

Prescription Drug Reporting FAQ

In an effort to combat high prescription drug costs, legislators included language in the Consolidated Appropriations Act, 2021 (“CAA”) requiring group health plans to submit detailed information about prescription drug pricing and healthcare spending to the federal government. This submission is known as the “RxDC report.” The information collected will be used to publish biannual reports on prescription drug costs.

Pinnacle Claims Management, Inc. (“Pinnacle”) and PinnacleRx Solutions (PRxS) recognize that group health plan sponsors likely do not have the types of information required for the RxDC report at their fingertips, and will prepare reports for their current clients and file for the periods in which each client was represented by Pinnacle/PRxS.

Following are answers to frequently asked questions about the RxDC reporting requirement.

WHAT TYPES OF INFORMATION ARE GROUP HEALTH PLANS REQUIRED TO PROVIDE?

The CAA requires eight data files, and have provided a template for each:

- D1 - Premium and life years;
- D2 - Healthcare spending by category;
- D3 - Top 50 most frequently used brand drugs;
- D4 - Top 50 most costly drugs;
- D5 - Top 50 drugs by spending increase;
- D6 - Prescription drug totals;
- D7 - Prescription drug rebates by therapeutic class; and
- D8 - Prescription drug rebates for the top 25 drugs.

Plans must submit one or more plan lists and a narrative response describing the impact of prescription drug rebates on premiums and cost sharing.

In its role as third party administrator, Pinnacle stores much of the information required for reports D1-D2; however, additional information may be required from the plan sponsor. The pharmacy benefit manager (PBM) holds the information required for reports D3-D8.

WHAT IS THE FILING DEADLINE?

Reports must be filed through the Centers for Medicare & Medicaid Services (CMS) Health Insurance Oversight System (HIOS) on or before December 27, 2022 for the 2020 and 2021 calendar years (called “reference years” in the requirements), and by June 1 of each subsequent year (e.g., June 1, 2023 for 2022 calendar year data).



WILL PINNACLE FILE REPORTS ON BEHALF OF THE PLAN SPONSOR?

If Pinnacle is the TPA and PRxS is the plan's PBM, Pinnacle will prepare and file reports D1-D8. If PRxS is not the plan's PBM, Pinnacle will file reports D1-D2, but the plan sponsor will need to work with their PBM to prepare and file reports D3-D8.

The submission for a plan is considered complete if CMS receives all required files, regardless of who submits them.

WHAT WILL PLAN SPONSORS NEED TO DO?

Plan sponsors will be asked for specific information needed to complete the reports, including average employee contribution (the average monthly premium paid by members). In addition, the plan sponsor may be asked for supplemental information if needed for the narrative response that is required to be filed with the reports.

CAN WE ELECT TO RECEIVE THE DATA FROM PRXS AND SUBMIT THE INFORMATION OURSELVES?

Pinnacle is automatically acting as the reporting entity for PCMI and PRxS clients. The data is being filed as an aggregated report and is not broken out by company or group. For entities that wish to report independently, information unique to the entity can be identified and removed from the aggregated report for an additional cost.

IS THERE A FEE TO SUBMIT THE REPORT TO CMS OR PROVIDE DATA TO ANOTHER PBM OR TPA?

There is no fee for submission of the file for current clients. For terminated TPA or PBM clients, there will be a fee of \$6,000 for this data.

MY COMPANY USES A PBM OTHER THAN PINNACLERX SOLUTIONS. WHAT DOES THAT MEAN FOR THE REPORTING REQUIREMENTS?

If the plan sponsor contracts with a PBM other than PRxS, Pinnacle will not have access to the data required for reports D3-D8. The plan sponsor will need to work with its own PBM to prepare and file these reports.



MY COMPANY CHANGED VENDORS DURING A CALENDAR YEAR. HOW WILL THE DATA BE REPORTED?

If a plan sponsor contracted with Pinnacle or PRxS during a calendar year, Pinnacle (or PRxS) will report the data for the months of the calendar year for which it provided services to the plan sponsor. The plan sponsor will need to work with the other vendor to report that data from the period prior to Pinnacle or PRxS.

However, Pinnacle and PRxS will not be providing files for groups they no longer represent. If a plan sponsor terminates its contract with Pinnacle and/or PRxS during the year, the clients will be provided with utilization files that can be used for completing the report templates.

WHAT IS THE TIMELINE FOR PREPARING A FILING FOR CALENDAR (REFERENCE) YEAR 2022?

Data collection will begin in January 2023 for reference year 2022. Pinnacle and PRxS will need 90 days for report development and submission.

MY COMPANY HAD A MERGER IN 2022 AND THE HEALTH PLAN NO LONGER EXISTS. WHO IS RESPONSIBLE FOR SUBMITTING THE DATA?

Reporting will be the responsibility of the fiduciary in place at the time the plan existed.

WILL WE BE NOTIFIED WHEN DATA HAS BEEN SUBMITTED ON OUR BEHALF?

Pinnacle will notify plan sponsors as data is submitted to CMS.

Pinnacle and PRxS are here for you and are committed to helping you meet all federal compliance requirements, including the RxDC report filing. If you have any questions about this or any other requirement, please contact your account manager.