



Submitted February 15, 2023, electronically at:

[Kate.McEvoy@MedicaidDirectors.org](mailto:Kate.McEvoy@MedicaidDirectors.org)

[Tess.Moore@MedicaidDirectors.org](mailto:Tess.Moore@MedicaidDirectors.org)

Kate McEvoy, Executive Director  
National Association of Medicaid Directors (NAMD)

RE: NCPDP Medicaid Pharmacy Encounter Reporting Standard

Dear Ms. McEvoy,

The National Council for Prescription Drug Programs (NCPDP) is a not-for-profit American National Standards Institute (ANSI) accredited Standards Developer (ASD) consisting of more than 1,500 members representing entities including, but not limited to, claims processors, data management and analysis vendors, federal and state government agencies, insurers, intermediaries, pharmaceutical manufacturers, pharmacies, pharmacy benefit managers, professional services organizations, software and system vendors and other parties interested in electronic standardization within the pharmacy services sector of the healthcare industry. NCPDP provides a forum wherein our diverse membership can develop business solutions, including ANSI-accredited standards and guidance for promoting information exchanges related to medications, supplies and services within the healthcare system.

For over 40 years, NCPDP has been committed to furthering the electronic exchange of information between healthcare stakeholders. The NCPDP Telecommunication Standard is the standard used for eligibility, claims processing, reporting and other functions in the pharmacy services industry as named in Health Insurance Portability and Accountability ACT (HIPAA). The NCPDP SCRIPT Standard and the Formulary and Benefit Standard are the standards in use in electronic prescribing as named in Medicare Modernization ACT (MMA).

NCPDP is writing to inform you of the creation of the NCPDP Medicaid Pharmacy Encounter Reporting Standard. The purpose of this new standard is to create one unified layout that can be used by any state or federal agency for Medicaid pharmacy encounter reporting.

The NCPDP WG9 Medicaid Pharmacy Encounter Reporting Standard Task Group is looking for support in sharing the Medicaid Pharmacy Encounter Reporting Standard with members of NAMD to facilitate the adoption and implementation of this new standard by State Medicaid Agencies (SMAs).

To create and develop this new standard, the NCPDP WG9 Medicaid Pharmacy Encounters Reporting Standard Task Group collaborated with industry stakeholders for more than six years to identify and develop a common standard. Participants of the task group have reviewed and incorporated aspects from multiple state Medicaid pharmacy encounter layouts. This new standard integrates all of the segments and fields SMAs have identified as critical to Medicaid operations.

SMAs typically use the NCPDP Batch Standard, the NCPDP Post Adjudication Standard or their own proprietary formats along with state-specific companion guides to define their special requirements. This results in a lack of standardized data exchange that increases the need for technical support and

maintenance of each combination of format and companion guide to remain current with regulatory requirements and evolving business needs.

We believe the use of the new NCPDP standard for Medicaid pharmacy encounter reporting reduces these financial and technical burdens for SMAs, managed care organizations (MCOs) and their respective vendors. NCPDP is responsible for updating and maintaining the Medicaid Pharmacy Encounter Reporting Standard to be current with industry advancements and the implemented version of the Telecommunication Standard. This ownership reduces the administrative and technical burdens that are individually owned by the SMAs that are not utilizing a common standard. In addition, utilizing a single standard for all states allows for a more efficient and cost-effective transition between pharmacy benefit managers (PBMs) and other supporting vendors for the SMAs and MCOs.

How does the new standard bridge industry gaps for pharmacy encounter reporting?

- Provides an industry forum through NCPDP that enables SMAs, PBMs, payer/processor vendors and other stakeholders the capability to bring forward new use cases, questions and problems for common solutions used by all.
- Leverages industry pharmacy expertise to have clear definitions and explanations of the pharmacy encounter file requirements.
- Ensures accuracy of reporting by mitigating confusion that exists across different SMAs by standardizing financial field definitions, usage, balancing and other field requirements.
- Eliminates the use of multiple file layouts for encounter reporting, creating less dependency on varying state-specific companion guides and providing more reliance on a universal industry standard.

As visionary leaders within the Medicaid industry, NAMD is in a position to advocate for the adoption of this newly developed Medicaid Pharmacy Encounter Reporting Standard. NCPDP is seeking the support of NAMD in sharing and promoting this new standard among SMAs.

If you have questions or concerns or would like additional information about this standard, please contact:

Alaina Clark  
Standards Specialist  
NCPDP  
[standards@ncpdp.org](mailto:standards@ncpdp.org)

Respectfully,



Lee Ann C. Stember  
President & CEO  
National Council for Prescription Drug Programs (NCPDP)