

# Long-Term Care (LTC) Rebate Reporting Guide for Medicare Part D

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## Introduction (Purpose)

NCPDP is concerned that there is no standardized methodology for long-term care (LTC) pharmacies to accurately and precisely report LTC pharmacy rebates under Part D requirements. Therefore, this guideline document presents suggested options for LTC pharmacies to use in reporting rebates to Part D sponsors or PBMs representing Part D sponsors, and identifies inherent limitations in both the scope and the use of the data. This NCPDP *LTC Rebate Reporting Guide* is intended to provide practical guidance only for LTC pharmacy providers on reporting rebates received for Part D drugs as required by CMS.

## Background

“As described in the CMS 2007 Call Letters, Part D Contracts must require disclosure of access/performance rebates or other price concessions received by their long-term care (LTC) network pharmacies designed to or likely to influence or impact utilization of Part D drugs. The term “access/performance rebates” refers to rebates manufacturers provide to pharmacies that are designed to prefer, protect, or maintain that manufacturer’s product selection by the pharmacy or to increase the volume of that manufacturer’s products that are dispensed by the pharmacy under its formulary (referred to as “moving market share”). As evidence that they are managing and monitoring drug utilization, Part D Contracts must report these data to CMS for oversight. CMS recognizes the importance of maintaining confidentiality of these records.”

According to CMS, “Access/performance rebates received and reported by pharmacies will be reported at either the CMS Part D Sponsor or Contract level. Data should include rebates received for all Part D drugs, not limited to formulary/covered drugs. Rebate information should be summarized for each drug, rolled up to include multiple strengths, package sizes, dosage formulations, or combinations. The quarterly reported totals are not cumulative YTD totals”

As required by CMS, Part D Sponsors/Contracts will provide an Excel file (filename=REBATES\_LTC PHARMACIES\_(CONTRACTNAME)\_(2007Q#).XLS, replacing ‘(CONTRACTNAME)’ with the Part D Sponsor’s name and ‘(2007Q#)’ with the year and quarter number) containing the following fields.

1. LTC Pharmacy Name: Provide the name of the LTC pharmacy for which the listed rebates apply.
2. LTC Pharmacy NCPDP Number: Indicate the contracted LTC pharmacy NCPDP number for which the listed rebates apply. This should be a text field.
3. NPI Number: Indicate the contracted LTC pharmacy NPI (National Provider Identifier) number for which the listed rebates apply. This should be a text field.
4. NDC. Provide the 11-digit NDC associated with this rebate
5. Manufacturer name: Provide the contracting manufacturer name. This should be a character field.
6. Drug name: Provide the drug name. This should be a character field.
7. Rebate \$ per unit received: Provide the contractual per unit rebates received during the reporting period (cash basis) associated with the listed rebate.
8. Technical notes: Provide any technical notes regarding the LTC pharmacy rebate calculations.

NOTE: Fields utilized in the reporting guidance may not mirror field naming conventions & definitions defined within the NCPDP standards. Users receiving or utilizing electronic data sources based upon NCPDP standards may be required to do field conversions to meet the reporting guidance. As example NCPDP # and NPI # may be referenced in NCPDP standard Service Provider ID, which is a numeric field. IT systems may not store leading zeroes used in some NCPDP & NPI numbers. CMS reporting requirements and this NCPDP reporting guidance document has defined NCPDP # and NPI # as character (Text), leading zeroes may need to be padded in order to display correctly in the Excel worksheet.

Name	LTC Pharmacy Name	LTC Pharmacy NCPDP Number	LTC Pharmacy NPI Number	NDC	Manufacturer name	Drug Name	Rebate \$ per unit	Technical notes
Type	Text (CHAR)	Text (CHAR)	Text (CHAR)	Text (CHAR)	Text (CHAR)	Text (CHAR)	Numeric (NUM)	Text (CHAR)
Required/Optional	Required	Required	Optional	Required	Required	Required	Required	Optional
Field Length	100	7	10	11	100	100	17	4000
Comments							Limit to 999999999999.00 00 can be a negative number	

Data files to be uploaded through the HPMS at the Part D Sponsor or Contract level as specified above. HPMS will provide an option to select “No Data to Report” for Part D Sponsors or Contracts that have no long-term care rebates; those contracts will not upload data files.

This guide does not address the collection by Part D sponsors or PBMs of more detailed LTC pharmacy rebate information (e.g. 11 digit NDC level) that CMS has advised could be needed if the Part D sponsor or PBM determines it would assist them in better understanding and monitoring the dosage/route combination of medications prescribed to these beneficiaries once the Part D sponsor or PBM is aware that incentives exist for the use of specific drugs.

