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Subject: Question to CMS from NCPDP WG1 Information Reporting Problems TG Re: Negative PLRO
Date: Monday, April 9, 2018 3:54:00 PM
Attachments: [image003.png](#)

Shelly,

The WG1 Information Reporting Problems Task Group submits the following question to CMS. If this is not within your area to respond, please forward to the appropriate individual. Thank you.

In the 2014 Final Call Letter (<https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2014.pdf>), pages 41-42 stated the following:

Comment: Commenters were in support of the option in A3 where sponsors will report negative Patient Liability Reduction due to Other Payer (PLRO) amount in situations in which the other health insurance (OHI) coverage results in increased beneficiary liability. Commenters felt that the PDE should reflect what the beneficiary pays at point of sale. Some commenters were concerned about adopting the policy for low income eligible beneficiaries. Some commenters requested additional PDE information to the example provided. Other commenters requested additional examples to ensure consistent application of the proposed method.

*Response: As a condition of payment, all Part D plans must submit data and information necessary for CMS to carry out payment provisions (§1860D-15(c)(1)(C) and (d)(2) of the Act, and 42 CFR §423.322). Ideally, a PDE based on information available at point of sale (POS) can comply with the reporting requirements necessary for accurate payment. However, in certain cases new information (e.g., PLRO not known at POS) can alter one or more PDE payment fields that subsequently affect reconciled Part D payments. **The PDE should reflect the appropriate incurred costs. Accordingly, we are adopting a policy that plan sponsors should report negative PLRO, where applicable, for all beneficiaries in all plan types. Moreover, while it has been assumed that OHI generally provides benefits in the form of reduced cost sharing, CMS has a policy interest in studying the actual impact. We are aware of certain situations where OHI results in the beneficiary paying higher cost sharing for certain dispensing events. The PDE will allow CMS to evaluate the extent to which secondary payers may be diminishing the value of the Part D benefit.** Additional PDE information has been added to the existing example in this document. CMS will provide additional examples of the adopted policy in forthcoming operational guidance.*

To our knowledge, it does not appear that CMS has issued any further information or examples of this adopted policy in operational guidance for beneficiaries in plan types outside of EGWPs.

There are multiple areas of operations within the Part D Plans who are impacted and have multiple questions and concerns about how to apply negative PLRO for non-EGWP plans. This scenario is specific to when an Nx transaction contains a patient pay amount that is higher than the Medicare Part D Patient Pay due to supplemental coverage.

When might the industry expect to see guidance issued by CMS for handling this scenario?

Terry Fortin

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Scottsdale, AZ
Work Group Meetings | August 1-3, 2018 | Hyatt Regency St. Louis at The Arch | St. Louis, MO
Educational Summit & Work Group Meetings | November 7-9, 2018 | Charlotte, NC

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Work Group Meetings | February 6-8, 2019 | Hyatt Regency San Antonio | San Antonio, TX

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