

NEWS RELEASE

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NCPDP RELEASES A NEW POST ADJUDICATION STANDARD AND ENHANCMENTS FOR THE TELECOMMUNICATION STANDARD

SCOTTSDALE, AZ - The National Council for Prescription Drug Programs' (NCPDP) Board of Trustees has approved the release of a newly developed standard Post Adjudication Version 1 Release Ø and a new version of the Telecommunication Standard Implementation Guide Version C Release 3.

Post Adjudication Version 1 Release Ø

What is the Post Adjudication Standard and why is it needed?

The NCPDP *Post Adjudication Standard Implementation Guide* is intended to meet an industry need to supply detailed drug or utilization claim information after the claim has been adjudicated.

This standard gives Client Groups, Pharmacy Benefit Managers (PBM's), Fiscal Agents, Vendors, and Administrative Oversight Organizations the ability to share post-adjudicated pharmacy claim data. The data is used to support

1. Auditing of services
2. Retrospective DUR review
3. Statistical reporting
4. Evaluate Health Care
5. Evaluate Contractor performance
6. Develop and evaluate Capitation rates
7. Pay reinsurance (stop loss) to contractors, and
8. Develop fee for service payment rates.

The standard provides a common set of formats that may be used to meet the needs of the pharmacy industry to support the communication of patient pharmacy transaction data. These formats will provide administrative efficiencies and allow for an industry standard to be used for all entities sharing historical health care data.

Governing Work Group

WG1 Telecommunication managed the development of the Post Adjudication Standard that was the result of a consensus ballot and Board of Trustee approval. WG1 Telecommunication is currently co-chaired by Annette Gabel, Executive Director, Industry Standards Compliance, Medco Health; David Kilgo, R.Ph., Senior Manager, Wal-Mart Stores, Inc.; and Roger Pinsonneault, R.Ph., Senior Consultant, Total Pharmacy Solutions.

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Telecommunication Standard

What is the Telecommunication Standard and why is it needed?

The Telecommunication Standard defines the record layout for real-time prescription claim transactions and provides practical guidelines for software developers. The standard not only provides a format for billing of pharmacy transactions, it also encompasses certifying eligibility and prescription drug benefits for traditional, managed care and government programs; response detail information defining the reimbursement or denial of compensation with explanations; and concurrent drug use review. Every year billions of pharmacy claims are formatted using the Telecommunication Standard for electronic data interchange at the point-of-sale. In addition, the Telecommunication Standard provides the framework for the Detail Record in the NCPDP Batch Standard. Work Group 1 Telecommunication maintains the Telecommunication Standard.

Telecommunication Standard Implementation Guide Version C.3

Version C.3 provides a means for the pharmacy to report to State Prescription Assistance Programs (SPAP) (that are mandated to wrap Medicare Part D benefits) financial amounts that apply to Medicare Part D beneficiary benefit stages when applied by a previous payer. In this version of the Standard a new field was added that allows the pharmacy to report to the adjudicator whether a patient has assigned or retained of his/her benefits.

Governing Work Group

Requests for changes to the Standard, resulting in Telecommunication Standard Version C.3, were approved by WG1 Telecommunication, balloted, and approved by the Board of Trustees. WG1 Telecommunication is currently co-chaired by Annette Gabel, Executive Director, Industry Standards Compliance, Medco Health; David Kilgo, R.Ph., Senior Manager, Wal-Mart Stores, Inc.; and Roger Pinsonneault, R.Ph., Senior Consultant, Total Pharmacy Solutions.

Getting involved

NCPDP Standards are developed by the membership. Without membership involvement and participation, further development of the standards would be halted. For more information on the NCPDP Standards, other NCPDP activities, and how you may get involved, visit the NCPDP website at www.ncdp.org. The next NCPDP Joint Technical Work Group meetings are November 15-17, 2006 at the *InterContinental Dallas in Addison, TX* and February 21-23, 2007 at the Renaissance Waverly Hotel, Atlanta, GA. Prior to the Joint Technical Work Group meetings on November 14, 2006 and February 20, 2007, NCPDP will host an Educational Program entitled, '*The Medicare Modernization Act: Lessons from the Trenches; Opportunities for the Future*' and '*Pay for Performance: Yesterday, Today and Tomorrow*', respectively. For more information on these meetings, please visit www.ncdp.org or call (480) 477-1000 to register.

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About NCPDP

Founded in 1977, NCPDP is a not-for-profit, ANSI-accredited, Standards Development Organization with approximately 1500 members representing virtually every sector of the pharmacy services industry. Our diverse membership provides leadership and healthcare business solutions through education and standards, created using the consensus building process. NCPDP has been named in federal legislation, including HIPAA and the MMA. NCPDP members have created standards such as the Telecommunication Standard and Batch Standard, the SCRIPT Standard for e-Prescribing, the Manufacturers Rebate Standard and more to improve communication within the pharmacy industry. Our data services include the NCPDP Provider Identification Number, a unique identifier of over 68,000 pharmacies and HCIda, *"The Prescriber Identity Solution"*. For more information about NCPDP Standards, Data Services, Educational Programs and Work Group meetings, go online at www.ncdp.org.

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