

# NCPDP GUIDANCE FOR ADAPS and SPAPS MEDICARE PART D COORDINATION OF BENEFITS REQUIREMENTS AND RESPONSIBILITIES

## **VERSION 4.0**

*This document provides guidance for ADAPs and SPAPs in exchanging data with Medicare Part D Plan sponsors for electronic coordination of benefits.*

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**NCPDP GUIDANCE FOR ADAPS AND SPAPS MEDICARE PART D COORDINATION OF BENEFITS  
REQUIREMENTS AND RESPONSIBILITIES**

**Version 4.0**

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# **NCPDP GUIDANCE FOR ADAPS AND SPAPS MEDICARE PART D COORDINATION OF BENEFITS REQUIREMENTS AND RESPONSIBILITIES**

## **1. PURPOSE**

The National Council for Prescription Drug Programs (NCPDP) has developed this technical document to outline the data exchanges necessary for Acquired Immunodeficiency Syndrome (AIDS) Drug Assistance Programs (ADAPs) and State Pharmaceutical Assistance Programs (SPAPs) to have their contributions electronically evaluated for True Out-of-Pocket cost (TrOOP) impact. This allows the beneficiary to be positioned in the correct stage of the Medicare Part D benefit.

A SPAP may be qualified or non-qualified:

- Qualified SPAPs – amount contributed applies towards TrOOP
- Non-qualified SPAPs – amount contributed is reduced from TrOOP

Note: See Section 2. Acronyms and Definitions

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## **1.1 RESOURCES**

Medicare Prescription Drug Benefit Manual – Chapter 14

<http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Downloads/Chapter14.pdf>

Centers for Medicare & Medicaid Services (CMS) Data Sharing Information

<http://cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Prescription-Drug-Assistance-Programs/Coordinating-Prescription-Drug-Benefits/Coordinating-Prescription-Drug-Benefits-Page.html>

NCPDP Overview of the Medicare Part D Prescription Drug Coordination of Benefits (COB) Process

<http://ncdp.org/Resources/Medicare-Part-D>

Part D Transaction Facilitator

<http://medifacd.mckesson.com/>

Application for Access to CMS Computer Systems form

[https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/Downloads/EUA\\_AccessForm.pdf](https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/Downloads/EUA_AccessForm.pdf)

SPAP ADAP Health Plan Management System (HPMS) Module

Note: A username and password is required to access the HPMS module.

<https://hpms.cms.gov/>

# NCPDP GUIDANCE FOR ADAPS AND SPAPS MEDICARE PART D COORDINATION OF BENEFITS REQUIREMENTS AND RESPONSIBILITIES

## 2. DEFINITIONS

The definitions of various terminology used within this document are provided for the reader to reference below.

### 4RX DATA

The four data elements are used to process a pharmacy claim. In Medicare Part D, these four elements uniquely identify the Medicare Part D sponsor for the beneficiary and are identified by the sponsor during beneficiary enrollment and exchanged with CMS contracted entities. The set of four elements are exchanged via eligibility verification, claims processing and information reporting transactions, as well as post adjudication claim reporting functions. The 4Rx data are:

"RxBIN(IIN)"	Bank Identification Number (Issuer Identifier Number) <sup>1</sup>
"RxPCN"	Processor Control Number
"RxGRP"	Group ID
"RxID"	Cardholder ID defined by the plan

Read the NCPDP [Recommendations for Effective 4Rx Usage in Medicare Part D Processing](#) document for specific rules and usage for Medicare Part D sponsors and plans supplemental to Medicare Part D.

### AIDS DRUG ASSISTANCE PROGRAM

An AIDS Drug Assistance Program (ADAP) is a state or territory-administered program authorized under Medicare Part B that provides U.S. Food and Drug Administration-approved medications to low-income people living with Human Immunodeficiency Virus who have limited or no health coverage from private insurance, Medicaid or Medicare.

### BENEFITS COORDINATION & RECOVERY CENTER

The Benefits Coordination & Recovery Center (BCRC) is a federal contractor which consolidates the activities that support the collection, management and reporting of other insurance coverage for Medicare Part D beneficiaries. The purposes of the program are to identify the other health benefits available to a Medicare Part D beneficiary and to coordinate the payment process/order to prevent mistaken payment of Medicare Part D benefits. The BCRC does not process claims, nor does it handle any mistaken payment recoveries or claims specific inquiries. The Medicare Part D plans are responsible for processing claims submitted for primary or secondary payment.

### COORDINATION OF BENEFITS

In this context, coordination of benefits (COB) occurs when Medicare Part D beneficiaries have prescription drug coverage in addition to their Medicare Part D coverage. The coordination of activities that result when multiple potential payers exist for claims to ensure the appropriate costs are paid by the responsible payer(s) is considered COB.

### HEALTH PLAN MANAGEMENT SYSTEM SPAP/ADAP ATTESTATION

The SPAP/ADAP Attestation module in the Health Plan Management System (HPMS) is used to assist with COB for beneficiaries of state-based programs who are also enrolled in a Medicare Part D prescription drug plan.

<sup>1</sup> The term Bank Identification Number (BIN) is no longer supported. The number is now called an Issuer Identifier Number (IIN).  
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Medicare Part D plans are required to coordinate benefits for their enrollees with multiple sources of prescription coverage.

### **INFORMATION REPORTING TRANSACTIONS**

The Part D Transaction Facilitator transmits supplemental coverage information from payer-to-payer. The Part D Transaction Facilitator process is triggered by the submission of a transaction by a pharmacy to a payer supplemental to a Medicare Part D sponsor. The Information Reporting (“Nx”) transactions (Information Reporting (N1), Information Reporting Reversal (N2) and Information Reporting Rebill (N3)) are used in this process and defined further in this document. These are transactions in the NCPDP *Telecommunication Standard Implementation Guide*.

