

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

Date: March 14, 2008

To: All Part D Plan Sponsors

From: Thomas Hutchinson
Director, Medicare Plan Payment Group

Subject: PDE Edit Changes

In April CMS will make two Prescription Drug Event (PDE) edit changes that affect duplicate editing and Low Income Cost-Sharing Subsidy (LICS) editing when Medicare as Secondary Payer (MSP) applies.

Duplicate Editing: CMS will introduce a new edit to distinguish between a duplicate located within the same file from a duplicate that is already stored in the data warehouse. Our new edit 785-“Duplicate PDE record exists on this file. This PDE is not saved.” will identify duplicates that occur within the same submitter file.

CMS will continue to issue edit 777-“Duplicate PDE record.” Edit 777 will now identify duplicates that occur when the submitted PDE matches a PDE that is saved in our data warehouse. Previously edit 777 described both types of duplicates.

Although CMS edits PDEs for duplicates, CMS instructs plans to submit only one action per PDE per day.

As a reminder, the following fields identify a duplicate. (We no longer use HICN in duplicate logic.)

- Contract Number
- Plan Benefit Package Number
- Date of Service
- Service Provider ID
- Service Provider ID Qualifier
- Prescription Service Reference Number
- Fill Number
- Dispensing Status

LICS Editing: CMS will modify the existing LICS editing of PDEs when Medicare pays secondary. The existing LICS edit numbers (716-721) and messages are unchanged.

The LICS edits determine if the patient liability assessed by the plan exceeds statutory low income limits. Currently we calculate patient liability as the sum of three fields: Patient Pay Amount, Other TrOOP Amount and Patient Liability Reduction Due to Other Payer Amount (PLRO). When MSP applies, the patient liability typically exceeds the statutory low income limit because we instruct plans to report the amount paid by the primary payer in PLRO. The new LICS editing of PDEs will exclude PLRO from the patient liability calculation when MSP applies. Plans indicate that MSP applies by reporting a value of 'M' in the Pricing Exception Code.

Please refer questions about this information to CSSC Operations available by telephone at 1-877-534-2772 or by email at csscoperations@palmettogba.com . Thank you.