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Centers for Medicare & Medicaid Services  
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## MEDICARE DRUG BENEFIT AND C & D DATA GROUP

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TO: All Part D Sponsors

FROM: Amy K. Larrick, Acting Director, Medicare Drug Benefit and C & D Data Group

SUBJECT: Quality Assurance Checks for 2016 Data Submitted for Posting on the Medicare Plan Finder Tool - Updates

DATE: November 25, 2015

On May 27, 2015, CMS released a memo to Part D sponsors from Jon Booth, Director, Web and New Media Group, that provided the updated (CY) 2016 guidance and schedule for the submission of pricing and pharmacy data for posting on the Medicare Plan Finder (MPF). Part D sponsors are expected to perform their own quality assurance (QA) checks before submitting the files to CMS to ensure that these files are complete and accurate. Medicare beneficiaries depend on the display of accurate data on the MPF.

CMS subsequently released a memo to all Part D sponsors on June 19, 2015, entitled "Quality Assurance Checks for 2016 Data Submitted for Posting on the Medicare Plan Finder Tool." This memo highlighted key information for plan sponsors regarding the QA analysis process and provided an updated listing of the targeted QA checks that CMS will perform on the CY 2016 files. CMS will perform three additional targeted QA checks on the CY 2016 files, as described in this updated memo.

### *Three New Targeted QA Checks for CY 2016*

1. CMS will check the bi-weekly submitted pricing files against the organization's approved Plan Benefit Package (PBP). If CMS finds that the PBP offers a particular benefit that is not reflected in the pricing files, the data will be marked as outliers, and an e-mail will be generated. At this time, this error will not be suppressible, but may lead to compliance action(s).
2. CMS will set low and high thresholds for the proportion of preferred pharmacies submitted in the bi-weekly pricing and pharmacy files. This will only apply to organizations whose uploaded PBP indicates that preferred cost sharing pharmacies are available to beneficiaries. All other preferred pharmacy checks will continue to be performed. If the proportion of preferred cost sharing pharmacies in the submitted data is below the low threshold or exceeds the high threshold, the data will be marked as outliers, and an e-mail will be generated. Sponsors will have a chance to confirm the data are correct or submit corrected data. If the data cannot be verified, this will lead to suppression.

3. CMS will check the bi-weekly submitted pharmacy cost files for discrepancies between the pharmacy type and the pharmacy preferred status fields. If a pharmacy is submitted as mail order only but also has a retail preferred status, or vice versa, the data will be marked as outliers, and an e-mail will be generated. Sponsors will have a chance to submit corrected data. If the data cannot be corrected, this will lead to suppression.

*Updates for Part D Sponsors on the QA Analysis Process for CY 2016, as stated in the June 19, 2015 memo*

- All known exceptions that have been granted for the 2015 pricing and pharmacy data will be removed for the 2016 QA analyses. If a Part D sponsor receives an outlier notification for their 2016 pricing and pharmacy data which was previously a known exception in 2015, that sponsor must re-confirm that the data continue to be accurate. Part D sponsors who do not confirm these data may have their pricing data suppressed on the MPF.
- CMS will continue to require Part D Sponsors to submit MPF files during each regular submission window. Sponsors will not be able to auto-certify the pharmacy cost file (PC), pricing file (PF), or ceiling price file (CP) for the CY2016 MPF.
- Starting CY 2016, for MPF display, plan sponsors are required to only submit data for pharmacies that are contracted as network retail or network mail order pharmacies. Sponsors are also required to submit data for pharmacies contracted as both network retail or network mail order pharmacies and contracted as network long-term care (LTC), home infusion (HI), or other non-retail or non-mail order type pharmacies. Sponsors must not submit data for MPF for non-retail and non-mail order pharmacies (such as LTC only or HI only pharmacies). If plan sponsors submit data for pharmacies that are not contracted retail or mail order network pharmacies, their pricing data will be suppressed on the MPF, until corrected data can be displayed.
- Also for CY 2016, CMS will check to ensure that only Formulary Reference File (FRF) NDCs are submitted in the pricing submissions, as specified in the MPF guidance. At this time, submission of non-FRF NDCs will not result in suppression, but sustained non-compliance to CMS guidance may lead to compliance actions. A QA check will be added in CY 2016 and notifications will be sent.

