



CMS ISSUES UPDATED RxDC REPORTING INSTRUCTIONS FOR JUNE 1, 2023 DATA REPORTING

On March 3, 2023, the U.S. Department of Health & Human Services (HHS), Centers for Medicare & Medicaid Services (CMS) issued [updated](#) Section 204 Prescription Drug Data Collection (RxDC) reporting instructions. **Reporting for the 2022 reference (calendar) year is due on June 1, 2023.**

BACKGROUND

Section 204 of the Consolidated Appropriations Act of 2021 (CAA) requires insurance carriers and self-insured health plans to submit information to CMS about spending on medical treatment, which includes spending on prescription drugs as well as amounts spent on other medical costs, premiums and cost-sharing. In January, carriers and plans submitted the first sets of data, for calendar years 2020 and 2021. Reporting for calendar year 2022 will be due on June 1, 2023, and will continue annually every June 1 thereafter.

As required by CMS, RxDC reporting is to be done through the filing of nine separate files—The first file (either P1, P2, or P3) lists the plans for which the filer is reporting. The remaining are eight separate data files: D1 (premium and life years), D2 (spending by category), D3 (top 50 most frequent brand drugs), D4 (top 50 most costly drugs), D5 (top 50 drugs by spending increase), D6 (Rx totals), D7 (Rx rebates by therapeutic class), D8 (Rx rebates for the top 25 drugs.)

In preparation for completing the upcoming reporting, carriers have recently asked for plan sponsors to provide data regarding the average monthly premiums paid by the employer, the premium share paid by employees, self-funded administration fees/TPA fees (if applicable), and the identity of medical, pharmacy, behavioral, wellness, stop loss vendors and their Employee Identification Numbers (EIN).

UPDATED REPORTING INSTRUCTIONS

From an employer's standpoint, the most significant changes to the RxDC reporting instructions from the filings for the 2020 and 2021 reference years include the following clarifications:

- RxDC applies to plans, issuers, and carriers in all U.S. territories as well as the 50 states and the District of Columbia;
- RxDC reporting requirements *do not* apply to retiree-only plans;
- The updated reporting instructions also include guidance on incorporating prescription drug rebates and stop-loss reimbursements in the data files.



While the regulations allow filers to report aggregated data by market segment and state, they limit that aggregation in the case of multiple vendors. That limitation was suspended for the 2020 and 2021 reporting. The updated reporting instructions continue this suspension of the data aggregation restrictions originally set forth in the regulations. This will make reporting easier where multiple vendors are reporting data for the same plan.

Additionally, the new reporting instructions continue to allow multiple vendors to submit the same data file type. While plans, issuers, carriers, and their reporting entities are encouraged to work together to submit only one data file of each type, the instructions provide that more than one reporting entity may submit the same type of data file on behalf of the same plan, issuer, or carrier.

CONCLUSION

In light of the potentially steep penalty for non-compliance (\$100 per affected person per day), we are continuing to remind plan sponsors to comply in a timely manner with data requests from their carriers, TPAs and PBMs. If you have questions about RxDC reporting or how to provide plan-related information to your reporting entity, please contact your Account Manager.

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