

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



**CENTER FOR MEDICARE
MEDICARE PLAN PAYMENT GROUP**

DATE: August 7, 2017

TO: All Medicare Advantage, Prescription Drug Plan, Cost, PACE, and Demonstration Organizations

FROM: Jennifer Harlow, Deputy Director
Medicare Plan Payment Group

SUBJECT: August 2017 Updates to the Drug Data Processing System (“DDPS”) and the Payment Reconciliation System (“PRS”)

Changes to Edit Code 712

Effective August 13, 2017, the Centers for Medicare & Medicaid Services (CMS) will modify the system logic for informational edit code 712. All Plan-2-Plan Phase II PDEs submitted on or after August 13th, 2017 with a DOS 2017 and forward will be impacted by the new system logic since P2P processing is complete for all previous benefit years. Currently, edit code 712, “Submitting Contract was not prior Contract of Record for this P2P period” is bypassed when informational edit code 714, “The DOS is greater than the date of death (DOD), but is within the 32 day allowable margin” is invoked. CMS will update its system editing logic to bypass edit code 712 when reject edit code 704, “The DOS cannot be greater than the date of death (DOD) + 32 days” is invoked. The update will also ensure that edit code 712 is no longer bypassed when edit code 714 is invoked. Therefore, if a PDE receives edit code 714 and is a P2P PDE, the PDE may also receive edit code 712 and the submitting contract will be informed to check their records and determine if they need to update their enrollment information for the beneficiary.

Changes to PDE Potential Exclusion Warning Reports and PDE Exclusion Reports

Effective August 13, 2017, CMS will modify the PDE Potential Exclusion Warning Report and PDE Exclusion Report processes. Terminated contracts that have received their Final Settlements from CMS will no longer receive PDE Potential Exclusion Warning Reports or PDE Exclusion Reports for reopened reconciliations. Additionally, CMS has updated system functionality to exclude specified PDEs for one-time ad hoc situations that would require individual PDE records to be excluded from PDE reconciliations.

Please submit questions regarding these updates to PDEJan2011@cms.hhs.gov.