



MEDICARE DRUG BENEFIT AND C & D DATA GROUP

TO: All Part D Sponsors

FROM: Amy Larrick Chavez-Valdez, Director, Medicare Drug Benefit and C & D Data Group

SUBJECT: Quality Assurance Checks for 2018 Data Submitted for Posting on the Medicare Plan Finder Tool

DATE: July 7, 2017

On May 5, 2017, CMS released a memo to Part D sponsors from Jon Booth, Director, Web and New Media Group, that provided the updated contract year (CY) 2018 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. This memo highlights key information for plan sponsors regarding the QA analysis process and provides an updated listing of the targeted QA checks that CMS will perform on the CY 2018 files.

Updates for Part D Sponsors on the QA Analysis Process for CY 2018

- All known exceptions that have been granted for the 2017 pricing and pharmacy data will be removed for the 2018 QA analyses. If a Part D sponsor receives an outlier notification for its 2017 pricing and pharmacy data which was previously a known exception in 2017, the sponsor must re-confirm that the data continue to be accurate. Part D sponsors that 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 CY 2018 MPF.
- For CY 2018, CMS added a QA check to monitor if plan sponsors are submitting NDCs with \$0 unit costs in the PF. Specifically, this check is intended to make sure sponsors are aware that drugs submitted with \$0 unit costs will display the default price for these drugs within the price ID per the 2018 Pricing Data Guidelines.

QA Analysis Checks for CY 2018

The three attachments in this memo outline the CY 2018 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. In addition, 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.

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 the CMS threshold.
 - 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 the 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 the PC file.
 - i. No Preferred Pharmacies (Mail) – Check if organization's uploaded PBP indicates that there are preferred mail pharmacies when none are marked preferred in the PC file.
 - j. Exclusion of Non-Preferred (Other) Network Pharmacies (Retail) - Check if a plan's network has preferred retail network pharmacies, then there also must be non-preferred (other) retail network pharmacies.
 - k. Exclusion of Non-Preferred (Other) Network Pharmacies (Mail) - Check if a plan's network has preferred mail network pharmacies, then there also must be non-preferred (other) mail network pharmacies.
 - l. Inclusion of Preferred Pharmacies (Retail) – Check if organization's uploaded PBP indicates that there are only other network retail pharmacies but the PC file indicates preferred retail pharmacies.
 - m. Inclusion of All Preferred Pharmacies (Mail) – Check if organization's uploaded PBP indicates that there are only other network mail pharmacies but the PC file indicates only preferred mail pharmacies.
 - n. Inclusion of Some Preferred Pharmacies (Mail) – Check if organization's uploaded PBP indicates that there are only other network mail pharmacies but the PC file indicates a mix of preferred and non-preferred mail pharmacies.
 - o. Pharmacies Marked As Neither Retail Nor Mail Order – Evaluate if a pharmacy is identified as neither contracted network retail nor a mail order pharmacy.
 - p. Vaccine Administration Fee Outlier – Identify any vaccine administration fee field that is populated with a zero or is left blank.

- q. Mail Order pricing not indicated in PBP – Check if the PC file contains mail order pharmacies when the uploaded PBP does not indicate so.
- r. 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.
- s. Floor Price/Dispensing Fee - Check if the PC file contains a floor price where the floor price is less than the dispensing fee.
- t. Invalid Plan ID – Check the PC file to see if data for invalid plan IDs has been submitted.
- u. Invalid Segment ID - Check the PC file to see if data for invalid segment IDs has been submitted.
- v. High/Low Proportion of Preferred Pharmacies – Check the PC file to see if the proportion of Preferred Pharmacies is low or high based on a set threshold.
- w. 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 – Determine if the plan’s PF file contains at least one NDC priced for all of the benefits in an organization’s uploaded PBP.
- k. Submitted Zero Dollar Unit Cost – Determine if a plan’s PF File contains a NDC with a \$0 unit cost.

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 that 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 that 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 that 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

At least 5 pharmacies with a dispensing fee of \$10 or higher, or at least 1 pharmacy with a dispensing fee of \$20 or higher.

b. Change in PC Network Size (in-area retail pharmacies)

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

where

P_2 is the total number of in-area retail pharmacies in the current submission

P_1 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_2 is the total number of retail pharmacies in the current submission P_1

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

f. Floor Price Amount

FLOOR_PRICE \geq \$10

g. High/Low Proportion of Preferred Pharmacies

If a plan's network has preferred pharmacies, the proportion of pharmacies that are preferred must be below CMS' high threshold and above CMS' low threshold.

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)

c. Submitted Zero Dollar Unit Cost

UNIT_COST = 0

Attachment C Suppressible Errors

File	Type of Error	Description
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 the CMS threshold.
PC	High/Low Proportion of Preferred Pharmacies	The PC file is a high/low outlier for the proportion of preferred pharmacies submitted
PC	Inclusion of All Preferred Pharmacies (Mail)	The PC file contains only preferred mail pharmacies. The organization's uploaded PBP indicates that the plan doesn't have preferred mail pharmacies.
PC	Inconsistent Duplicate PC Record	The PC file contains a pharmacy for a given plan submitted more than once with inconsistent information.
PC	Inconsistent Preferred Flag	The PC file contains one or more pharmacies where the submitted pharmacy type and preferred pharmacy status do not match.
PC	Missing PC Information	The PC file is missing data for the plan(s) identified.
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 (Mail)	The PC file does not contain preferred mail pharmacies. The organization's uploaded PBP indicates that the plan has preferred mail pharmacies.
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	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	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 & PF	Missing Data Files	The required PC or PF Plan Finder files were not submitted.
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	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.
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.
PF	No Active PF	The PF is missing data for one or more price IDs found in the PC file.
PF	PF PBP Discrepancy	The PF Plan Finder files does not contain pricing for benefits described in the organization's uploaded PBP. The organization's uploaded PBP indicates that they offer benefits that are not reflected by at least one NDC in the most recent submission.

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.
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