#### **N1 - INFORMATION REPORTING**

This transaction is used to transmit a record of supplemental coverage information related to a Medicare Part D beneficiary’s liability. Information Reporting (N1) is a transaction request and response.

#### **N2 - INFORMATION REPORTING REVERSAL**

This transaction is used to reverse a previously submitted Information Reporting (N1) transaction. Information Reporting Reversal (N2) is a transaction request and response.

#### **N3 - INFORMATION REPORTING REBILL**

This transaction is an Information Reporting submission with an implied reversal. It is used by the Originator to cancel an Information Reporting transaction submitted that had been processed previously and submit a new Information Reporting transaction in the same transaction. Information Reporting Rebill (N3) is a transaction request and response.

### **MEDICARE ADVANTAGE DRUG USER INTERFACE**

The CMS Medicare Advantage Drug User Interface System (MARx) stores Medicare Advantage Organization, Medicare Part C and Part D sponsors and Medicare Part D enrollment, payment and premium information. The system calculates monthly Medicare Part C and/or Part D payments and adjustments for each plan.

### **MEDICARE BENEFICIARY DATABASE**

The CMS Medicare Beneficiary Database (MBD) provides CMS with a singular, authoritative database of comprehensive enrollment data on individuals in the Medicare program to support ongoing and expanded program administration, service delivery modalities and payment coverage options.

### **MEDICARE PART D SPONSOR**

Medicare Part D sponsors are organizations contracted with CMS to provide Medicare Part D coverage. Most are Prescription Drug Plans or Medicare Advantage Plans that provide qualified prescription drug coverage. Plans may offer the following benefits: Defined Standard, Actuarially Equivalent, Basic Alternative and/or Enhanced Alternative. For more information about Medicare Part D sponsors see [www.cms.gov](http://www.cms.gov).

### **OTHER HEALTH INFORMATION**

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Other Health Information (OHI) data provides the beneficiary's COB detailed information. CMS, through the BCRC, provides a data sharing partner with medical or prescription coverage from a beneficiary's other payer(s) and refers to this as data that identifies "other health insurance."

### PART D TRANSACTION FACILITATOR

The Part D Transaction Facilitator is a federal contractor which is responsible, in conjunction with CMS, for establishing procedures for facilitating eligibility queries at point-of-sale (POS), identifying costs reimbursed by other payers (Nx transactions) and alerting Medicare Part D sponsors about such transactions and facilitating the transfer of TrOOP-related data (Financial Information Reporting transactions) when a beneficiary changes plan enrollment during the coverage year.

### PHARMACY BENEFIT MANAGER

Typically, a third-party administrator of prescription drug programs, pharmacy benefit managers (PBMs) can assist a plan sponsor to achieve the most effective utilization of prescription drug expenditures through benefit design, formulary management, rebate contracting, retrospective Drug Utilization Review (DUR), prospective DUR, network administration and disease management. The PBM may also be a payer/processor or other entity that receives prescription drug claims, makes a decision regarding the level of reimbursement and sends the appropriate message or reject code back to the pharmacy/provider for action.

### PROCESSOR

A processor may be an insurer, a governmental program or another financially responsible entity or a third-party administrator or intermediary contracted on the behalf of those entities which receives prescription drug claims, makes a decision regarding the level of reimbursement to the provider and transmits a response to the provider submitting a claim.

### STATE PHARMACEUTICAL ASSISTANCE PROGRAMS

A state healthcare program that provides wrap-around funding on pharmacy claims for Medicare Part D/ State Pharmaceutical Assistance Program (SPAP) dual-enrolled beneficiaries. SPAPs fall into one of two categories:

#### QUALIFIED SPAP

Funded and operated **without** federal matching dollars, the amounts paid by the qualified SPAP are included in TrOOP and move a beneficiary through the stages of the Medicare Part D benefit.

#### NON-QUALIFIED SPAP

Funded and operated **with** federal matching dollars, the amounts paid by the non-qualified SPAP are reduced from TrOOP and **do not** move a beneficiary through the stages of the Medicare Part D benefit.

### SUPPLEMENTAL PAYERS

A payer that is supplemental to Medicare Part D offers benefits or coverage after Medicare Part D benefits have been determined. These benefits are usually in the form of copay/coinsurance reduction.

### SWITCH/SERVICE INTERMEDIARY

A switch/service intermediary is an entity that connects pharmacies to processors in a standard manner in order to transmit transactions or files. The switch accepts an electronic transaction from another organization



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and electronically routes the transaction to a receiving entity. A switch/intermediary may perform value added services including detailed editing/messaging of input/output data for validity and accuracy and translating data from one format to another.

### **TRUE OUT-OF-POCKET COST**

True Out-of-Pocket cost (TrOOP) includes incurred costs for covered Medicare Part D drugs that are paid by the beneficiary, or by specified third parties on the beneficiary's behalf, up to the specified annual out-of-pocket threshold. Amounts that count toward TrOOP include:

- The amount a person pays for covered prescriptions before his or her drug plan begins to pay (the annual deductible, if applicable)
- The amount a person pays for each covered prescription after his or her drug plan begins to pay (copayments or coinsurance during initial coverage period)
- Any payments a person makes for a covered prescription drug during his or her plan's coverage gap, if the plan has a coverage gap
- Payments made by qualified third parties on the beneficiary's behalf, including qualified SPAPs, qualified charities and manufacturer Patient Assistance Programs (PAPs), the Indian Health Service, ADAPs, or by family, friends or other individuals
- Low-income cost sharing amounts ("Extra Help") paid by Medicare

TrOOP excludes:

- The share of the cost of the drug paid by a Medicare drug plan
- Monthly drug plan premium
- Drugs purchased outside the U.S. and its territories
- Drugs not covered by the plan
- Drugs that are excluded from the definition of Medicare Part D drug, even in cases where the plan chooses to cover them as a supplemental benefit (like drugs for hair growth)
- Over-the-counter drugs or most vitamins (even if they are required by the plan as part of step therapy)
- Cost paid by a group health plan such as the Federal Employees Health Benefit Program or employer or union retiree coverage
- Cost paid by a government-funded health program such as Medicaid, TRICARE, Workers' Compensation, the Department of Veterans Affairs, Federally Qualified Health Centers, Rural Health Clinics, the Children's Health Insurance Program and black lung benefits
- Cost paid by another third-party group with a legal obligation to pay for the person's drug costs
- Cost paid by a PAP operating outside the Medicare Part D benefit
- Cost paid by other types of insurance

If a beneficiary switches Medicare Part D sponsors during the plan year, their TrOOP and drug spend will be transferred to their new plan. It travels with the beneficiary.

