMENT AMOUNT does not match TOTAL GAP DISCOUNT AMOUNT THIS PERIOD, either on a TPACT record or on the TPAMT record.

E012 CONFIRMED PAYMENT AMT <> INVOICE PAYMENT AMT

Lists information for each error: record type, sequence number (if applicable), error code and error description.

Files in the Dispute Process

Manufacturer Data Report

- TPA sends to Manufacturer
- Distributed on April 30, 2011

Dispute Submission File (June 17 through June 30)

- Manufacturer sends to TPA
- Dispute File Level Edit Response File (TPA sends to Manufacturer)
- Dispute Detail Level Edit Response File (TPA sends to Manufacturer)

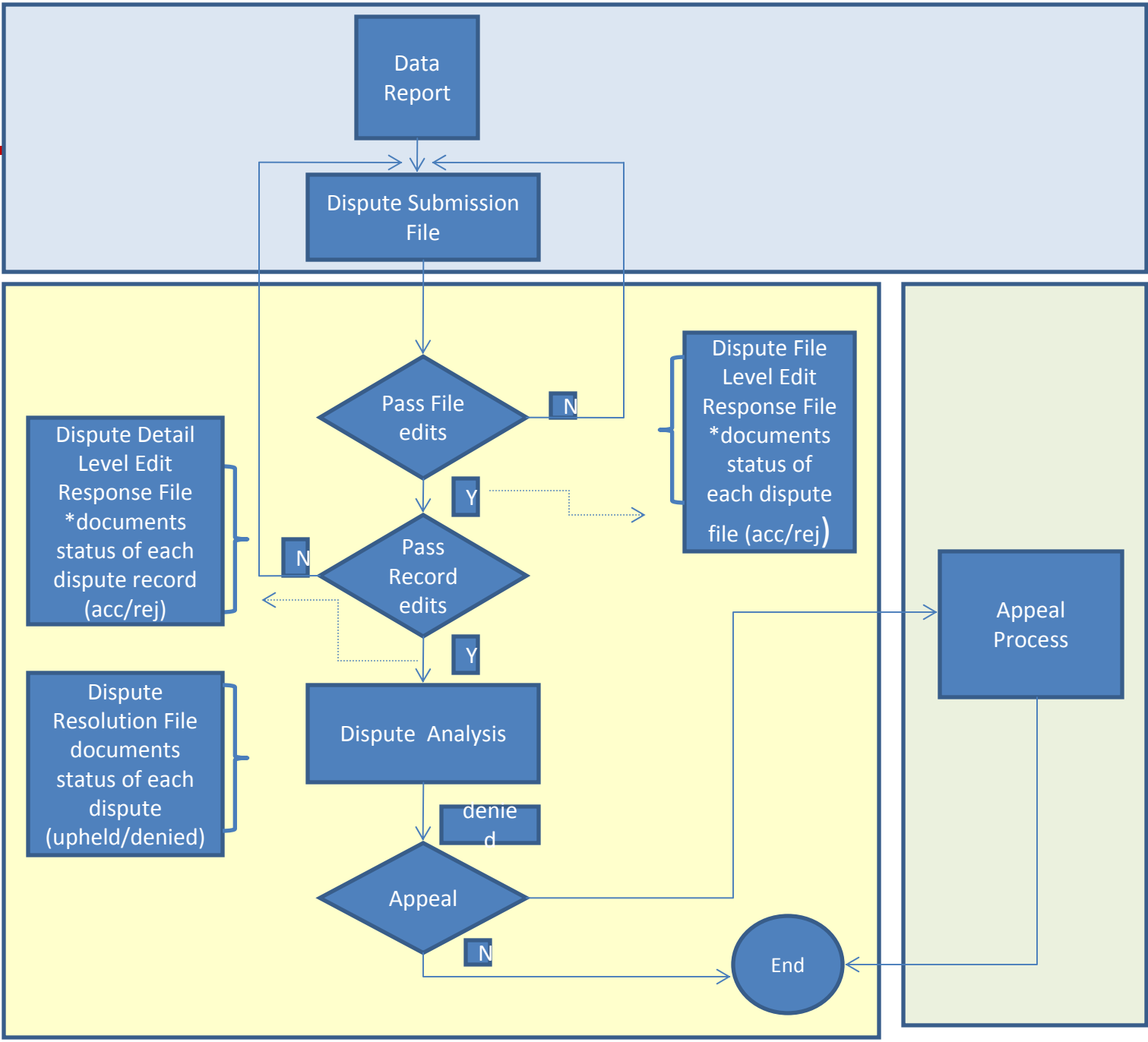
Dispute Resolution File

- TPA sends to Manufacturer
- Scheduled distribution on (Aug 29, 2011)

COVERAGE GAP DISCOUNT PROGRAM – USER GROUP

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Dispute Edits – File Level Rejects

DISPUTE EDIT CODES	EDIT CATEGORY	Message to be Reported	Failure Outcome (Reject)
E001	I	Invalid Report Id	Reject
E002	M/I	Report Id in TPAMT record does not match the TPAMH	Reject
E004	M/I	Invalid File Id	Reject
E005	M/I	Invalid "P" number	Reject
E006	I	Dispute date precedes data report distribution date	Reject
E007	M/I	No date entered/invalid, or date is > current date	Reject
E010	I	Invalid record types in file.	Reject
E011	M	Missing record types in file	Reject
E014	I	Dispute received after the 60 day deadline	Reject

