

CMS PUBLISHES 2022 RXDC REPORTING INSTRUCTIONS

The federal Centers for Medicare and Medicaid Services released [the 2022 instructions](#) for the prescription drug and health care spending data collection (RxDC) requirement on Monday, March 27, 2022. RxDC is the new [federal health and prescription drug claims and plan spending reporting requirement](#) that affects employer group health benefit plans of all sizes and funding structures. Calendar year 2022 reports are due by June 1, 2023. Notably, while “good faith” compliance was the standard applied to 2020 and 2021 RxDC reporting, we do not anticipate a similar standard to be adopted for the 2022 reporting year.


RxDC reports from employer group health plans must include a file of general plan information (P2), details about the plan’s enrollment information and allocation of premium dollars (D1), plus seven additional data files (D2-D8) that primarily reflect statistics about prescription drug usage and medical claims data. Narrative files explaining the data contained in the D1-D8 reports are also required. The 2022 instructions also clarify that the RxDC reporting requirements do not apply to retiree-only plans, just traditional group health plans in all U.S. states and territories.

Employers are ultimately responsible for ensuring that all plan RxDC files are accurate, complete, and submitted on time. However, because employers do not typically have access to the claims data required to prepare D2-D8 files and their accompanying narratives, the 2022 instructions allow employers to have multiple vendors submit data files on behalf of their plan. Put another way, many plan sponsors will likely rely on as many as three vendors to satisfy these complex reporting requirements:

- PBMs will generally complete D3-D8 files (which include pharmacy data files and related data files).
- Carriers and TPAs will generally complete and submit D2 files (which include health care spending files).
- Depending on the circumstances, employers or their compliance vendors, carriers, or TPAs will generally complete and submit D1 files (including information about plan enrollment and premium data).

Each separate filing will be accompanied by a P2 filing identifying the plans included in that filing.

The largest challenge many employers face in this regard is identifying a viable solution for submitting the D1 data, which needs to be filed along with its own P2. Even though the P2 plan information and D1 premium data files are comprised primarily of information employers should know about the health plan they have



offered, there are complex requirements within the P2 and D1 file specifications, and it takes weeks to obtain the account with CMS's Health Insurance Oversight System (HIOS) required for their submission. As a result, most employers will need assistance from a vendor or compliance expert to create and submit these reports through HIOS, and the 2022 instructions specifically allow for this. This challenge is "new" because while D1 files were technically required as part of the first round of RxDC reporting (due by the end of January 2023 for the 2020 and 2021 calendar years), there was an official nonenforcement position adopted with respect to most of this information. Additionally, employers were permitted to submit this information to CMS via e-mail, rather than through the HIOS interface. That is no longer the case with respect to 2022 filings.

Employers working with a health insurer, TPA, or PBM to submit D1 files on their behalf will likely encounter a tight deadline to give their vendor employer-specific information for these filings. In some cases, these deadlines may have already passed; in others, a plan's vendor may refuse to help submit D1 data. The reluctance to help and tight deadlines exist because carriers, TPAs, and PBMs must focus on the "heavy lift" that submission of D2-D8 claims files require.

For employers whose carrier/TPA/PBM is unwilling or unable to submit D1 on their behalf or for those who have missed their vendor's deadline, MZQ Consulting is available to prepare and submit D1 and P2 files for your organization. Click [here](#) to get more information.

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