### **3. CMS REQUIREMENTS FOR COORDINATION OF BENEFITS**

The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) was enacted in 2003. The MMA introduced a new concept called “True Out-of-Pocket” cost, or TrOOP. TrOOP refers to the incurred out-of-pocket costs a Medicare Part D beneficiary must spend annually on Medicare Part D covered drugs to reach the catastrophic coverage. Any payments made by an ADAP or qualified SPAP on behalf of a Medicare Part D beneficiary will be considered as “incurred costs” by the Medicare Part D beneficiary and will therefore count towards the beneficiary’s TrOOP.

In accordance with Medicare Prescription Drug Benefit Manual Chapter 14 - Coordination of Benefits and Federal Register 423.464(f), Medicare Part D sponsors are required to coordinate benefits with SPAPs, ADAPs and other entities providing prescription drug coverage.

CMS requires Medicare Part D sponsors to electronically coordinate benefits with supplemental payers that adhere to the CMS Data Sharing Agreement (DSA) and transmit their eligibility data to CMS. Those supplemental payers that use the established on-line or batch process will receive the benefits associated with the creation of N (Information Reporting) transactions and their transmission to the beneficiary’s Medicare Part D sponsor. SPAPs and ADAPs that do not comply with the online or batch COB process and CMS data sharing process will forfeit electronic COB and the benefits associated to their programs.

For ADAPs and qualified SPAPs to adhere to the new CMS data sharing process they will need to use the HPMS module of the CMS website to submit their attestations for qualified SPAPs and ADAPs. The HPMS module requires a user name and password and is accessed at <https://hpms.cms.gov/>.

When ADAPs and qualified SPAPs complete all the steps necessary for electronic COB, Medicare Part D sponsors are required to coordinate benefits with the ADAPs and qualified SPAPs.

By statute, COB relates to the following:

- Enrollment file sharing,
- Claims processing and payment,
- Claims reconciliation reports,
- Application of protection against high out-of-pocket expenditures by tracking TrOOP expenditures and
- Other processes that CMS determines.

## 4. ESSENTIAL STEPS FOR SUCCESSFUL ELECTRONIC COB

To participate in electronic COB, ADAPs and SPAPs need to perform the following:

**1. Obtain a unique Bank Identification Number (Issuer Identifier Number)/Processor Identification Number (RxBIN(IIN)/RxPCN) combination.**

**Note:**

- The ADAP and SPAP RxBIN(IIN)/RxPCN combination must be unique to Medicare Part D eligible beneficiaries in that state. The PBM for the state must not co-mingle the RxBIN(IIN)/RxPCN with other lines of business or use it for any other purpose.
- If the unique RxBIN(IIN)/RxPCN combination has ever been used for ADAP and SPAP purposes by the processor, it should not be reused for any other lines of business.
- If the state has a qualified SPAP and non-qualified SPAP plans, each plan must have a unique RxBIN(IIN)/RxPCN combination.

**2. Obtain access to the HPMS ADAP AND qualified SPAP module.**

Download and submit the Application for Access to CMS Computer Systems form.

[https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/Downloads/EUA\\_AccessForm.pdf](https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/Downloads/EUA_AccessForm.pdf)

**3. Use the ADAP and qualified SPAP module to manage program attestation data; upload supporting documents as needed; certify and attest to the conditions of the program; review, update and electronically sign the attestation which generates a DSA.** The HPMS module requires a username and password and is accessed at <https://hpms.cms.gov/>.

**Note:**

- At least one individual from each state, or each ADAP or qualified SPAP program, must register for HPMS signatory access. To obtain access, users must submit a letter from a senior official at the state indicating the individual is authorized to complete the attestation information and DSA.
- Each ADAP and qualified SPAP is responsible, on an ongoing basis, for communicating any changes in contact information to CMS. Failure to do so will jeopardize the ADAP's and qualified SPAP's knowledge of, and thus compliance with, key program requirements and deadlines. Starting in calendar year 2018, CMS will no longer accept updated contact information through email.
- Please direct questions about this guidance to [SPAP@cms.hhs.gov](mailto:SPAP@cms.hhs.gov).
- If you already have a DSA but are changing processors, contact the BCRC electronic data interchange representative assigned to your program for further steps.

**4. Send Electronic Eligibility Data to CMS**

- Data is exchanged between the ADAPs and SPAPs and CMS monthly. ADAPs and SPAPs send a full file of all enrollment records for TrOOP eligible beneficiaries in their programs. All eligibility coverage timelines must be sent through the data sharing file. For TrOOP expenses to be applied by Medicare Part D sponsors correctly, the ADAP and SPAP must timeline any changes to the beneficiary's ID number, RxGrp, RxBIN(IIN) or RxPCN on this file.

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- The 4Rx data on ADAP or SPAP's ID cards and the 4Rx data a pharmacist enters must be the same as what is sent to CMS in the data sharing file.
- For ADAP and SPAP's payments to be applied correctly, the 4Rx data on claims must match the 4Rx eligibility data that was sent to CMS in the ADAP or SPAP data sharing file.
- The requirement is to send 36 months of eligibility data.