#### *QA Analysis Checks for CY 2016*

The three attachments below outline the CY 2016 QA checks. Attachment A describes the checks that are performed on the pricing and pharmacy files required for submission. Attachment B provides technical specifications for these checks where applicable. The QA analysis process is monitored throughout the year and checks will be updated as necessary. Attachment C lists the data errors that will result in suppression, if data are incorrect and/or cannot be validated.

The data checks discussed in this memo are not statements of the levels of permissible error for Part D program compliance purposes. The QA checks are a tool CMS uses to identify potential

inaccuracies prior to display on the MPF among the submissions made every two weeks by hundreds of Part D sponsors. The data checks do not necessarily identify inaccurate MPF files; rather, they prompt CMS to contact a sponsor for clarification of the accuracy of its submission.

MPF submissions must be complete and accurate in all respects, and sponsors are solely accountable for any errors in their MPF data, regardless of how they come to CMS' attention. Because of the critical role the MPF plays in providing beneficiaries with reliable information about their drug plan options, CMS will suppress the display of a sponsor's plan information when the sponsor cannot confirm the accuracy of its data or does not respond to CMS' inquiry. Also, sponsors may be subject to Part D program compliance and enforcement actions as a result of MPF suppressions or inaccurate data submissions.

If you have questions regarding this memo, emails should be directed to [PlanFinderQA@cms.hhs.gov](mailto:PlanFinderQA@cms.hhs.gov).

## Attachment A

### QA Checks

#### 1. Pharmacy Cost File (PC)

- a. Change in PC Network Size – Determine if the retail pharmacy network size had a 10% or greater change compared to the last submission. This check is conducted for all pharmacies and for in-area pharmacies.
- b. High Dispensing Fees – Evaluate if the file contains dispensing fees greater than \$100.
- c. Invalid Pharmacy Number Format –
  - i. Evaluate pharmacy numbers to ensure they are formatted correctly. The pharmacy number should be 12 digits (10 digit National Provider Identifier (NPI) with a leading one and zero).
  - ii. Check to see if the PC file contains National Council for Prescription Drug Programs (NCPDP) numbers.
- d. Inconsistent Duplicate PC Record – Check for duplicate price file IDs listed for one pharmacy in one plan. This check will also report duplicate PC records that have any different PC information (e.g., dispensing fee, preferred status, or mail/retail status) for a given plan and pharmacy.
- e. Missing Data File – Determine if a PC file has not been submitted.
- f. Missing PC Information – Verify that a plan has active pharmacies.
- g. No Mail Order Pharmacies in the PC file– Check if organization's uploaded Plan Benefit Package (PBP) indicates that there are mail order pharmacies when none are marked mail order in PC file.
- h. No Preferred Pharmacies (Retail) – Check if organization's uploaded PBP indicates that there are preferred retail pharmacies when none are marked preferred in PC file.
- i. Exclusion of Non-Preferred (Other) Network Pharmacies (Retail) - Check if a plan's network has preferred retail network pharmacies, then there must also be non-preferred (other) retail network pharmacies.
- j. Inclusion of Preferred Pharmacies (Retail) – Check if organization's uploaded PBP indicates that there are only other network retail pharmacies but PC file indicates preferred retail pharmacies.
- k. Pharmacies Marked As Neither Retail Nor Mail Order – Evaluate if a pharmacy is identified as neither contracted network retail nor a mail order pharmacy.
- l. Vaccine Administration Fee Outlier – Identify any vaccine administration fee field that is populated with a zero or is left blank.
- m. Mail Order pricing not indicated in PBP – Check if a PC file contains mail order pharmacies when uploaded PBP does not indicate so.
- n. Floor Price Amount – Check if the PC file contains a floor price that exceeds CMS' floor price threshold (\$10). This threshold has been determined by analyzing the distribution of floor prices submitted. CMS will periodically review the threshold, and adjust as necessary.
- o. Floor Price/Dispensing Fee - Check if the PC file contains a floor price where the floor price is less than the dispensing fee.
- p. Invalid Plan ID – Check the PC file to see if data for invalid plan IDs has been submitted.
- q. Invalid Segment ID - Check the PC file to see if data for invalid segment IDs has been submitted.

