

# THE BEACON

Exclusive Compliance Alerts from MZQ Consulting

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## ADMINISTRATION EXTENDS RXDC REPORTING DEADLINE AND PROVIDES OTHER LIMITED REPORTING RELIEF

Late in the afternoon on December 23, 2022, [the Administration issued Affordable Care Act FAQ #56](#), and in doing so gave a little holiday gift to all group health plans nationwide. The guidance establishes limited deadline and enforcement relief for the 2020 and 2021 Prescription Drug Data Collection (RxDC) submissions that were due by December 27, 2022. There will be a compliance safe harbor for all group health plans and health insurance issuers that use a good faith, reasonable interpretation of the regulations and reporting instructions when making data submissions. There will also be a submission grace period through [January 31, 2023](#), meaning the federal government will not consider a plan or issuer to be out of compliance with these requirements provided that a good faith submission of 2020 and 2021 data is made on or before that date.

The guidance also includes the following relief for 2020 and 2021 data submissions to make the reporting process easier:

- 1. E-mail Submissions Allowed for Certain Types of Data**—Originally, all group data submissions needed to be through the Centers for Medicare and Medicaid Services' Health Insurance Oversight System (HIOS) and getting a HIOS ID to be able to submit can take up to two weeks. Now, if a group health plan or its reporting entity is submitting only the plan list, premium and life-years data, and a narrative response and is not submitting any other data, it may submit the file by email to [RxDCsubmissions@cms.hhs.gov](mailto:RxDCsubmissions@cms.hhs.gov). The emailed submission must include the plan list file, premium and life-years data (data file D1), and a narrative response. The name of each file should include the reference year of the submission, the plan list or data file type (e.g., P2, D1), and the name of the group health plan sponsor.
- 2. Reporting Entities May Make Multiple Submissions**—When the submission rules were first released, they indicated that entities helping plans with RxDC reporting were only allowed to make one submission in HIOS. That submission could include data for many health plans aggregated together, but each reporting entity was limited to one submission per HIOS account per applicable reporting or reference year (2020 or 2021). However, the new guidance clarifies that when a reporting entity submits on behalf of more than one plan or issuer for a reference year, the reporting entity may create more than one submission for that reference year.
- 3. Multiple Entities May Submit Reports for the Same Group Plan**—If a group plan has multiple vendors preparing data for submission on their behalf, instead of making all reporting entities work together to



consolidate the plan's or issuer's data into a single data file for each type of data, now the data can be reported by each entity separately.

- 4. **Less Aggregation Required**—Initially, the reporting guidance specified that if health insurance issuers, PBMs, third-party administrators, or other service providers reported on behalf of one or more plans or issuers in a state and market segment, the data submitted by each of these reporting entities needed to be aggregated to at least the aggregation level used by the reporting entity that submits data on the total annual spending on health care services on behalf of those plans or issuers. For 2020 and 2021 data only, a reporting entity submitting the required data may, within each state and market segment, aggregate at a less granular level than that used by the reporting entity that is submitting the total annual spending data.
- 5. **Optional Vaccine Reporting**—Entities need to report pharmaceutical data using the CMS drug name and therapeutic class crosswalk. This crosswalk was updated on October 3, 2022, to include National Drug Codes (NDCs) for vaccines. Reporting entities may, but are not required to, incorporate these vaccine NDCs in their data files.
- 6. **Amounts Not Subject to the Deductible or Out-of-Pocket Maximum**—Entities do not have to report the amount of any Rx spending that was not applied to a deductible or out-of-pocket maximum. There are columns for this spending on the D2 and D6 data file templates. Plans that do not include this data should leave the data fields in these columns blank.

This deadline and enforcement relief is transitional and only applies to the 2020 and 2021 calendar year submissions that were originally due on December 27, 2022. All group health plans of all sizes and funding structures still need to complete RxDC reporting. Put another way, this guidance does not exempt any entity from ultimately completing their reports, and all affected entities are expected to continue to work in good faith toward full compliance with these requirements. This guidance does not apply to the 2022 calendar year RxDC reporting, which must be completed on or before June 1, 2023. The Administration indicated it will monitor stakeholder efforts to comply with the 2020 and 2021 reporting requirements and issue additional guidance as needed in advance of the next reporting deadline.

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