



Coverage Gap Discount Program Manufacturer Webinar - February 2015



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Agenda

- Overview of the Prescription Drug Edit (PDE) Front End Process
- New Coverage Gap Discount Program (CGDP) Direct Payment Process
- CGDP Analysis
- Live Q&A



Overview of the Prescription Drug Edit (PDE) Front End System



Tanisha Peay
Palmetto GBA
Medicare Part D, CSSC Operations

Customer Service and Support Center (CSSC)

- Provides certification and technical support services to Medicare Prescription Drug Plan (Part D) sponsors to:
 - Submit Prescription Drug Events (PDE) to CMS
 - Download PDE related reports
 - Monitor certain PDE format and content errors
- Maintains the CSSC website - www.csscooperations.com , where Part D sponsors access information:
 - For PDE submission certification
 - Obtain PDE related information, such as error codes and definitions
 - On the latest training material on PDE submissions

Customer Service and Support Center (CSSC)

- Operates the PDE Front-end System (PDFS).
 - Performs format, integrity, and validity checks on the data submitted, such as:
 - Missing Submitter ID and Certification Indicator , “SUBMITTER ID IS NOT CERTIFIED TO SEND PRODUCTION DATA.”
 - Contract number is active
 - Authorized submitter for the contract
 - Sends PDE file to the Drug Data Processing System for further detailed PDE editing, for example:
 - Validates beneficiary ID (HICN)
 - Checks for duplicate PDE
 - Several Coverage Gap Discount Program related edits

Part D Sponsor Submitter Application Process

- Part D plans must be approved in the Health Plan Management System (HPMS).
- CSSC outreaches to plans newly added to HPMS to begin the submitter application, testing, certification, and production requirements.

FORM	ENTITY	DESCRIPTION
Electronic Data Interchange (EDI)	<ul style="list-style-type: none"> • All plans • All third party submitters 	<ul style="list-style-type: none"> • Agreement that specifies the terms under which plans collect and submit PDE data • Must be signed by an officer of the plan • Requires an audit trail or maintenance of source documentation related to PDE claims • Serves as confirmation that data submitted to CMS are accurate and that plans will abide by HIPAA rules • Required for each contract/plan number submitting data
Submitter ID Application	<ul style="list-style-type: none"> • All plans • All third party submitters 	<ul style="list-style-type: none"> • Plans declare report distribution • Upon processing of the form, submitters are issued a Submitter ID number
Authorization Form	<ul style="list-style-type: none"> • Plans who delegate to third party submitters 	<ul style="list-style-type: none"> • A online form completed by the plan authorizing the third party to submit on behalf of the plan

Part D Sponsor PDE Certification Process

- Requirements
 - Electronic Data Interchange (EDI) agreement
 - Submitter application and authorization form (if applicable) -authorizes a third party to submit on the plans behalf.
 - Upon receipt, CSSC will assign a Submitter ID and test contract ID.
 - Submit CMS defined test packages and achieve certification status prior to the submission of production data
 - Submitters must achieve an 80% acceptance rate in a file of at least 100 records, pass the Coverage Gap Test Cases and successfully delete one saved record.
- CSSC outreaches to Part D plans newly added to HPMS to begin the submitter application, testing, certification, and production requirements.

Part D Sponsor PDE Submission Process

- Upon certification plans submit PDE data to the Prescription Drug Front-end System (PDFS).
 - Medicare Part D sponsors follow CMS guidance when calculating and populating the PDE.
- PDFS performs format, integrity, and validity edits on the file and batch level records.
- Once the file passes the PDFS edits, PDFS forwards the file to the Drug Data Processing System (DDPS) at CMS.
- DDPS performs PDE edits at the detail record level for format, content, and validity before storing the data for future payment calculation.
 - Adjustments/deletions - most recently submitted PDE saved is designated as the final action PDE.
 - Final action PDEs of deleted PDEs are excluded from payment and are reflected as negative invoice amounts on the CGDP.

PDFS Edit Examples

EDIT	MESSAGE
129	<ul style="list-style-type: none">• Submitter ID not on file
130	<ul style="list-style-type: none">• Submitter ID is not certified to send production data
229	<ul style="list-style-type: none">• Contract number is missing
230	<ul style="list-style-type: none">• Contract number does not match number assigned by CMS
231	<ul style="list-style-type: none">• Contract number is not active
232	<ul style="list-style-type: none">• Submitter not authorized to submit for this Contract
234	<ul style="list-style-type: none">• The PBP is not valid for the Contract ID
235	<ul style="list-style-type: none">• The PBP ID is not active; not authorized to submit production data

CMS Submission Monitoring

- CMS monitors Part D Sponsor PDE submission rates to detect:
 - Submission Timeliness
 - Submission Completeness
 - Submission Lag
- CMS generates a Monthly PDE Compliance Report
 - Tracks monthly PDE file submissions
 - Looks at contract enrollment
- Forwards PDE file non-submitters to a division that enforces compliance
 - Reviews contract's PDE file submission history
 - Warning letters and corrective action plans issued as necessary



New CGDP Direct Payment Process



Art Spaziano, Manager
Palmetto GBA
Medicare Part D, CGDP TPA

Current Challenges

- Actual payments \neq Confirmed payments
- Payment amounts \neq Invoiced amounts
- Received payments not confirmed
- Misapplied payments
 - Lump sum payments
 - Missing EFT Identifier
 - Result: missing or incorrect payee confirmations
- Ambiguity surrounding actual payment
 - Both amount and timing

Features of the New Direct Payment Process

- No Payment Confirmations
 - TPA will intermediate direct payments between Manufacturers and Sponsors
- Payments made using the Web Payment Portal
 - Part of the CGDP Web Portal
 - No further need for mailboxes
 - Option: batch interface for volume transactions
- ACH payment transactions will be initiated by payers to transfer funds between payer's and payee's bank accounts as defined in the EFT file
- TPA will track any payment failures and resolve with appropriate parties.

CGDP Web Portal: The Only Site You Need

- CGDP Web Portal
 - Inclusive, secure web-based application
 - CGDP Direct Payment Process
 - Download reports/invoices
 - Upload Disputes
 - No longer need:
 - SFTP Mailbox
 - Manufacturer Portal
 - Sponsor Mailbox / Portal

Features of the New CGDP Web Portal – Home Screen

Manufacturer Portal Coverage Gap Discount Program

Corporate ID: Contract Number: Reporting Period: Status:

<u>Corporate ID</u>	<u>P Number</u>	<u>Reporting Period</u>	<u>Status</u>	<u>Select</u>
XP1__5	P1__5	201401	Available	<input type="radio"/>
XP1__5	P1__5	201402	Available	<input checked="" type="radio"/>
XP1__5	P1__5	201403	Available	<input type="radio"/>

Welcome to Coverage Gap Discount Portal where you can initiate a payment, check the status of payments and receipt of payments as well as view your reports.

For payment functions, start by selecting a line item from the list to the left of this message.

Available - Invoice is ready for payment initiations
Failed - One or more items has an unsuccessful payment attempt
Incomplete - One or more items have not been paid
Pending - All line items have been initiated successfully
Successful - All line items have been paid successfully

- Once logged in, filters can be set to make relevant reporting periods and Contracts / P#s available for selection
- Status of payments for each Contract / P# is displayed
- Both Manufacturers and Sponsors will use the portal and will have a similar user experience.