### Definition of Rebate in LTC

CMS has not offered any further clarification on the definition of a rebate beyond the definition set forth in its guidance

### Limitations in Use of the Data

The LTC pharmacy rebate reporting, as presently defined, will provide Part D plans and CMS with certain information regarding the magnitude of LTC pharmacy rebates. The specific limitations and qualifications inherent in the data include the following:

1. Purchase-based rebate data should **not** be extrapolated or applied to utilization data, as these data may not be based on the same unit of measurement or timeframe.
2. LTC pharmacies have limited ability to distinguish Part D claims from other claims because not all payers have established unique BIN and PCN coding for Part D plans.
3. Rebate reporting does not account for situations where adjustments or reversals to previous reporting periods occur due to the fact that the reversal may be related to multiple rebate reporting periods, and it would be burdensome to determine what amounts are related to which periods.
4. Varying units of measurement may be used by different pharmacies and, therefore, the per-unit data may not be comparable from one pharmacy to another.

### *Calculating Rebate per Unit*

When calculating the rebate per unit, the pharmacy may divide the gross rebate received for the particular drug by the number of units which generated the rebate. For instance, if the rebate was based upon purchases, then the divisor would be the number of units purchased. The unit of measurement may also be defined as either the smallest dosage unit possible i.e. tablet, capsule, ml, or gram, or the unit used in the manufacturer's rebate calculation. The following example illustrates a rebate for a drug for only one form (tablet):

2<sup>nd</sup> Quarter reporting of "Rebate per unit" for Part D drug XYZ:

- Gross rebates received in 2<sup>nd</sup> quarter for drug XYZ: \$5,000
- Gross rebate units: 100,000 tablets
- Rebate per unit: Gross rebates (\$5,000) divided by Gross Rebate units (100,000 tablet) yields a rebate per unit = \$0.05 per tablet.

As only one line (row) is allowed per drug, NCPDP recognizes that the per unit amount may be a blended calculation, which may incorporate varying forms, quantities and strengths of a particular drug. However, this approach may be necessary in order to "roll up" the rebates to a brand level.

**Sample of completed report  
(Pharmacy must report all rebates received for drugs dispensed to Part D beneficiaries)**

LTC Pharmacy Name	LTC Pharmacy NCPDP Number	LTC Pharmacy NPI Number	NDC	Manufacturer name	Drug name	Rebate \$ per unit	Technical notes
ABC Pharmacy	1234567	0234567891	12345678901	J&J	Risperdal™	0.0500	Purchase-based rebates reflect rebates received for injection tablets and oral solutions
ABC Pharmacy	1234567	0234567891	12345678902	AZ	Crestor™	0.0200	Purchase-based rebate; units = tablets
XYZ Pharmacy	8901234	5678912345	12345678903	AZ	Seroquel™	0.0150	Purchase-based Units = tablets
XYZ Pharmacy	8901234	5678912345	12345678905	AZ	Crestor™	0.0200	Purchase-based rebate; units = Tablets

**Data will not be plan specific. Each plan/PBM that a pharmacy is contracted with should receive the exact same information.**

**Pharmacies that have no rebates to report in a given quarter**

Even if a pharmacy did not receive any rebate dollars in a quarter related to drugs dispensed to Part D beneficiaries, the pharmacy still needs to submit a completed spreadsheet and should indicate "no rebates received" or "NA" in the Manufacturer name column. This allows the plans to distinguish non-compliant pharmacies from those who did not have any rebates to report. An example of how the report should be submitted is below:

**Sample of completed report from the pharmacy to the plan where pharmacy did not receive rebates during the report period**

LTC Pharmacy Name	LTC Pharmacy NCPDP Number	LTC Pharmacy NPI Number	NDC	Manufacturer name	Drug name	Rebate \$ per unit	Technical notes
ABC Pharmacy	1234567	0349872091	NA	NA	NA	\$0.00	No rebates received this quarter

Data will not be plan specific. Each plan/PBM that a pharmacy is contracted with should receive the exact same information.

Note: Pharmacies should submit a report to the plan even if there are no rebates associated with the time period being reported. This is necessary in order for the plan to differentiate between non-compliant pharmacies and pharmacies that have no rebates to report.

Plans will not submit a pharmacy on their reports to CMS if the pharmacy does not have rebates to report. In the event that none of the plan's pharmacies have rebates to report, Plans will report this in the Health Plan Management System (HPMS) by indicating "No data to report".

**Data Submission Format**

Data should ideally be submitted in electronic format to an email address specified by the plan or the PBM with whom pharmacies have a network contract. It is common practice that a plan subcontracts a network that has been created and is owned by the PBM. In this case, pharmacies will be required to provide LTC rebate information to the entity that owns the contract. That entity will then consolidate the rebate information received from its network providers and pass it on to the plan.

