

DEPARTMENT OF HEALTH & HUMAN
SERVICES
Centers for Medicare & Medicaid Services
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**Center for Medicare
Medicare Plan Payment Group**

DATE: July 13, 2015

TO: All Part D Plan Sponsors, including PACE Organizations

FROM: Cheri Rice, Director
Medicare Plan Payment Group

SUBJECT: August 2015 Updates to the Drug Data Processing System

The Centers for Medicare & Medicaid Services (CMS) is announcing upcoming changes to the Drug Data Processing System (DDPS). The implementation date for these changes is August 9, 2015.

Prior to the implementation of these changes, CMS will post an updated PDE Edit Code Listing spreadsheet to the Customer Service and Support Center (CSSC) Operations website at <http://www.csscooperations.com>. Please submit questions regarding these updates to PDEJan2011@cms.hhs.gov.

Elimination of Edit Codes

CMS performed a review of the edit codes in DDPS and found that some edits are no longer necessary and therefore, CMS is retiring a few edit codes.

Edit code 663 (Value of Dispensing Status on adjustment record and the record adjusted must be the same):

- Edit code 663 always fires with reject edit code 660 (The Adjustment/Deletion PDE does not match the existing PDE record). Given that the Dispensing Status is in the logic for edit code 660, there is no need to have edit code 663.

Edit code 694 (The sum of Ingredient Cost, Dispensing Fee, and Vaccine Administration Fee must be \geq zero):

- Edit code 694 no longer fires due to system changes implemented to allow PDEs for \$0 drugs. The logic in PDE editing for edit code 694 is never executed because earlier logic in DDPS already looks for the individual cost components of the ingredient cost (edit

code 630), dispensing fee (edit code 631), and the vaccine administration fee (edit code 647) to be greater than or equal to zero.

Edit code 780 (Service Provider ID Qualifier must be '01' - NPI or '07' - NCPDP on standard claim):

- Edit code 780 no longer fires. Instead, plans receive edit code 614 (Service Provider ID Qualifier must be '01' - NPI or '07' - NCPDP on standard claim). Edit code 780 is duplicative of edit code 614 and therefore no longer needed.

Edit 779 (Submitting Plan cannot report NPP for Covered Part D Drug) for PACE Plans:

- Edit 779 always fires with Edit 805 (When Drug Coverage Status Code = 'C' the Non-covered Plan Paid Amount must equal zero in PDEs submitted by PACE Programs). CMS has determined that there is no benefit to having both edits in place for PACE plans. Instead of issuing both edit codes to PACE plans, only edit code 805 will apply. Edit code 779 will still apply to non-PACE plans.

Edit codes 835, 836, and 837: Coordination of Benefit (COB) PDEs will no longer bypass these edits.

In February 2013, Pharmacy Service Type, Patient Residence, and Submission Clarification Code fields were added to the Prescription Drug Event (PDE) record. As part of this implementation, edit code 835 (Invalid Pharmacy Service Type Code), edit code 836 (Invalid Patient Residence Code), and edit code 837 (Invalid Submission Clarification Code) were implemented. However, these fields were bypassed for editing of Coordination of Benefits (COB) claims.

Beginning on 8/9/15, for DOS on or after 2/28/13, PDEs for COB claims will no longer bypass editing for these fields and must meet the following requirements for valid values to be accepted:

- Pharmacy Service Type field on COB PDEs: CMS shall only accept valid values (01, 02, 03, 04, 05, 06, 07, 08, or 99) or spaces.
- Patient Residence field on COB PDEs: CMS shall only accept valid values (00, 01, 03, 04, 06, 09, or 11) or spaces.
- Submission Clarification Code field on COB PDEs: CMS shall only accept valid values (16, or 21 through 36) or spaces.

New Edit code 697

This edit will ensure that PDEs having a negative Patient Liability Due to Other Payer Amount (PLRO) and a Low Income Cost Sharing Subsidy Amount (LICS) greater than zero are rejected. Edit 697 will apply to standard and non-standard PDEs. When triggered, the PDE will reject

with the following verbiage, “The negative amount in Patient Liability Reduction due to Other Payers must be used to reduce/offset the Low Income Cost-sharing Subsidy Amount.”