Features of the New CGDP Web Portal – Payment Screen

Manufacturer Portal CGDP Payments Invoiced Reporting Period: 201402

Contract Number: ANY Corporate ID: XP1__5 P Number: P1__5

Initiate All

Contract Number	Invoiced Amt.	Previous Deferred Amount	Payment Date	Initiate Payment	Defer	Failed
H4__6	20.40	0.00	12/19/2014	<input type="checkbox"/>	<input type="checkbox"/>	
H4__7	21.64	0.00	12/19/2014	<input type="checkbox"/>	<input type="checkbox"/>	
H4__2	20.69	0.00	12/19/2014	<input type="checkbox"/>	<input type="checkbox"/>	
H4__2	69.69	0.00	12/19/2014	<input type="checkbox"/>	<input type="checkbox"/>	
H4__2	100.14	0.00	12/19/2014	<input type="checkbox"/>	<input type="checkbox"/>	
H4__7	1.77	0.00	12/19/2014	<input type="checkbox"/>	<input type="checkbox"/>	
H4__4	0.53	0.00	12/19/2014	<input type="checkbox"/>	<input type="checkbox"/>	

Update All 12/19/2014

Payment Information

Total Invoiced	36314.70
Total Failed	0.00
Total Deferred	32.61
Total Pending	4084.49
Total Successful	0.00
Total Available	32197.60

Payment Initiation Upload

Pending Transactions

Contract Number	Authorization Amt.	Date Submitted	Payment Date	Stop Payment
S5__1	1341.33	12/19/2014	12/19/2014	
S5__2	80.03	12/19/2014	12/31/2014	<input type="checkbox"/>
S5__6	129.92	12/19/2014	12/19/2014	
S5__7	209.69	12/19/2014	12/23/2014	<input type="checkbox"/>
S5__5	226.98	12/19/2014	12/19/2014	
S5__3	87.82	12/19/2014	12/19/2014	
S7__4	261.97	12/19/2014	12/19/2014	
S7__0	1116.47	12/19/2014	12/31/2014	<input type="checkbox"/>
S8__1	24.13	12/19/2014	12/19/2014	
S9__9	606.15	12/19/2014	12/29/2014	<input type="checkbox"/>

- Only exact amounts invoiced can be paid
- Defer amounts too small for your bank to pay (max. \$20)
- Pending Payment status of individual lines items
- Failed status displayed adjacent to corresponding invoice items
- Schedule payments of individual items
- Ability to stop scheduled payments
- Upload batch payment file 16

Features of the New CGDP Web Portal – Payment Initiation




Home
Payments
Completed
Receipts
Reports

Manufacturer Portal CGDP Payments

Invoiced Reporting Period: 201402

Contract Number: ANY
Corporate ID: XP1__5
P Number: P1__5
➔

Initiate All

Contract Number	Invoiced Amt.	Previous Deferred Amount	Payment Date	Initiate Payment	Defer	Failed
H0__4	8031.77	0.00	12/16/2014	<input type="checkbox"/>	<input type="checkbox"/>	
H0__8	775.07	0.00	12/16/2014	<input type="checkbox"/>	<input type="checkbox"/>	
H0__0	190.05	0.00	12/16/2014	<input type="checkbox"/>	<input type="checkbox"/>	
H0__4	3253.39	0.00	12/16/2014	<input type="checkbox"/>	<input type="checkbox"/>	
H0__8	495.13	0.00	12/16/2014	<input type="checkbox"/>	<input type="checkbox"/>	
H0__4	1095.71	0.00	12/16/2014	<input type="checkbox"/>	<input type="checkbox"/>	
H0__2	2309.61	0.00	12/16/2014	<input type="checkbox"/>	<input type="checkbox"/>	
H0__3	25697.69	0.00	12/16/2014	<input type="checkbox"/>	<input type="checkbox"/>	

Update All
12/16/2014
Submit

Features of the New CGDP Web Portal – Pending Payments

Pending Transactions 

Contract Number	Authorization Amt.	Date Submitted	Payment Date	Stop Payment
H__2	228.54	12/03/2014	12/03/2014	
H__9	223.66	12/01/2014	12/21/2014	<input type="checkbox"/>
H__9	2055.70	12/03/2014	12/21/2014	<input type="checkbox"/>
H__8	53.86	12/03/2014	12/30/2014	<input type="checkbox"/>

[Stop Payment\(s\)](#)

Features of the New CGDP Web Portal – Batch Payments

Payment Initiation Upload

Browse...

Payment Initiation Upload

C:\Public\CGDP_DPP_P Browse...

```
Batch_Text_File_XP1__8_12.29.14.txt - Notepad
File Edit Format View Help
HDR;XP1__8;201401
DET;P1__8;E3__4;CG14011__8E3__4;20150131;N
DET;P1__8;H0__3;CG14011__8H0__3;20141231;N
DET;P1__8;H0__6;CG14011__8H0__6;20150115;N
DET;P1__8;H0__1;CG14011__8H0__1;20141230;N
DET;P1__8;H0__4;CG14011__8H0__4;20141230;N
DET;P1__8;H0__2;CG14011__8H0__2;20150131;N
DET;P1__8;H0__2;CG14011__8H0__2;20150117;N
```

Features of the New CGDP Web Portal – Receipts Screen

Manufacturer Portal CGDP Receipt Status Invoiced Reporting Period: 201403

Contract Number: ANY Corporate ID: XP1__8 P Number: P1__8

Contract	Invoiced Amt.	Payment Date	EFTID	Status
S1__0	613.10	12/30/2014	CG14031__8S1__0	Received
H1__2	2.86	12/30/2014	CG14031__8H1__2	Deferred
S5__0	1570.91		CG14031__8S5__0	Outstanding
H3__2	445.12		CG14031__8H3__2	Outstanding
H0__1	75.38		CG14031__8H0__1	Outstanding
H1__9	352.00		CG14031__8H1__9	Outstanding

Payment Information

Total Owed	3059.37
Total Received	613.10
Total Deferred	2.86
Total Outstanding	2443.41

Received - Payment is in your account
Pending - Payment has been initiated
Outstanding - No payment activity
Deferred - Invoice amount falls below minimum
Failed - One or more items has an unsuccessful payment attempt

- View Status of payments owed to your company
- Includes any amounts which the payer chose to defer
- EFT Identifiers displayed as a helpful reference
- Summary of amounts invoiced , received and outstanding displayed

Features of the New CGDP Web Portal – Completed Screen

Manufacturer Portal CGDP Completed Payments Invoiced Reporting Period: 201401

Corporate ID: XP1__5 PNumber: P1__8 Contract: ANY

Contract	Invoiced Amt.	Payment Date	EFTID
S5__7	18.53	Deferred	CG14011__8S5__7
S5__5	226.98	12/19/2014	CG14011__8S5__5
S5__3	87.82	12/19/2014	CG14011__8S5__3
S6__5	1.53	Deferred	CG14011__8S6__5
S8__7	12.55	Deferred	CG14011__8S8__7

Payment Information	
Total Invoiced	36314.70
Total Deferred	32.61
Total Failed	0.00
Total Pending	1757.35
Total Successful	314.80
Total Outstanding	32197.60

To view completed payments for a different reporting period, return to the Home tab and select the radio button line item that contains the desired reporting period

- All deferred or successfully processed payment will appear on this screen for the selected payment period

Features of the New CGDP Web Portal – Reports Screen

Manufacturer Portal CGDP Reports

Invoice
 Data
 Dispute
 Batch

Corporate ID:
 P Number:

Corporate ID	P Number	Reporting Period	Date Loaded	Download	Last Download
XP1_4	P1_8	201404	01/31/2015	<input type="radio"/>	20150102 01:16
	P1_1	201404	01/31/2015	<input type="radio"/>	
	P1_3	201404	01/31/2015	<input type="radio"/>	

Current Cutoff Calendar

Reporting Period	201404
Invoice Paid by	03/11/2015
Invoice Distribution	01/31/2015
Dispute Submission	04/02/2015
Dispute Distribution	06/01/2015

- Download all of your regular quarterly reports and responses
- Date last downloaded is recorded and displayed
- Handy cut-off date reminder displayed

Timing of Implementation

- New process is scheduled to begin with the Q1 2015 invoice release.
- Current process will continue to be used for any prior invoices.
 - Payment Confirmations for quarters prior to Q1 2015 will not be accepted after April 30, 2015.
- Draft User Guide on the Payment section of the Direct Payment Process is available on the TPA Website
- A training guide will be available on the TPA Website in March

Fast Facts - continued

- Amounts paid cannot be different from invoiced amounts.
 - For payers with banks who have ACH minimums, a payment deferment feature will be available for amounts < \$20.
- The TPA's payment ACH Clearing House will require signed applications from each program participant.
- For companies with large numbers of invoice line items, a batch submission process is available.

Fast Facts - continued

- Current confirmation based process will continue to be used for any prior invoices.
 - Existing Mailboxes will only be used for reports and confirmations for periods prior to Q1 2015.
 - Payment Confirmations for quarters prior to Q1 2015 will no longer be accepted after April 2015.
- Existing mailboxes will eventually be phased out
 - Older reports (for quarters prior to most recent PRS) will not be available on-line.

Contacting the TPA

- **TPA website - <http://tpadministrator.com>**
- Phone
 - Help Line: 1-877-534-2772 – Option 1
 - Hours: Monday thru Friday 8am to 7pm ET
- General email inquiries regarding the invoicing and payment process should be sent to tpaoperations@tpadministrator.com
- Webinar slides will be posted to the TPA website
- Suggestions for future webinar topics should be sent to webinar@tpadministrator.com
- Questions related to dispute files, EFT information, invoice corrections <http://tpadministrator.com> – Website
- disputes@tpadministrator.com - Dispute support documentation

New CGDP Direct Payment Process

Live
Demonstration



CGDP Data Analysis



Amanda Johnson
Director, Division of Payment
Reconciliation

Retiree Drug Subsidy (RDS) Program Statistics

- Section 1860D-22 of the Social Security Act describes the Retiree Drug Subsidy Program

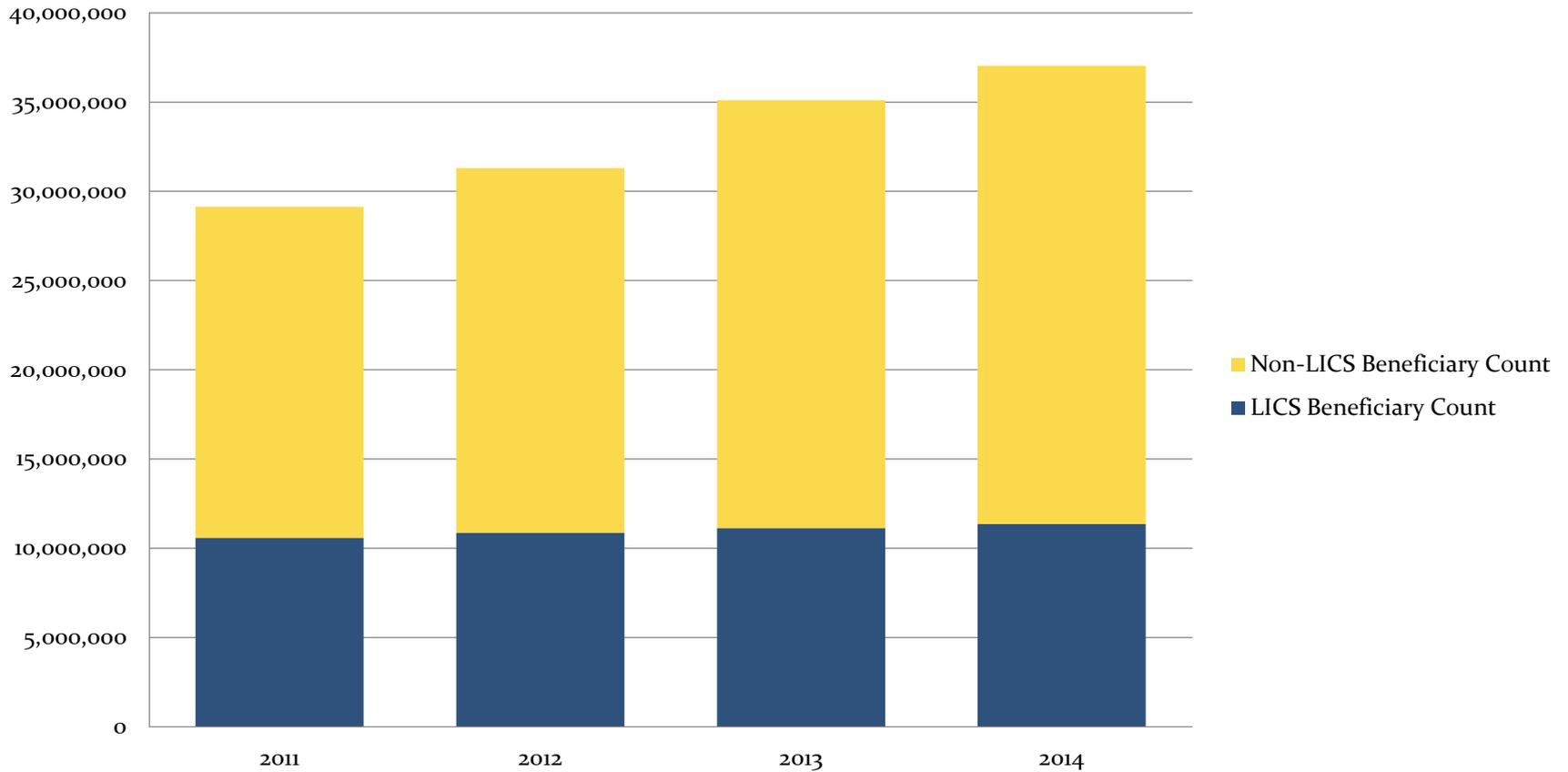
Year	Beneficiaries	Sponsors
2006	7,854,930	4,220
2007	7,676,994	3,978
2008	7,478,720	3,576
2009	7,263,096	3,551
2010	7,316,951	3,486
2011	6,918,581	3,347
2012	6,217,640	3,083

2012 RDS Program Participants

- Approximately 28% of sponsors have <100 beneficiaries
- Just under 80% of sponsors have less than <1,000 beneficiaries
- 9 sponsors have over 100,000 beneficiaries