### **5. ADAP and SPAP's supplemental claims payments must be routed to the Part D Transaction Facilitator for dollars to electronically apply correctly to TrOOP.**

Two options will allow this to happen:

- Using an online processor to electronically process claims at the POS will allow claims to route automatically to the Part D Transaction Facilitator.
- Sending a batch file of supplemental claims payments to the Part D Transaction Facilitator and performing the other steps of COB will help apply ADAP and SPAP dollars correctly to the beneficiary's TrOOP.

ADAPs and SPAPs can monitor acceptance rates of TrOOP dollars at <http://medifacd.mckesson.com/> and <http://medifacd.mckesson.com/nx/supplemental-payers/nx-batch-transactions>

### **6. ADAP and SPAP Processor Requirements**

- Performs exact matching for 4Rx data submitted on the real-time claim. If the 4Rx data is missing or does not match, reject the claim.
- Reject claims where Medicare Part D is identified as the primary payer for beneficiaries. Processors can identify these beneficiaries by using the information returned on the CMS ADAP and SPAP data exchange file. This file identifies all beneficiaries currently enrolled in a Medicare Part D plan.

### **7. Update the information for specific ADAP or qualified SPAP within the HPMS module**

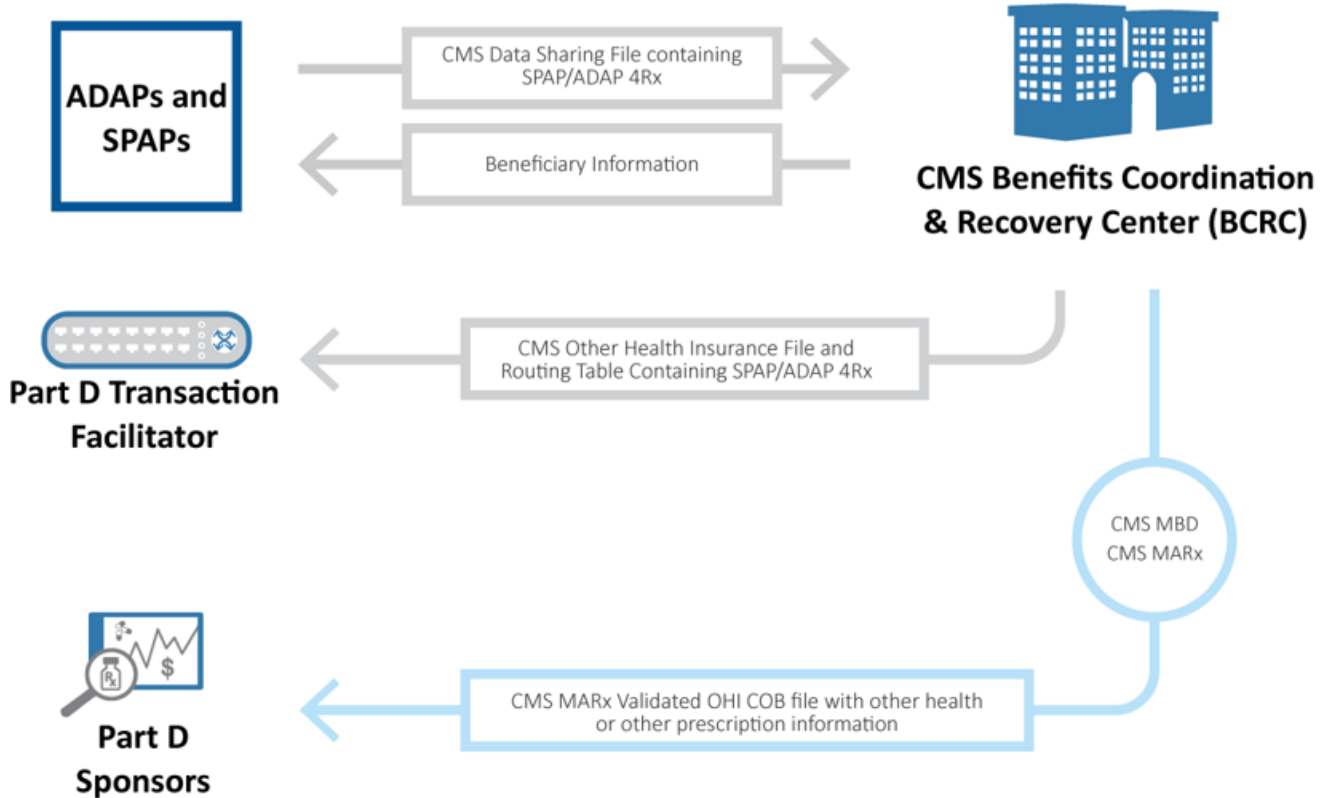
- Periodically review the information that appears in the HPMS module.
- The information in the HPMS module is used as input to the Quarterly CMS ADAP/SPAP Report which may be found at [https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Coordination\\_of\\_Benefits.html](https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Coordination_of_Benefits.html).

## **5. ILLUSTRATED FLOW OF ELECTRONIC DATA EXCHANGE FOR ADAPS AND SPAPS**

Eligibility data sharing is the first step in the COB process. Sharing the eligibility data electronically allows the pharmacies to be aware of any ADAP or SPAP coverage. From this data exchange process, the pharmacy can bill any remaining portion of the patient responsibility after Medicare Part D was billed to the ADAP or SPAP. Mail-order, home infusion and specialty pharmacies find this very beneficial when the beneficiary is not present at the time the claim is processed and cannot provide evidence of other secondary insurance.

CMS requires ADAPs, qualified SPAPs and non-qualified SPAPs to have a unique RxBIN(IIN)/RxPCN combination for TrOOP eligible beneficiaries. This unique RxBIN(IIN)/RxPCN combination or the supplemental insurer type code on the CMS ADAP or SPAP data sharing file help identify TrOOP eligible dollars.