- r. High/Low Proportion of Preferred Pharmacies – Check if the proportion of preferred cost sharing pharmacies in the submitted data is below the low threshold or exceeds the high threshold.
- s. Inconsistent Preferred Flag- Check if the PC file contains one or more pharmacies where the submitted pharmacy type and preferred pharmacy status do not match.

## 2. Pricing File (PF)

- a. High Unit Cost – Identify National Drug Code (NDC) unit costs that are priced at 5 times greater than highest default price and 5 times greater than the median price for that NDC.
- b. Low Unit Cost – Identify NDC unit costs that are priced at 10 times less than lowest default price and 10 times less than the median price for that NDC.
- c. Missing Data File – Determine if a PF has not been submitted.
- d. No Active PF – Identify price IDs submitted in the PC file that are missing from the PF.
- e. PC and PF Mismatch – Identify PF IDs that are expected but have not been submitted. The expected PF IDs are extrapolated from the PC file. If \$0.000 is submitted for all drugs in a PF ID, that PF ID will be identified as not having been submitted.
- f. PF Unit Cost Discrepancy – Determine if the unit cost field is missing in the PF.
- g. Potential Brand Priced at Generic – Check products where the brand price is less than or equal to the generic price (the QA will flag contracts where this potential issue occurs with 20 or more NDCs).
- h. PF with duplicate NDC records (different unit costs) – Determine if the PF contains duplicate NDC records with different unit costs.
- i. Non FRF NDC(s) submitted – Determine if the NDC submitted is the Medicare Part D FRF NDC.
- j. PF PBP Discrepancy- PBP offers a particular benefit that is not reflected in the PF

## 3. Ceiling Price File (CP)

- a. Ceiling Price - High/Low Quantity – Identify NDCs with ceiling quantities at least 5 times higher or lower than the median for the NDC.
- b. Ceiling Price - PF/CP Mismatch, Missing CP – Determine if the ceiling cost field in the PF indicates ceiling pricing is being used, however ceiling pricing was not submitted.
- c. Ceiling Price - PF/CP Mismatch, CP Submitted – Determine if the ceiling cost field in the PF indicates ceiling pricing is not being used, however ceiling pricing was submitted.
- d. Ceiling Price - Below Dispensing Fees – Identify ceiling prices that are lower than the maximum dispensing fee for the price ID.
- e. Ceiling Price - Below Floor Price – Identify ceiling prices are lower than the floor price for the respective pharmacies.

## 4. Pricing File (PF) and Formulary File (FF)

- a. PF/FF Mismatch – Determine if the PF is missing pricing for reference NDCs found in the last approved FF.

## 5. Pricing File (PF) and Excluded Drug File (EDF)

- a. PF/EDF Mismatch – Determine if the PF is missing pricing for NDCs identified in the submitted EDF.

Attachment B  
Technical Specifications

1. Pharmacy Cost (PC) File

- a. High Dispensing Fees  
BRAND\_DISPENSING\_FEE\_30>100 or BRAND\_DISPENSING\_FEE\_60>100 or  
BRAND\_DISPENSING\_FEE\_90>100 or GENERIC\_DISPENSING\_FEE\_30>100 or  
GENERIC\_DISPENSING\_FEE\_60>100 or GENERIC\_DISPENSING\_FEE\_90>100
- b. Change in PC Network Size (in-area retail pharmacies)

$$\left| \frac{P_2 - P_1}{P_1} \right| > 0.10$$

where

P<sub>2</sub> is the total number of in-area retail pharmacies in the current submission

P<sub>1</sub> is the total number of in-area retail pharmacies in the prior submission

- c. Change in PC Network Size (all retail pharmacies)

$$\left| \frac{P_2 - P_1}{P_1} \right| > 0.10$$

where

P<sub>2</sub> is the total number of retail pharmacies in the current submission

P<sub>1</sub> is the total number of retail pharmacies in the prior submission

- d. Pharmacies Marked as Neither Retail Nor Mail Order  
PHARMACY\_RETAIL = 0 AND PHARMACY\_MAIL = 0
- e. Vaccine Administration Fee Outlier  
VACCINE\_ADMINISTRATION\_FEE = 0 or missing