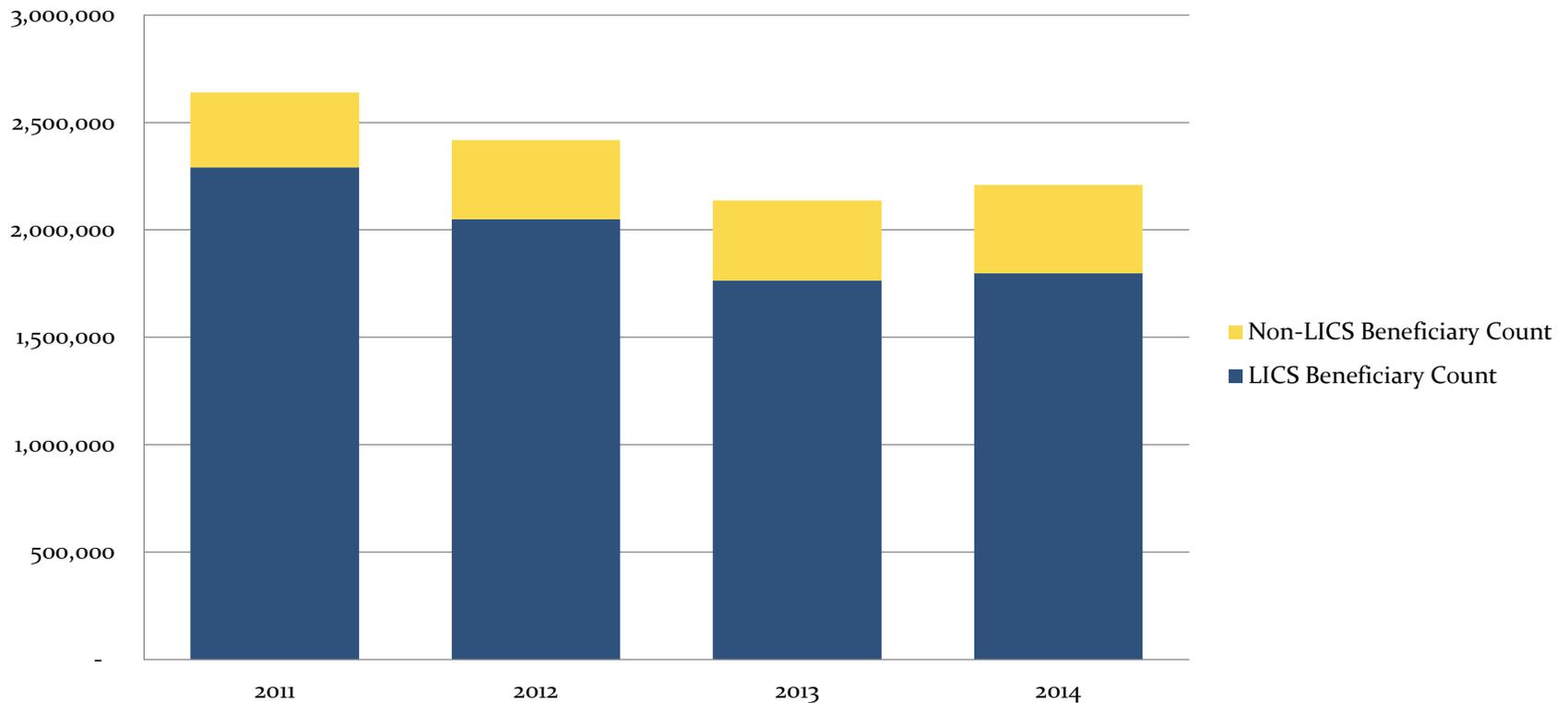
Discount Eligible Beneficiary Count Distribution

LICS vs Non LICS Beneficiaries Across Benefit Years



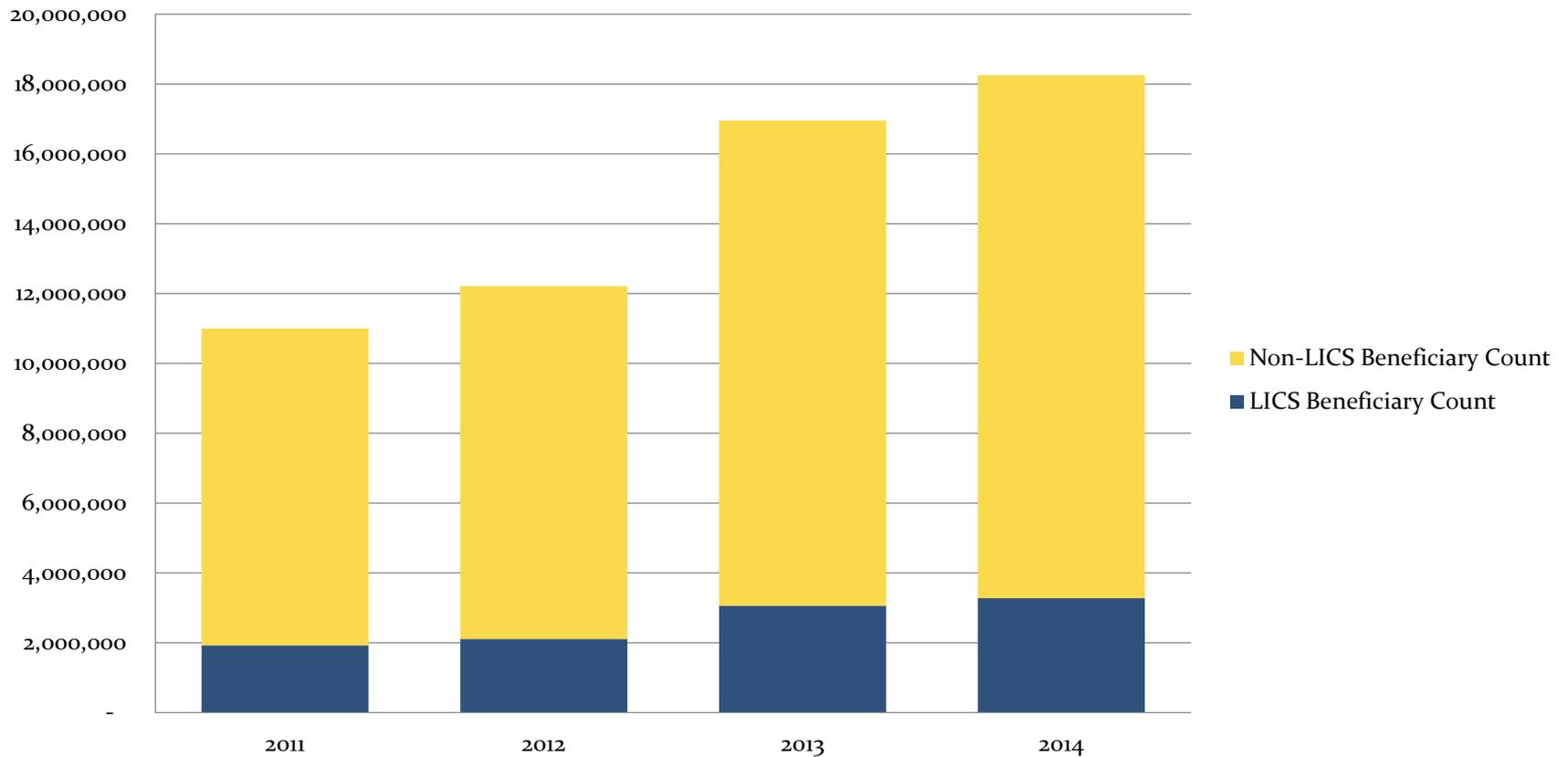
Discount Eligible Beneficiaries in Defined Standard Plans