## Electronic Data Exchange for ADAPs and SPAPs and Medicare Part D Coordination of Benefits



## **6. ILLUSTRATED FLOW OF REAL-TIME CLAIM DATA EXCHANGE ADAP AND SPAP PROCESS**

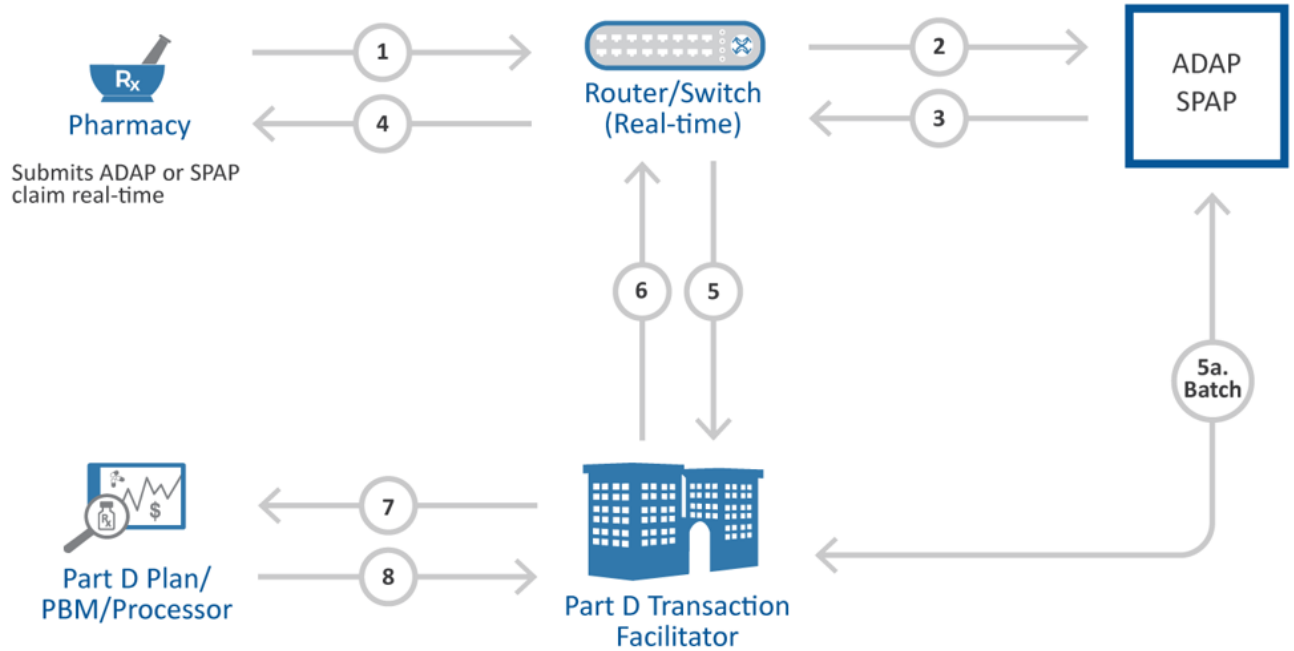
The illustrated supplemental flow starts after the Medicare Part D claim has been adjudicated by the Medicare Part D processor.

1. The pharmacy sends the claim transmission request to the switch/service intermediary.
2. The switch/service intermediary sends the claim transmission request to the ADAP and SPAP supplemental to Medicare Part D.
3. After receiving and processing the claim, the ADAP or SPAP supplemental to Medicare Part D sends a claim response to the switch/service intermediary.
4. The switch/service intermediary sends the claim response to the pharmacy.
5. The switch/service intermediary compiles and sends the real-time ADAP or SPAP supplemental claim request and response data to the Part D Transaction Facilitator. Note: If not real-time, go to step 5a, otherwise proceed to step 6.
  - a. When real-time processing is not available, the ADAP or SPAP supplemental to Medicare Part D sends a batch file to the Part D Transaction Facilitator. Go to step 7.
6. The Part D Transaction Facilitator responds to the switch/service intermediary.
7. The Nx transaction is created and routed to the Medicare Part D plan of record on file with CMS for that beneficiary's date of service.
8. The Medicare Part D plan responds to the Nx transaction with an acceptance or rejection.

Note: If the pharmacy does not use a switch/service intermediary, refer to <http://medifacd.mckesson.com/nx/supplemental-payers/nx-batch-transactions>

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**Real-time Claim Data Exchange ADAP/SPAP Process**



CMS Contractor that stores beneficiary eligibility and captures ADAP/SPAP claims for Med D beneficiaries. Creates N transactions. Uses BIN and PCN on the beneficiary's Part D plan of record to route the Ns to Part D plans.



## 7. ADAP AND SPAP DATA EXCHANGE IMPACTS

### BENEFICIARY IMPACTS

#### ***ADAP and SPAP Participating in Data Exchange:***

- Allows ADAP and SPAP COB to occur electronically without beneficiary involvement.
  - The pharmacist is made aware of the beneficiary's supplemental coverage electronically. Any remaining out-of-pocket expenses can be routed electronically to the supplemental payer (ADAP or SPAP).
  - The electronic COB can be very beneficial for mail-order and specialty pharmacy fills where the beneficiary is not present to assist in the COB.
  - With the ADAP and qualified SPAP's eligibility being present with a Medicare Part D sponsor at the time a claim is processed, supplemental payer dollars count towards TrOOP which allows the beneficiary to move through the Medicare Part D phases as designed.
  - With the non-qualified SPAP's eligibility being present with a Medicare Part D sponsor at the time a claim is processed, supplemental payer dollars would not count towards TrOOP. Beneficiary benefits are fully maximized when using electronic COB.
    - Beneficiary financial liabilities will be reduced.

