



**Center for Medicare  
Medicare Plan Payment Group**

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DATE: July 07, 2017

TO: All Part D Plan Sponsors

FROM: Jennifer Harlow, Deputy Director  
Medicare Plan Payment Group

SUBJECT: Second reopening of the 2011 Final Part D Payment Reconciliation

A second reopening of the 2011 Final Part D payment reconciliation was completed to remove an adjustment input file used in the initial reopening of the 2011 Final Part D payment reconciliation<sup>1</sup>. This subsequent reopening does not use an adjustment input file and will, therefore, only impact contracts with plans that had non-zero detail record adjustment amounts on their Inputs Report to Plans<sup>2</sup> in the initial reopening of the 2011 Final Part D payment reconciliation. The adjustment input file used in the initial reopening inflated reconciliation input variable values for Total Actual Low-Income Cost-Sharing Subsidy Amount, Total Gross Drug Cost Below Out of Pocket Threshold Amount, Total Gross Drug Cost Above Out of Pocket Threshold Amount, and Total Covered Part D Plan Paid Amount. For the amounts that will be removed from this reopening, refer to the adjustment detail record on the Inputs Report to Plans received in the initial reopening. All files used in the initial reopening of the 2011 Final Part D payment reconciliation, with the exception of the adjustment input file, were used in this second reopening.

The calculations for the second reopening of the 2011 Final Part D payment reconciliation were performed in accordance with § 1860D-14 and § 1860D-15 of the Social Security Act and associated regulations and guidance. The reconciliation calculations utilize the following:

- all accepted Prescription Drug Event (PDE) data for benefit year 2011 with a processed date, found on the Prescription Drug Front-end System (PDFS) response report, on or before 20160930 Cycle 3;
- all prospective payments made for Part D net of all adjustments processed through the December 2016 payment; and
- Direct and Indirect Remuneration (DIR) information received in the Health Plan Management System (HPMS) by September 15, 2016.

The second reopening includes the Part D Exclusion from Reconciliation Report<sup>3</sup> received at the

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<sup>1</sup> For information on the initial reopening of the 2011 Final Part D payment reconciliation see the HPMS memorandum, *Reopening of the 2011 Final Part D Payment Reconciliation*, December 13, 2016.

<sup>2</sup> For more information on the Inputs Report to Plans, see the HPMS memorandum, *Payment Reconciliation System (PRS) Part D Payment Reconciliation Reports Updates*, June 23, 2017.

<sup>3</sup> The Part D Exclusion from Reconciliation Report was described in the January 6, 2014 HPMS memorandum, *Reconciliation PDE Exclusion Process* and the April 16, 2014 HPMS memorandum, *Updates to the Reconciliation PDE Exclusion Process*.

time of the 2011 reopening. The report identified PDEs that were excluded from the reopening of the 2011 Part D payment reconciliation.

Payment adjustments to remit and recover these calculated reconciliation amounts are planned for the August 2017 payment.

The payment reconciliation reports for reopening will be available in your reconciliation mailboxes at the Customer Service and Support Center (CSSC) on July 13, 2017. If you cannot access these reports, please contact CSSC at 877-534-2772. Upon review of the 2011 reopening results, if a sponsor feels that there is new information for CMS to consider, then a sponsor can submit a reopening request.

### *Reopening Process*

CMS may reopen final payment determinations. Part D sponsors can submit requests for reopening, as instructed in the December 29, 2015 HPMS memorandum, *Revised Reopening Request Process and Notification of Overpayment Related to PDE and DIR Data*. See also the June 1, 2017, HPMS memorandum, *Updates to the Reopening Request Spreadsheet*.

Any questions regarding the reopening process can be sent to the Reconciliation Support Contractor, Pacific Consulting Group (PCG), at [PartDPaymentSupport@acumenllc.com](mailto:PartDPaymentSupport@acumenllc.com).

### *Appeals Process*

Appeals are filed when a plan sponsor does not believe that CMS applied its stated payment methodology correctly. Refer to the reopenings and appeals guidance, which was released through HPMS on May 8, 2008, for additional information on the process for filing an appeal.<sup>4</sup> If you wish to appeal, your request must be filed and received by July 28, 2017.

Requests for appeal should be addressed to Jennifer Harlow and emailed to the Reconciliation Support Contractor at [PartDPaymentSupport@acumenllc.com](mailto:PartDPaymentSupport@acumenllc.com).

If you intend to mail your appeal, submit the appeal to the Reconciliation Support Contractor at the following address:

Pacific Consulting Group  
Attn: Part D Payment Support  
643 Bair Island Road, Suite 212  
Redwood City, CA 94063

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<sup>4</sup> Note that the reopening process described in the May 8, 2008 HPMS memorandum, *The Part D Reopenings Process and the Part D Appeals Process*, has been updated by the December 29, 2015 and June 1, 2017 HPMS memoranda. However, the appeals process described in the May 8<sup>th</sup> memorandum is still current and should be followed to file an appeal.