Defined Standard Benefit Plan - LICS vs Non LICS Beneficiary Trend by Benefit Year



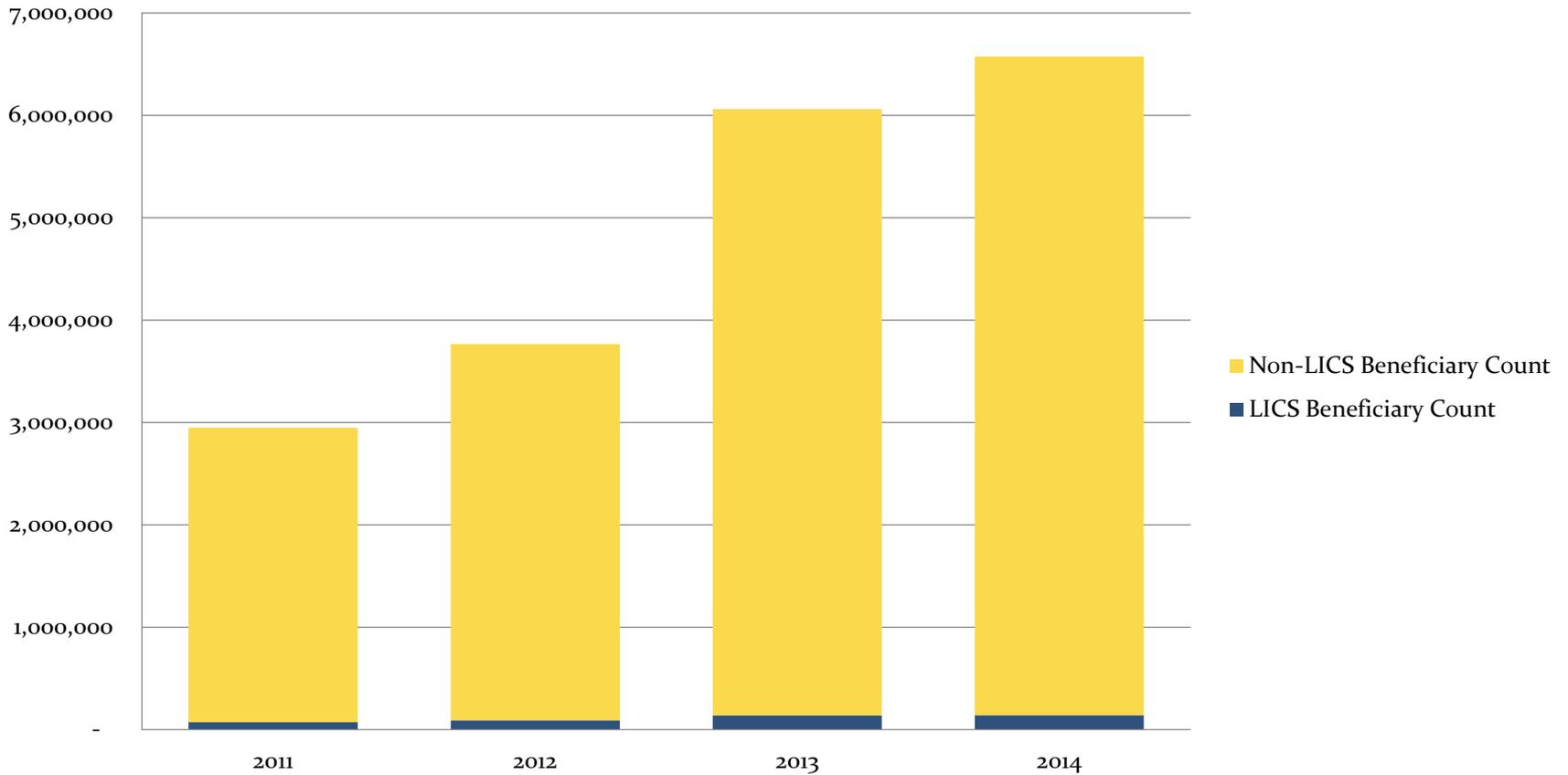
Discount Eligible Beneficiaries in Enhanced Alternative Plans