2. Pricing File (PF)

- a. High Unit Cost
  - UNIT\_COST>5\*default\_MAX and (UNIT\_COST / UNIT\_COST\_MEDIAN > 5)
- b. Low Unit Cost
  - UNIT\_COST<1/10\*default\_MIN and (UNIT\_COST / UNIT\_COST\_MEDIAN < 1/10)

## Attachment C Suppressible Errors

<b>File</b>	<b>Type of Error</b>	<b>Description</b>
CP	Ceiling Price - Below Dispensing Fees	The CP file contains a ceiling price that is lower than the maximum dispensing fee for the price ID.
CP	Ceiling Price - Below Floor Price	The CP file contains a ceiling price that is lower than the floor price for the respective pharmacies.
CP	Ceiling Price - High/Low Quantity	The CP file contains one or more NDCs with ceiling quantities 5 times greater or lower than the median for the NDC.
CP	Ceiling Price - PF/CP Mismatch, CP Submitted	The ceiling cost field in the PF indicates ceiling pricing is not being used, however ceiling pricing was submitted.
PC	Change in PC network size	The PC file has had at least a 10% change in the PC network size.
PC	Exclusion of Non-Preferred (Other) Network Pharmacies (Retail)	The PC file does not contain non-preferred (other) network retail pharmacies. The organization's uploaded PBP indicates that there are preferred and non-preferred (other) network retail pharmacies.
PC	Floor Price Amount	The PC file contains a floor price that exceeds CMS' floor price threshold (\$10). This threshold has been determined by analyzing the distribution of floor prices submitted. CMS will periodically review the threshold, and adjust as necessary.
PC	Floor Price/Dispensing Fee	The PC file contains a floor price where the floor price is less than the dispensing fee.
PC	High dispensing fees	The PC file contains dispensing fees greater than \$100.
PF	High unit cost	The PF contains one or more NDCs priced at 5 times greater than the highest default price and 5 times more than the median for one or more price IDs.
PC	Inconsistent Duplicate PC Record	The PC file contains a pharmacy for a given plan submitted more than once with inconsistent information.
PF	Low unit cost	The PF contains one or more NDC(s) priced at 10 times less than lowest default price and 10 times less than the median for one or more price IDs.
PC & PF	Missing Data Files	The required PC or PF Plan Finder files were not submitted.
PC	Missing PC Information	The PC file is missing data for the plan(s) identified.
PF	No Active PF	The PF is missing data for one or more price IDs found in the PC file.
PC	Pharmacies Marked As Neither Retail Nor Mail Order	The PC file contains pharmacies that are not identified as contracted network retail or mail order pharmacies.
PC	No Mail Order Pharmacies in the PC File	The PC file does not contain mail order pharmacies. The organization's uploaded PBP identifies that the plan will be offering mail order.
PC	No Preferred Pharmacies (Retail)	The PC file does not contain preferred retail pharmacies. The organization's uploaded PBP indicates that the plan has preferred retail pharmacies.
PC & PF	PC and PF mismatch	The PC file submitted contains PF IDs that have not been included in the submitted PF. Where \$0.000 has been submitted for every drug in a PF ID, that PF ID will be considered as not having been submitted.
PF	Potential brand priced at generic	The PF contains Generic Sequence Numbers (GSNs) with brands priced at or below generic for one or more price IDs.
PC	Zero or Blank Vaccine Administration Fees	The PC file contains a vaccine administration fee outlier. The PC file's vaccine administration fee field is populated with a zero or is left blank. The Vaccine_Administration_Fee should be the same for each pharmacy within a given price ID.
PC	High/Low Proportion of Preferred Pharmacies	The proportion of preferred cost sharing pharmacies in the submitted data is below the low threshold or exceeds the high threshold.

PC	Inconsistent Preferred Flag	The PC file contains one or more pharmacies where the submitted pharmacy type and preferred pharmacy status do not match.
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PC = Pharmacy cost; PF = Pricing file;  
CP=Ceiling Price