Dispute File Level Edit Response File: Status = Accepted

REPORT: TPA-RESPM THIRD PARTY ADMINISTRATOR
RUN DATE: CCYYMMDD TPA RESPONSE REPORT

MANUFACTURER ID: XXXXXX PNUMBER: PPPPP

REPORT ID: YYYYQQ FILE ID: AAAAA STATUS: ACCEPTED RECEIPT OF DISPUTE

Dispute File Level Edit Response File: Status = Rejected (one reject reason)

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REPORT: TPA-RESPM                THIRD PARTY ADMINISTRATOR
RUN DATE: 20110526              TPA RESPONSE REPORT

MANUFACTURER ID: XP9898 PNUMBER: P9898
REPORT ID: 201101 FILE ID: 10DSP STATUS: REJECTED RECEIPT OF DISPUTE

RECORD   DETCG   ERROR   ERROR DESCRIPTION
TYPE     SEQ NO   CODE
TPAMH    E007    NO DATE ENTERED/INVALID, OR DATE IS >
CURRENT DATE
    
```

File status: Rejected

List record type that was in error, error code and error description.

In this example, only header or trailer (TPAMH TPAMT) records are in error. No sequence number displays after the record type because header/trailer records occur only once.

Dispute File Level Edit Response File: Status = Rejected (multiple reject reasons)

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REPORT: TPA-RESPM                THIRD PARTY ADMINISTRATOR
RUN DATE: 20110526                TPA RESPONSE REPORT

MANUFACTURER ID: XP9898 PNUMBER: P9898
REPORT ID: 201101 FILE ID: 10DSP STATUS: REJECTED RECEIPT OF DISPUTE

RECORD   DETCG   ERROR   ERROR DESCRIPTION
TYPE     SEQ NO   CODE
TPAMH                    E007   NO DATE ENTERED/INVALID, OR DATE IS > CURRENT
                                         DATE
ABCEE                    E010   INVALID RECORD TYPES IN FILE.
DETCG   0000001  E001   INVALID REPORT ID
TPAMT                    E002   REPORT ID IN TPAMT RECORD DOES NOT MATCH THE
TPAMH
    
```

File status: Rejected

Lists information for each error: record type, sequence number (if applicable), error code and error description.

Dispute Resolution File-TPAMH

File Id: 10DRS - Manufacturer Dispute Resolution file
Appeal notice (in field 9)

This file includes the resolution of a dispute previously filed. If the Dispute Disposition field indicates that the TPA upheld the dispute, future invoices will be credited. A manufacturer may appeal a denied dispute to the Independent Review Entity (IRE) within 30 calendar days. A link to the IRE can be found on the CMS manufacturer's page at

http://www.cms.gov/PrescriptionDrugCovGenIn/05_Pharma.asp#TopOfPage

under “Related Links Outside CMS.”

Dispute Resolution File-DETDR Record

DISPUTE DISPOSITION	925 - 925	X(1)	1	The final status of the dispute 1 - Upheld 2 - Denied 3 - Denied, rejected on submission format error 4 - Denied, received after 60 days (excluding files rejected by TPA with edit code E014)
DISPUTE RESOLUTION CODE	926 - 931	X(6)	6	A unique code for the dispute resolution (Optional - codes to be developed).
DISPUTE RESOLUTION TEXT	932 - 1011	X(80)	80	Detailed explanation for why the dispute was upheld or denied (Optional).
FILLER	1012 -1024	X(13)	13	Spaces

Dispute Resolution File-TPAMT

TOTAL DETAIL RECORD COUNT UPHELD	50 - 56	9(7)	7	The number of disputes upheld.
TOTAL DETAIL RECORD COUNT DENIED	57 - 63	9(7)	7	The number of disputes denied.
TOTAL DETAIL RECORD COUNT DENIED, REJECTED ON ERROR	64 - 70	9(7)	7	The number of disputes rejected on submission format error.
TOTAL DETAIL RECORD COUNT DENIED, RECEIVED AFTER 60 DAYS	71 - 77	9(7)	7	The number of disputes received after 60 days (excluding files rejected by TPA with edit code E014).

Average Manufacturer Price

- **A M P or “AMP”**
 - Calculated price
 - Price paid to manufacturer for a drug in the U.S. by covered entities
 - Includes rebates, discounts, and other payment arrangements with covered entities
 - Does not include Coverage Gap Discount amounts
- **SSA §1927(k)(1)**
 - Defines AMP
- **SSA §1927(b)(3)(D)**
 - Confidentiality of Information
- **Patient Protection and Affordable Care Act §2503(a)(2)**
 - Amended the definition of AMP
 - e.g., narrowed the covered entities used in AMP calculation

Average Manufacturer Price

- Medicare Part D sponsors negotiate prices with network pharmacies
 - Negotiated price is the same throughout each Part D benefit phase
 - Negotiated price may change on fluctuations in AWP
- A W P
 - Average Wholesale Price
 - Price index published in commercial drug databases
 - Set by commercial vendors
 - Based on information submitted by manufacturers
 - Mark-up factors applied by commercial vendors
 - May not include rebates, discounts, other financial arrangements between manufacturers and covered entities

Average Manufacturer Price

- AMP
 - Confidential price
 - Not published in commercial drug databases
 - Average price paid by covered entities
 - Not price paid by Medicare Part D sponsors and beneficiaries
 - Includes rebates, discounts that may not be included in AWP
- Dispute Code D06 – High Price of the Drug
 - Cannot be based on AMP
 - Disputes based on AMP will be denied