Enhanced Alternative Plan - LICS vs Non LICS Beneficiary Trend by Benefit Year

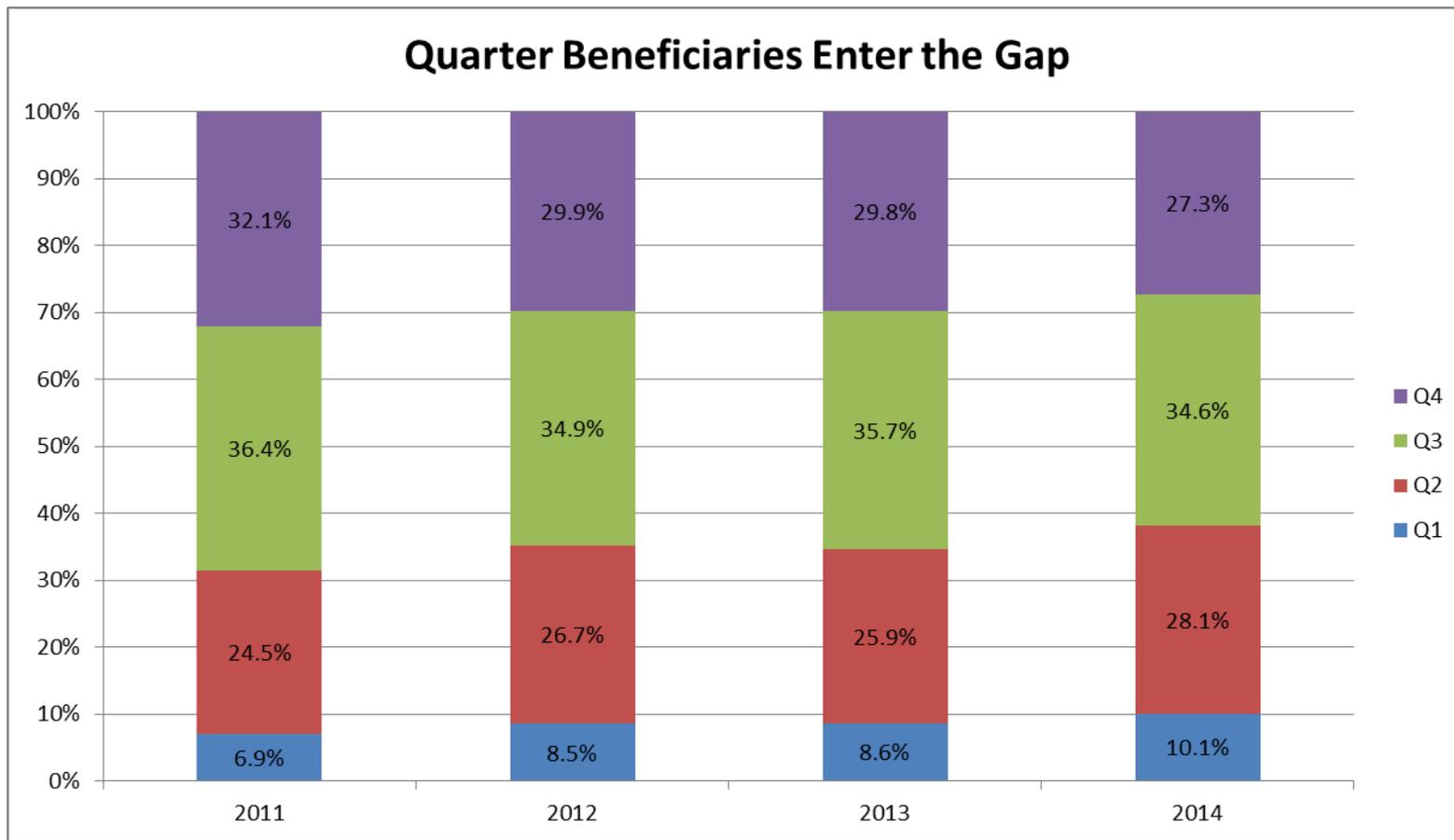


Discount Eligible Beneficiaries in Employer Group Waiver Plans

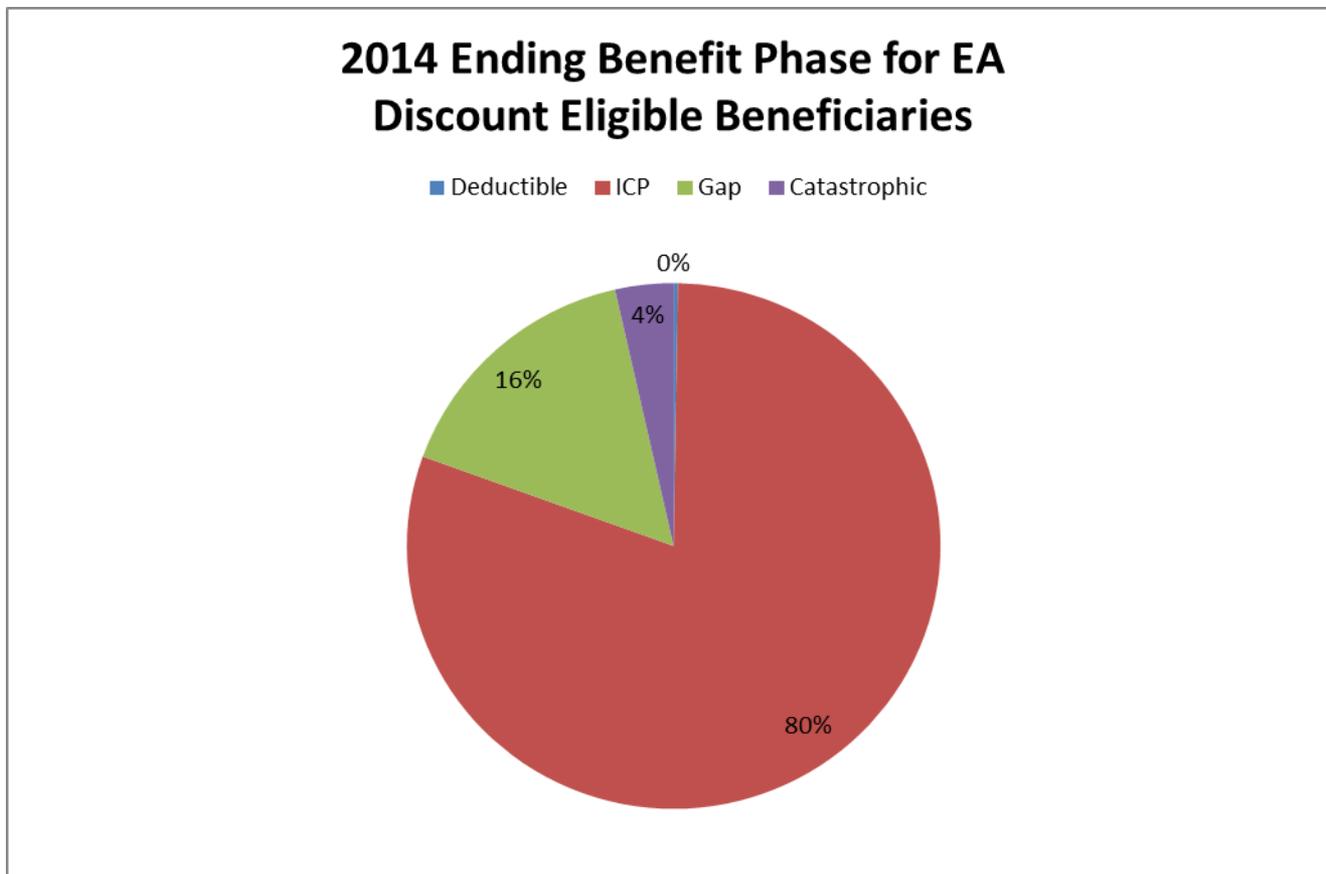
EGWP -LICS vs Non LICS Beneficiary Trend by Benefit Year



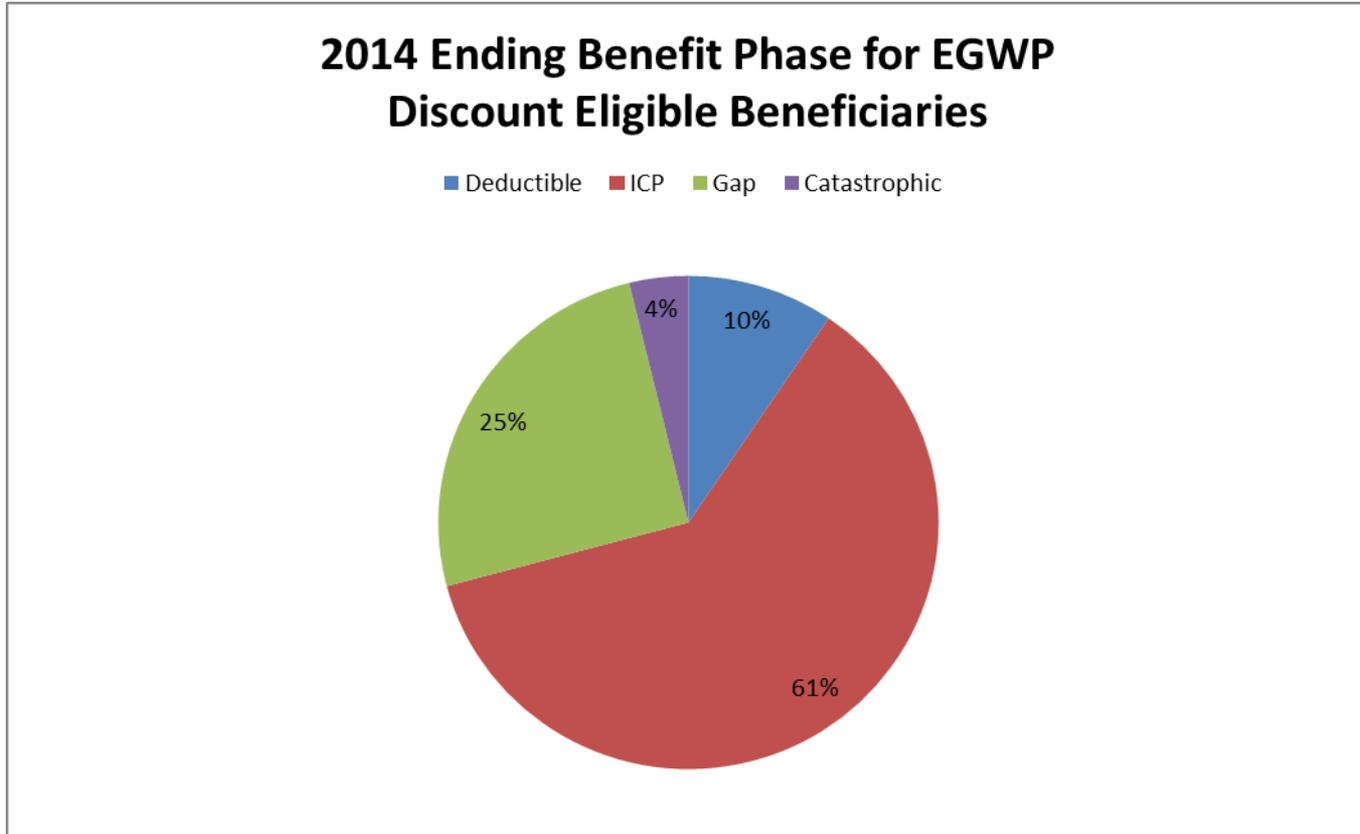
Quarter Beneficiaries Enter the Coverage Gap