#### ***ADAP and SPAP Not Participating in Data Exchange:***

- Does not allow ADAP and SPAP COB to occur electronically without beneficiary involvement.
  - If the data sharing file is not sent, the pharmacist is not made aware of the beneficiary's supplemental coverage electronically. Often, the beneficiary does not have full details of their existing coverage. This causes a disruption of care when the beneficiary cannot afford the medication. The beneficiary may leave the pharmacy without their prescription, which may lead to an interruption of coverage/care.
  - If no data sharing occurs, a negative financial impact to the beneficiary's mail-order and specialty pharmacy fills may occur.
  - Beneficiaries may not experience the benefit of a qualified payer. ADAP and qualified SPAP claims dollars may not count toward TrOOP expenses.

### ADAP AND SPAP IMPACTS

#### ***ADAP and SPAP Participating in Data Exchange:***

- ADAPs and SPAPs may be financially refunded as a result of participating in the data exchange as a result of claim adjustments.
- ADAPs and SPAPs receive low-income subsidy data and Medicare Part D eligibility and enrollment information on the CMS response file.
- Enables the Part D Transaction Facilitator to match the OHI with the claims data to locate the Medicare Part D plan of record. This allows the Nx transaction to be routed to the Medicare Part D sponsors for TrOOP application.
- ADAPs and SPAPs would have the capability to use the Part D Transaction Facilitator supplemental payer reports which allows visibility to Nx transaction acceptance rates.

#### ***ADAP and SPAP Not Participating in Data Exchange:***

- Medicare Part D sponsors may not be able to refund ADAPs and SPAPs as a result of claim adjustments because the information is not available.

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- Pharmacies will not have other coverage information on file to perform COB. This could lead to disruption of care, no access to medication and beneficiary dissatisfaction.

## 8. ANNUAL AND ONGOING RESPONSIBILITIES OF THE ADAP AND SPAP PROGRAMS AND THEIR PROCESSORS

### 1. Data Use Agreement with CMS

Current/active ADAP and qualified SPAP contacts will receive an email message from CMS via the HPMS system to log in and submit coverage details for their program, as well as an attestation that the program information submitted aligns with all applicable Medicare guidance and regulations. CMS typically requests this information be submitted no later than August 4<sup>th</sup> of each year to permit time for reviews, COB with Medicare Part D Plans and for clarification of any additional information as needed.

States with programs registered in the HPMS module can go in at any point during the year to make updates to staff contact information, as well as to update RxBIN(IIN)/RxPCN processing information if there is a mid-year change.

### 2. Continue to send electronic eligibility data to CMS

Data is exchanged between the ADAP and SPAP and CMS monthly.

The 4Rx data on ID cards and the POS edits for 4Rx data must be the same as what is sent to CMS. For ADAP and SPAP payments to be applied correctly, the 4Rx data must match the 4Rx eligibility data sent to CMS.

### 3. ADAP and SPAP supplemental claims payments must be routed to the Part D Transaction Facilitator for TrOOP application.

Two options will allow this to happen:

- Using an online processor to electronically process claims at the POS will allow claims to route automatically to the Part D Transaction Facilitator.
- Sending a batch file of supplemental claims payments to the Part D Transaction Facilitator and performing the other steps of COB will help allow ADAP and SPAP dollars for TrOOP application.

<http://medifacd.mckesson.com/>

and

<http://medifacd.mckesson.com/nx/supplemental-payers/nx-batch-transactions>

### 4. Ensure pharmacy edits are locked down (only applies to real-time)

Require pharmacies to submit the correct 4Rx data elements on all claim submissions for your ADAP or SPAP. The information should be the same as your cardholder ID cards and should be in alignment with the 4Rx data sent on the data sharing file.

Reject claims for missing/invalid

- RxBIN(IIN)
- RxPCN
- RxGRP
- RxID

To ensure your payments assist the beneficiaries, reject claims where Medicare Part D should be the primary payer for beneficiaries. The identification of Medicare Part D enrollment can be obtained by using

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the ADAP and SPAP eligibility response file from the CMS COB Contractor. Using information from this file requires pharmacy claims to be billed to the primary payer.

- 5. Review and/or update the information for specific ADAP or qualified SPAP in the HPMS module**  
Periodically review your ADAP or qualified SPAP information that appears within the HPMS module.

The information in the HPMS module is an input to the CMS SPAP ADAP Quarterly Report and may be found at [https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Coordination\\_of\\_Benefits.html](https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Coordination_of_Benefits.html).

## 9. RECOMMENDED STEPS WHEN CHANGING RXBIN(IIN) AND/OR RXPCN AND/OR PROCESSOR

**NCPDP RECOMMENDATION** for ADAPs and SPAPs when changing processor, adding a processor or changing RxBIN(IIN) and/or RxBIN(IIN)/RxPCN:

- Notify prescription drug industry at least 60 days in advance of upcoming changes by
  - Updating the CMS HPMS module which will provide notification to
    - CMS
    - Part D Transaction Facilitator
  - Notifying the switch/service intermediary entities
  - Publishing and distributing updated Payer Sheet with updated information, including effective date, to notify pharmacies

Note: Non-qualified SPAPs may follow a manual process to notify the Part D Transaction Facilitator.

To ensure Medicare Part D beneficiaries' TrOOP is accrued properly, it is recommended the former RxBIN(IIN)/RxPCN be used for any adjustments applicable to dates of service prior to the effective date of the new RxBIN(IIN)/RxPCN or processor. To accomplish this, it is recommended there is communication and sharing of data between the old and new processor.

### **Scenario 1: Former Processor A processes historical claim (runout) data**

The former Processor A is processing historical claim (runout) data. The new Processor B will process all new claims for dates of service 1/1/2019 and forward will use the new RxBIN(IIN)/RxPCN.

Using January 1, 2019 (1/1/2019) as the example effective date, follow the steps listed below.

