



## Frequently Asked Questions: Pharmacy Benefits and Drug Costs Reporting

### What is the Pharmacy Benefits and Drug Costs (RxDC) report?

This provision of the Consolidated Appropriations Act (CAA), 2021 requires group health plans and health insurance issuers to report annual data to the U.S. Departments of Health and Human Services, Labor, and Treasury (Tri-agencies) about prescription drugs and health care spending, such as employer and employee premium amounts, drug utilization, drug rebates, and spending on health care services by type (e.g. hospital, primary care, specialty care, prescription drugs, etc.).

*Note: This is also called "RxDC" reporting or the RxDC report; the "Rx" stands for prescription drug and the "DC" stands for data collection. You may also hear it called "Section 204" based on the location of the provision within the applicable part of the CAA.*

#### 1. What plans does the RxDC report apply to?

##### ✓ RxDC Report Required

- ▶ Health insurance issuers offering group coverage
- ▶ Health insurance issuers offering individual market coverage, including:
  - + Student health plans
  - + Plans sold through the Exchanges
  - + Plans sold outside of the Exchanges
  - + Individual coverage issued through an association
- ▶ Fully insured and self-funded group health plans, including:
  - + Non-federal governmental plans, such as plans sponsored by state and local government
  - + Church plans that are subject to the Internal Revenue Code
  - + Federal Employees Health Benefits (FEHB) plans

##### ✗ RxDC Report NOT Required

- ▶ Account-based plans, such as standalone health reimbursement arrangements (Note: Medical plans associated or integrated with an account-based plan, as well as high-deductible health plans compatible with an HSA, DO require RxDC reporting.)
- ▶ Excepted benefits including but not limited to:
  - + Short-term limited-duration insurance
  - + Hospital or other fixed indemnity insurance
  - + Disease-specific insurance
- ▶ Medicare Advantage and Part D plans
- ▶ Medicaid plans
- ▶ State children's health insurance program plans
- ▶ Basic Health Program plans



## 2. Who is responsible for submitting this report?

Self-funded plans and health insurance issuers are responsible for this report. However, third-party administrators (TPAs) and/or pharmacy benefit managers (PBMs) are permitted to submit the files to the government on behalf of self-funded plans. More than one of those entities (such as the TPA AND the PBM) may submit files that make up the complete report.

## 3. When is this report due?

Reports for calendar years 2022 and future years are due by June 1 of the following year. For example, the 2022 calendar year report is due June 1, 2023.

*Note: PAI will be distributing a request for information to the primary employer group contact(s). Employer groups must respond and submit certain 2022 data to us by March 29, 2023.*

## 4. Our pharmacy benefits are carved-in with OptumRx. How will our data be reported?

For carved-in groups, we will collect required pharmacy and non-pharmacy data for services we provide in-house or through a preferred vendor partner and submit the files to the Tri-agencies. We will work with OptumRx and each employer to collect data. Spending and cost data will be submitted on an aggregate basis (i.e., not group-specific).

## 5. Our pharmacy benefits are carved out to an external PBM. How will our data be reported?

For carved-out groups, we will collect the required non-pharmacy data for services we provide in-house or through a preferred vendor partner and submit the files to the Tri-agencies on an aggregated basis. We will work with each employer to collect required data held by the employer. The PBM generally will be separately responsible for reporting the pharmacy benefit-related data on your behalf. This includes the report files D3-D8 and potentially PBM fees which would be included in D1. If you provide the carve-out PBM fees (which includes claims costs and administrative costs), we will include it with our D1 file, provided the PBM is not filing its own D1 file. The same data should not be submitted twice. If your carve-out PBM is filing its own D1, then the PBM fees do not need to be provided to us. A list of the report of files is at the end of this FAQ.

At no time will we submit report files D3-D8 if pharmacy benefits are with a carved out external PBM.

## 6. We carve out other services besides pharmacy, like behavioral health, concierge customer service, or stop loss. Will PAI include this in the RxDC report it submits?

We will automatically submit data based on services we provide in-house or through a preferred vendor partner.

However, if you pay administrative fees or premiums to other vendors for any services subject to this report, the government asks that you provide the relevant data to us to be included in our submission. Data needed: Fee/premium amount paid to the TPA/vendor, TPA/vendor name, TPA/vendor EIN. These vendors might include behavioral health or concierge customer service vendors, or stop loss carriers; however, we will NOT submit report files D3-D8 for carved-out PBMs. A list of the report files is at the end of this FAQ. Please consult your legal counsel to determine whether other services are subject to the report. Please be aware you may need to separately submit to the Tri-agencies any claims, premium, and any other data related to services which are subject to the report. If you had coverage with us for only part of the year, you only need to provide information for those months.