2014 Ending Benefit Phase for EA Discount Eligible Beneficiaries



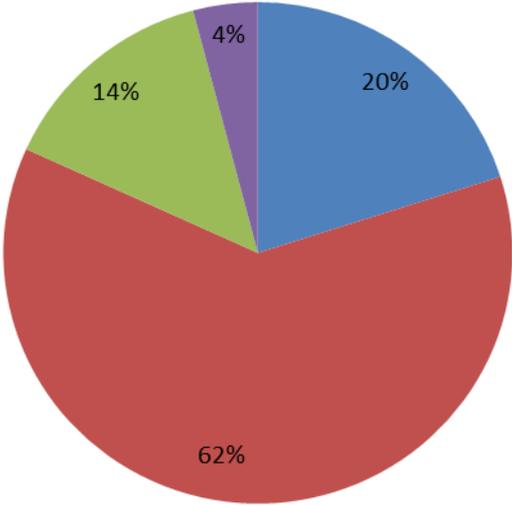
2014 Ending Benefit Phase for EGWP Discount Eligible Beneficiaries



2014 Ending Benefit Phase for All Other Plan Type Discount Eligible Beneficiaries

2014 Ending Benefit Phase for All Other Plan Types
Discount Eligible Beneficiaries

■ Deductible ■ ICP ■ Gap ■ Catastrophic



Average Coverage Gap Discount Amount per Beneficiary

Benefit Year	Avg Gap Discount Amount per Beneficiary
2011	\$ 603.75
2012	\$ 705.56
2013	\$ 910.69
2014	\$ 940.84

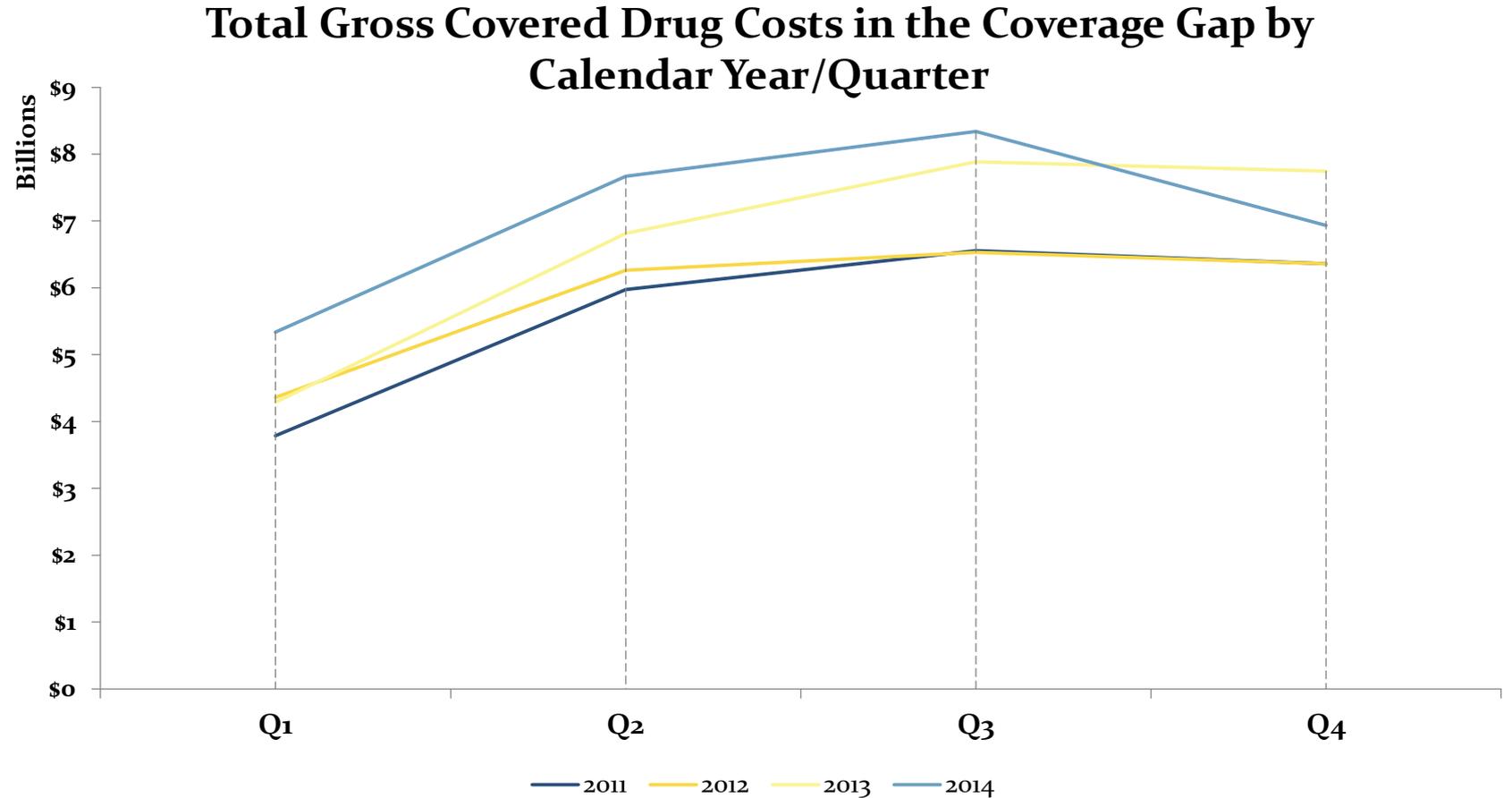
Program Wide CGDP Invoice Summary for Quarter 1 by Calendar Year

Calendar Year/Quarter	Beneficiary Count	PDE Count	Invoice Amount	Percentage Change from Previous Year
201101	74,588	135,541	50,686,974.97	-N/A-
201201	219,634	595,193	183,992,350.29	263%
201301	274,142	622,979	291,358,679.83	58%
201401	405,018	932,157	426,812,040.48	46%