1. Description:
  - a. Former Processor A processes claims through 12/31/2018 under their own unique RxBIN(IIN) and RxPCN.
  - b. New Processor B processes claims with date of fill of 01/01/2019 and forward under their own unique RxBIN(IIN) and RxPCN.
2. 4Rx changes
  - a. Communicate or report information to CMS:
    - i. Report new qualified RxBIN(IIN)/RxPCN information to CMS via the HPMS module.
    - ii. Report new non-qualified RxBIN(IIN)/RxPCN information to Part D Transaction Facilitator.
  - b. ADAP and SPAP's OHI should be relayed to CMS to reflect RxBIN(IIN)/RxPCN change with new effective date of 01/01/2019 and to reflect the termination date of 12/31/2018 for the old RxBIN(IIN)/RxPCN.
  - c. ADAP and SPAP's current eligibility and all history must be sent to CMS for a period of 36 months due to COB requirements.
3. Switch/service intermediary entities notification
  - a. If RxBIN(IIN) with new Processor B is a new RxBIN(IIN) for that processor – new Processor B must notify switch/service intermediary entities to add RxBIN(IIN).

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- b. If RxBIN(IIN) is an existing RxBIN(IIN) for the New Processor B, then no action related to switch/service intermediary entities is necessary.
4. Changes for Part D Transaction Facilitator
  - a. If RxBIN(IIN) with new Processor B is a new RxBIN(IIN) for that processor – ADAP and SPAP must notify the Part D Transaction Facilitator to add RxBIN(IIN) at [TBTSupport@relayhealth.com](mailto:TBTSupport@relayhealth.com).
  - b. If RxBIN(IIN) is an existing RxBIN(IIN) for the new Processor B, no action related to the Part D Transaction Facilitator is necessary.
5. Changes for Pharmacy
  - a. The former Processor A should update the payer sheet for the ADAP and SPAP to indicate it is valid only for dates of service through 2018.
  - b. The new Processor B should create a payer sheet that communicates:
    - i. The new RxBIN(IIN)/RxPCN is effective for dates of service for 2019.
  - c. All claims/reversals for dates of service prior to 2019 should be submitted to the old RxBIN(IIN)/RxPCN.
  - d. In addition to the payer sheet, it is recommended the former and new processor should consider additional, alternative communication (email, fax) to pharmacy.
  - e. The new Processor B should consider claims/reversals testing by pharmacy.
6. Timing

If this is a new RxBIN(IIN) for new Processor B, allow 30-60 days prior to the effective date for the switch/service intermediary entities and Part D Transaction Facilitator to update their routing tables.

### Scenario 2: New Processor B will process historical claim (runout) data

The former Processor A is not processing historical claim (runout) data. The new Processor B will process prior year historical data with the old RxBIN(IIN)/RxPCN (i.e., where the RxBIN(IIN)/RxPCN belongs to the plan and/or the former RxBIN(IIN)/RxPCN will not be used by any entity for future claims) and all new claims for dates of service 1/1/2019 and forward will use the new RxBIN(IIN)/RxPCN.

The ADAP or SPAP must ensure all historical information from the former Processor A is transferred and imported into the new Processor B system (e.g., eligibility, benefit set up and design, prior authorization, claims history, formulary, information reporting, etc.) The intent is for the new Processor B to process in the same manner as the former Processor A. The change in processor should be transparent.

Using January 1, 2019 (1/1/2019) as the example effective date, follow the steps listed below.

1. Description:
  - a. New Processor B processes claims through 12/31/2018 under Processor A's unique RxBIN(IIN) and RxPCN.
  - b. New Processor B processes claims with date of fill of 01/01/2019 and forward under their own unique RxBIN(IIN) and RxPCN.
2. 4Rx changes
  - a. Communicate or report information to CMS:
    - i. Report new RxBIN(IIN)/RxPCN information to CMS via the HPMS module.
  - b. ADAP and SPAP OHI should be relayed to CMS to reflect RxBIN(IIN)/RxPCN change with new effective date of 01/01/2019 and to reflect the termination date of 12/31/2018 for the old RxBIN(IIN)/RxPCN.

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- c. ADAP and SPAP current eligibility and all history must be sent to CMS for a period of 36 months due to COB requirements.
3. Switch/service intermediary entities notification
  - a. If RxBIN(IIN) with new Processor B is a new RxBIN(IIN) for that processor, new Processor B must notify switch/service intermediary entities to add RxBIN(IIN).
  - b. If RxBIN(IIN) is an existing RxBIN(IIN) for the new Processor B, then no action related to switch/service intermediary entities is necessary.
4. Changes for Part D Transaction Facilitator
  - a. If RxBIN(IIN) with new Processor B is a new RxBIN(IIN) for that processor, ADAP and SPAP must notify the Part D Transaction Facilitator to add RxBIN(IIN) at TBTSupport@relayhealth.com.
  - b. If RxBIN(IIN) is an existing RxBIN(IIN) for the new Processor B, no action related to the Part D Transaction Facilitator is necessary.
5. Changes for pharmacy
  - a. The new Processor B should create a payer sheet that communicates the 4Rx data to be billed including dates of services and the prior year rules for reversals and claims.
  - b. Note: Need to clearly indicate the runout period for prior year so pharmacy can update beneficiary's profiles appropriately.
6. Timing
  - a. If the old RxBIN(IIN)/RxPCN has moved to the new Processor B as of 01/01/2019, allow 30 days prior to the effective date in order for the switch/service intermediary entities and Part D Transaction Facilitator to update their routing tables. This assumes the former Processor A was processing electronic transactions.
  - b. If new RxBIN(IIN)/RxPCN for 2019 is a new RxBIN(IIN) for that processor, allow 30-60 days prior to the effective date in order for the switch/service intermediary entities and Part D Transaction Facilitator to update their routing tables.

