



Center for Medicare

Date: February 24, 2015

To: All Part D Plan Sponsors and interested parties

From: Cheri Rice, Director
Medicare Plan Payment Group

Subject: Request for Comments – Possible Change to Part D Date of Death Editing

The Centers for Medicare & Medicaid Services (CMS) is soliciting comments on a potential modification to the Part D prescription drug event (PDE) data editing associated with a beneficiary's date of death (DOD). Please submit comments via email to pdejan2011@cms.hhs.gov with the subject "PDE DOD Editing" no later than 5 PM ET, on Monday, March 30, 2015.

Background

CMS currently uses two PDE edits related to a beneficiary's DOD, edits 704 and 714. Edit 704 is invoked, and the PDE rejects, when the date of service (DOS) on the PDE is greater than (i.e., later than) the DOD of the beneficiary plus 32 days. Edit 714 is an informational edit (i.e., the PDE will not reject when this edit fires) and is invoked when the DOS is greater than the DOD but is within the 32-day allowable margin. Sponsors are expected to review all PDEs that receive an informational edit to verify that they are valid, and if they are not valid, the PDEs should be deleted.

These DOD edits were the subject of an Office of the Inspector General (OIG) study published October 2014, entitled, "Medicare Paid for HIV Drugs for Deceased Beneficiaries," OEI-02-11-00172. In that study, the OIG found that Medicare paid for HIV drugs for approximately 150 deceased beneficiaries. They concluded that CMS allowed most of these payments to occur due to current PDE editing. The OIG recommended that CMS change its practice of accepting PDEs for drugs that have a date of service within 32 days after the beneficiary's death by either eliminating or—if necessary for administrative processing issues—shortening the window in which it accepts PDE records for drugs dispensed after a beneficiary's death. CMS concurred with the OIG's recommendation and stated that we would work with the industry to reduce the 32-day margin.

CMS had originally instituted the 32-day margin to accommodate retroactive billing practices that result in a DOS on a PDE that is equal to the retroactive billing date. This retroactive billing date may be greater than a beneficiary's date of death.

Proposed Changes to PDE Editing

CMS is considering eliminating the current 32-day margin associated with the beneficiary DOD editing. Specifically, CMS is considering modifying edit 704 such that the edit would be invoked in any circumstance in which the beneficiary's DOS is greater than the DOD on the PDE. In addition, we are considering eliminating informational edit 714. We request comments on this potential modification to the current DOD edits including information on the circumstances in which the date of service on a Part D claim would be greater than the DOD and what systems changes (if any) would be required by pharmacies or Part D sponsors if the proposed modifications were adopted. In addition, we request comments on a recommended implementation date if CMS were to adopt the proposed modifications. Please send comments to the PDE mailbox at pdejan2011@cms.hhs.gov with the subject "PDE DOD Editing." In order to be fully considered, comments must be received no later than 5 PM ET, on Monday, March 30, 2015.