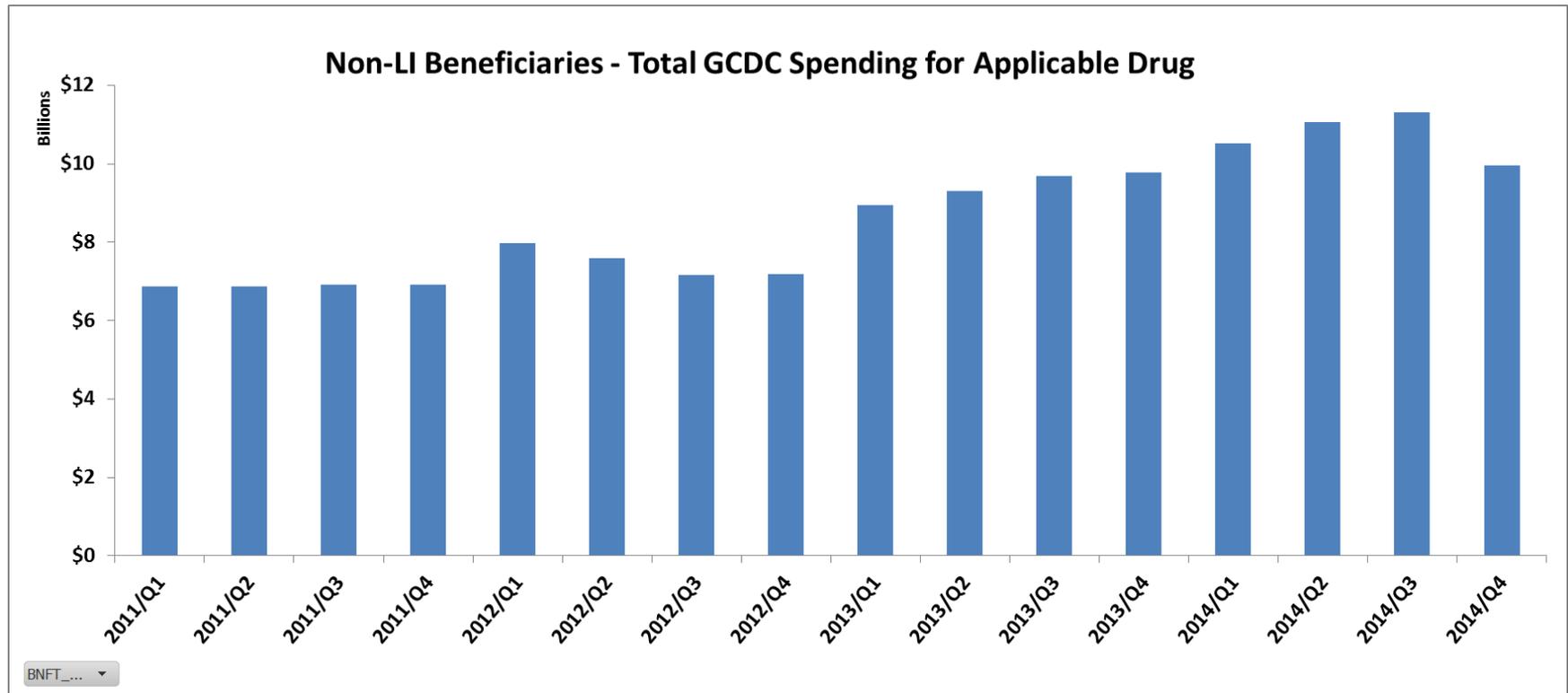
Program Wide CGDP Invoice Summary for Quarter 4 by Calendar Year

Calendar Year/Quarter	Beneficiary Count	PDE Count	Invoice Amount	Percentage Change from Previous Year
201104	3,452,752	19,555,261	\$ 1,556,675,887.27	-N/A-
201204	3,094,442	11,525,730	\$ 1,006,920,456.27	-35%
201304	3,804,081	13,877,188	\$ 1,640,003,787.22	63%
201404	4,431,107	15,416,637	\$ 1,934,958,294.92	18%

Drug Costs in the Coverage Gap by Calendar Year and Quarter



Applicable Beneficiary / Applicable Drugs Coverage Gap Spending by Calendar Year/Quarter



Discussion of Increasing Manufacturer Costs in the Gap as CPP increases

Benefit Year	DSB Plan Example					Percent Change in Manufacture Share
	Patient Pay (Beneficiary Share)		Gap Amount (Manufacturer Share)	CPP Amount (Plan Share)		DSB Plan Example
	Through Gap Phase	Through Cat Phase		Through Gap Phase	Through Cat Phase	
2011	\$ 2,746.25	\$ 2,823.88	\$ 1,803.75	\$ 1,897.50	\$ 3,372.38	n/a
2012	\$ 2,836.25	\$ 2,903.38	\$ 1,863.75	\$ 1,957.50	\$ 3,232.88	3.3%
2013	\$ 2,819.87	\$ 2,878.36	\$ 1,930.13	\$ 2,080.26	\$ 3,191.51	3.6%
2014	\$ 2,701.28	\$ 2,773.91	\$ 1,848.72	\$ 1,997.44	\$ 3,377.37	-4.2%
2015	\$ 2,742.11	\$ 2,798.32	\$ 1,957.89	\$ 2,175.79	\$ 3,243.79	5.9%
2016*	\$ 2,742.11	\$ 2,798.32	\$ 1,957.89	\$ 2,175.79	\$ 3,243.79	0.0%
2017*	\$ 2,633.33	\$ 2,678.67	\$ 2,066.67	\$ 2,393.33	\$ 3,254.67	5.6%
2018*	\$ 2,511.76	\$ 2,544.94	\$ 2,188.24	\$ 2,636.47	\$ 3,266.82	5.9%
2019*	\$ 2,375.00	\$ 2,394.50	\$ 2,325.00	\$ 2,910.00	\$ 3,280.50	6.2%
2020*	\$ 2,220.00	\$ 2,224.00	\$ 2,480.00	\$ 3,220.00	\$ 3,296.00	6.7%

* Assumption: Deductible, ICL, TrOOP and Total OOP thresholds are equal to BY 2015 values

EGWP NPP vs PLRO for CY 2012 and CY 2013

Calendar Year EGWPs	DA Analysis Category	Benefit year 2013		Benefit year 2012	
		Total PDE Count	% of grand total	Total PDE Count	% of grand total
	NPP \diamond 0 and PLRO = 0	98,405,341	55%	81,626,793	77%
	NPP = 0 and PLRO \diamond 0	42,363,001	24%	5,206,304	5%
	NPP \diamond 0 and PLRO \diamond 0	9,455,403	5%	3,720,432	4%
	NPP = 0 and PLRO = 0	28,380,725	16%	15,160,479	14%
Grand Total:		178,604,470		105,714,008	

Non-Calendar Year EGWPs	DA Analysis Category	Benefit year 2013		Benefit year 2012	
		Total PDE Count	% of grand total	Total PDE Count	% of grand total
	NPP \diamond 0 and PLRO = 0	1,056,648	54%	2,520,303	82%
	NPP = 0 and PLRO \diamond 0	511,207	26%	97,560	3%
	NPP \diamond 0 and PLRO \diamond 0	174,946	9%	131,334	4%
	NPP = 0 and PLRO = 0	225,644	11%	339,434	11%
Grand Total:		1,968,445		3,088,631	



Updates to Dispute Reason Codes



Tara Waters
CMS, Division of Payment
Reconciliation

Updates to Dispute Reason Codes

- Effective 2/8/15, the following dispute reason codes are no longer available:
 - Invalid Days' Supply (D05)
 - Early Fill (D08)
 - Date of Service is Prior to 01/01/2011 (D10)
 - Invalid Prescription Service Reference Number (D12)
- Updates are intended to streamline the process, align dispute and appeal codes, and provide manufacturers with dispute reasons most likely to result in meaningful invoice updates.

New CGDP Direct Payment Process

Q & A