## 10. FREQUENTLY ASKED QUESTIONS

### 10.1 WHAT ARE 4RX CHANGES?

Background: Four common data elements are used throughout the pharmacy industry to identify a beneficiary and to electronically submit claims. The same data elements can usually be found on the cardholder's identification card. These are referred to as 4Rx Data Elements. The four required fields are essential for the routing of information used in the adjudication of prescription drug claims. The four fields allow the claim transaction to be sent to the correct prescription drug claims processor which allows cost sharing to be returned real-time to the pharmacy.

This data allows payment on behalf of the beneficiary to be counted toward TrOOP application. Incorrect 4Rx data can result in negative financial impacts to the beneficiary and the State program.

Any changes to these data elements would result in the ADAPs and SPAPs and processor having to make certain updates as referenced in Section "[Recommended Steps When Changing RxBIN\(IIN\) and/or RxPCN and/or Processor](#)".

1. RxBIN(IIN): This is the Bank Identification Number (Issuer Identifier Number)
2. RxPCN: This is the Processor Control Number
3. RxGrp: This is the RxGroup ID; this is NOT for the Employer Group ID used for medical claims. This field is optional but must be consistent between the OHI and the claims.
4. RxID: This is the cardholder identification number for the ADAP or SPAP

For ADAPs and SPAPs to have electronic COB occurring with Medicare Part D sponsors, CMS requires the 4Rx data on the claim to match the data on the eligibility file. Therefore, ADAPs and SPAPs must timeline any changes in the data elements on the CMS data sharing file. ADAPs and SPAPs can experience a negative financial impact by not properly time-lining eligibility data to CMS. This may also result in beneficiaries experiencing negative financial impacts and TrOOP not being updated correctly.

Examples:

- Change in processor with a new RxBIN(IIN)/ RxPCN combination: SPAP changes processors on 8/1/19 and neglects to send the OHI to CMS with the new RxBIN(IIN)/PCN combination. SPAP processes claims on and after 8/1/19 with the new RxBIN(IIN)/ RxPCN combination and neglects to update the HPMS Module. This situation would cause non-matched OHI for the Nx transactions and limit the ability to receive financial refunds from Medicare Part D sponsors for adjusted claims.
- Change in processor without a new RxBIN(IIN)/ RxPCN combination.
- Change in beneficiary identification number.
- Change in/add/delete RxGrp.
  - The 4Rx data elements on the OHI in the data sharing file need to be the same as the data elements required to process a claim. Processors should configure their adjudication logic to require the exact data elements and reject claims for missing or invalid information where necessary.

Refer to *Overview of COB processes white paper* at <http://ncdpd.org/Resources/Medicare-Part-D> for 4Rx requirements.



## **11. APPENDIX A. HISTORY OF REFERENCE GUIDE CHANGES**

### **11.1 VERSION 2.0**

- Removed outdated website links and added links for the HPMS module to the Resources section.
- Added AIDS Drug Assistance Program (ADAP), HPMS SPAP ADAP Attestation and State Pharmaceutical Assistance Program (SPAP) to the Acronyms and Definitions section.
- Modified the following sections to update any references to manual processes which have been replaced with the automated process through the HPMS module:
  - CMS Requirements for Coordination of Benefits
  - Essential Steps for Successful Electronic Coordination of Benefits
  - Annual and Ongoing Responsibilities of the SPAP/ADAP programs and their processors
  - Recommended Steps when changing BIN(IIN) and/or PCN and/or Processor
- Removed Appendix with Advanced Notice since the paper form is no longer used.
- Changed CMS Transaction Facilitator and Transaction Facilitator to Med D Transaction Facilitator throughout the paper.
- Updated the dates used in the scenarios in Section 9.
- Added Insurance Industry Number (IIN) acronym wherever BIN is referenced.

### **11.2 VERSION 3.0**

- Added “Medicare” to all occurrences of “Part D”
- Replaced references to NCPDP SPAP BIN(IIN)/PCN List and the NCPDP URL link with CMS SPAP/ADAP Quarterly Report and the CMS URL link in Sections 4, 6 and 8.
- Changed NCPDP SPAP BIN(IIN)/PCN List to HPMS module in the example in Section 10.1
- Removed NCPDP as an entity notified by the HPMS module in Section 9.

### **11.3 VERSION 4.0**

- Changed most occurrences of SPAP/ADAP to ADAP and SPAP.
- Added “qualified” to applicable occurrences of “SPAP”
- Updated member to be beneficiary
- Updated CMS SPAP/ADAP report to CMS SPAP ADAP Quarterly Report
- Updated IIN from Insurance Industry Number to Issuer Identifier Number
- Updated Section 1: Purpose
- Removed Medicare from Medicare Part D Transaction Facilitator throughout
- Added sub-definitions for qualified and non-qualified SPAPs, added definitions for CMS Medicare Beneficiary Data and CMS Medicare Advantage Drug User Interface and alphabetized entries in Section 2
- Added “unique” in front of “Bank Identification Number” and added third bullet to item 1 in Section 4

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- Updated section 5 figure “Electronic Data Exchange for ADAPs and SPAPs and Medicare Part D Coordination of Benefits” with new icons, changed “LIS information, Medicare Eligibility, Medicare Enrollment” to say, “Beneficiary Information,” changed “CMS Transaction Facilitator” to “Part D Transaction Facilitator” and updated the flow to show information comes from the BCRC to CMS MARx.
- Updated section 6 figure “Real-time Claim Data Exchange SPAP/ADAP Process” with new icons, created sub- step 5a to address processing not in real-time and changed “CMS Transaction Facilitator” to “Part D Transaction Facilitator.”
- Added note to step 5 and removed first note after step 8 in section 6
- Added additional information to bullet 3 under “Beneficiary Impacts” in section 7
- Updated section 9 to include notes of non-qualified SPAPs reporting information directly to the Part D Transaction Facilitator under NCPDP Recommendation and Scenario 1.
- Update Medifacd website address to McKesson from RelayHealth throughout
- Updated miscellaneous grammatical errors throughout