Many LTC pharmacies belong to group-purchasing organizations (GPOs) or other entities, which may help administer the manufacturer rebate programs. Such entities may assist pharmacies with their rebate reporting to the PDP sponsors or PBMs, however, the pharmacy must bear ultimate responsibility for the accuracy and completeness of rebates reported on their behalf.

Plans should recognize that they may receive multiple reports for a single NCPDP/NPI number due to the fact that a pharmacy may have multiple entities submitting their reports.

Other methods of data submission that are acceptable (check with plan to determine which methods are supported):

- 1) Manually completing a standard rebate report and faxing or mail it to the Plan or PBM
- 2) Email a completed Excel spreadsheet to a plans designated email address
- 3) Submitting data through a plan or PBM website
- 4) Other methods as defined by the plan or PBM.

When submitting the Excel file in an electronic format to the plan/PBM, individual pharmacies should name the file in the following manner:

(filename=REBATES\_LTC PHARMACIES\_(PHARMACY NCPDP#/PHARMACY NPI#)\_(2007Q#).XLS, replacing '(PHARMACY NCPDP#\_PHARMACY NPI#)' with the Pharmacy's actual NCPDP# followed by an underscore and the Pharmacy's actual NPI (once available) and '(2007Q#)' with the year and quarter number being reported).

Entities that consolidate multiple pharmacies on one report should use a file name which substitutes the entity name for the Pharmacy NCPDP#/Pharmacy NPI#) and '(2007Q#)' with the year and quarter number being reported).

### Consolidation of Data

PBMs or plans will take pharmacy provided information and consolidate it into one Excel document. Depending on the volume of rebates and pharmacies submitting data, this document may contain multiple worksheets. Each worksheet shall be marked with the quarter and a worksheet number on the worksheet tab.

### Timing of Receipt of Data from the pharmacy

In order for plans to consolidate data from all of the pharmacies, pharmacies are encouraged to submit data to the plans or PBMs no later than two months prior to the date the data is due to CMS (or 4 months after close of a quarter). For example:

#### Pharmacy Reporting timeline:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Reporting Period</b>	January 1 - March 31	April 1 - June 30	July 1 - September 30	October 1 - December 31
<b>Data due to Plan/PBM</b>	July 31	October 31	January 31	April 30

Plans must submit data to CMS as defined in the table below:

#### Plan Reporting timeline:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Reporting Period</b>	January 1 - March 31	April 1 - June 30	July 1 - September 30	October 1 - December 31
<b>Data due to CMS/HPMS</b>	September 30	December 31	March 31	June 30

### Compliance Management

The interpretation of compliance with the CMS LTC Rebate reporting requirements shall be addressed between business partners, consistent with CMS guidance, and will not be addressed in this document.

### Confidentiality of data

As noted above, rebate data being shared by pharmacies is considered confidential. Specific requirements with respect to the confidentiality of data should be negotiated between the plans and the pharmacies.

## **Updates to the Document**

### **August 2007**

Post publication, it was noted that the drug being reported was identified as “Brand name” in the header of the sample reports. The report is to reflect the drug name whether brand or generic. It was also noted that the no rebate sample instructed the entry of NA in the amount per unit field. This field is a signed numeric field and NA is an invalid entry.

Changes were made to the guidance to correct identified errata as follows:

- Sample report headers - change the caption Brand name to Drug name
- No rebate report sample - change the value in the amount per unit field to \$0.00

### **November 2007**

It was determined that due to the numeric format, leading zeros on NCPDP and NPI fields were being dropped in the Excel file. CMS provided clarification that the format of the field should be changed to Text (CHAR) to eliminate this issue

Changes were made to the guidance to update fields and submission of data to the plan timing as follows

- Background section
  - Descriptions- changed NCPDP and NPI from Numeric to Text
  - CMS Layout- changed the NCPDP field from Numeric (NUM) to Text (CHAR), changed the NPI field from Numeric (NUM) to Text (CHAR)
  - Note regarding NCPDP standard formatting vs. CMS/Excel formatting
- Calculating Rebates section
  - Sample report – changed one NPI number to show a leading zero to indicate that they should show up in the report and note regarding NCPDP standard formatting vs. CMS/Excel formatting
- Calculating Rebates section
  - Modified the example to contain an NPI with a leading zero
- Pharmacies that have no rebates to report in a given quarter section
  - Sample report – added an NPI number with a leading zero to the example and note regarding NCPDP standard formatting vs. CMS/Excel formatting
- Timing of Receipt of Data from the pharmacy Section
  - Changed section to reflect four months after close of quarter, two months prior to plan submission deadline.

### **January 2008**

- Changes made to the document to match the CMS Document from 9/17/07 “Medicare part D Reporting Requirements, Contract Year 2008”. An additional data field has been added to the LTC Rebate File for NDC that must now be reported.