*Note: If we billed you for stop loss premiums (regardless of stop loss carrier), you do not need to submit that information. We will utilize our billing/invoice resources for this data and automatically include those premiums in the RxDC report.*

## 7. What data does PAI need from us and how will you collect it?

Certain data required in the RxDC report is held by the employer. Since we will be submitting files on the employer's behalf, we will need to collect this information from each employer for 2022. Going forward, we will collect this on an annual basis.

PAI's compliance team will be sending you an email with a survey link; please use this link to respond with the relevant data as soon as possible. The survey/request for information will be delivered by email no later than March 15, 2023.

## 8. When does PAI need this data from us?

We must receive your data by March 29, 2023.

**Data elements you need to provide for 2022 include:**

Data Element	Notes
Total Amount of all Employee Premium Collected for the Calendar Year	<p>For your major medical coverage, provide the sum (in dollars) of all member contributions towards premiums for 2022. Members include those paying COBRA premiums in 2022.</p> <p>Do not include member contributions paid separately for other health benefits, such as dental or vision.</p>
Payments for other services not provided by PAI	<p>We will automatically submit data based on services we provide in-house or through a preferred vendor partner (like OptumRx).</p> <p>For services subject to the RxDC report which are not provided or contracted through us, share the total cost of providing and maintaining coverage, including claims costs, administrative costs, Administrative Services Only (ASO) and other third-party administrator (TPA) fees, and stop-loss premiums. Do not include carve-out PBM fees.</p> <p>If you pay administrative fees or premiums to other vendors for any services subject to this report, the government asks that you provide the names of those vendors and payment amounts to us to be included in our submission. These vendors might include behavioral health or concierge customer service vendors, or stop loss carriers.</p> <p>Note: If PAI billed you for stop loss premiums (regardless of stop loss carrier), you do not need to submit that information. We will automatically include those premiums in the RxDC report.</p>
Carve-out PBM Fees and Claims Cost	<p>If you have a carve-out PBM (Pharmacy services as not provided by us) and they are NOT filing their own D1, provide the total annual 2022 carve-out PBM fees.</p> <p>This includes the total cost of providing and maintaining coverage, including claims costs, administrative costs, Administrative Services Only (ASO) and other TPA fees.</p>
Names and Federal Employee Identification Numbers (EIN) of other TPAs or PBMs	<p>If you are furnishing data about fees or premiums for non-PAI entities, list the relevant name(s) and EIN(s).</p>
Stop loss premiums paid by self-funded plans for the reporting year	<p>If we bill you for stop loss coverage, you do not need to include this. We will leverage information we have on file. If we do not bill you for stop loss premiums, you must provide the annual stop loss premium to us to be included in our submission. If you do not have stop loss, please enter N/A.</p>

*Data elements are subject to change depending on government annual reporting requirements.*

**9. If our group terminated mid-year, will you report data for it?**

Yes, we will report data for the group during the time period they were in force with us.

**10. If our group’s plan year began mid-year, will you report data for it?**

Yes, we will report data for the group during the time period they were in force with us.

**11. Are you charging any fees to employers for completing this report?**

No.

**12. There are a lot of different files required for the RxDC report. Which files will PAI be submitting?**

The RxDC report is made up of 11 files designated as Plan Lists (“P” files) and Data Files (“D” files). There are three possible types of P files; plans will only be listed in one based on their market segment. There are eight D files, six of which are pharmacy-specific. One P file and eight D files compose a full report; however, in some cases for ASO groups, the PBM may be separately filing the pharmacy-specific D3-D8 files and a D1 file which would list its fees. Also, a narrative response is required to describe the impact of prescription drug rebates on premium and cost sharing, and other topics.

**For carved-in groups, we will submit:**

- ▶ P2 Group Health Plan List
- ▶ 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
- ▶ Narrative Response

**For carved-out groups, we will submit:**

- ▶ P2 Group Health Plan List
- ▶ D1 Premium and Life-Years
- ▶ D2 Spending by Category
- ▶ Narrative Response (as applicable)

**13. Where can I find more information?**

You can find more information on the government’s RxDC website [here](#).\*



**PAISC.com**