

DEPARTMENT OF HEALTH & HUMAN
SERVICES
Centers for Medicare & Medicaid Services
Center for Medicare
7500 Security Boulevard
Baltimore, Maryland 21244-1850



Medicare Plan Payment Group

DATE: June 15, 2015

TO: All Pharmaceutical Manufacturers and Part D Sponsors

FROM: Cheri Rice, Director
Medicare Plan Payment Group

SUBJECT: Payment of Outstanding Coverage Gap Discount Program payments

As announced in the Health Plan Management System (HPMS) memo dated March 25, 2015: “Updates on the new Medicare Part D Coverage Gap Discount Program Direct Payment Process”, the Coverage Gap Discount Program (CGDP) will be switching to a new, Automated Clearing House (ACH) based, Direct Payment Process (DPP) starting with the Q2 2015 quarterly invoice. As a result, payment confirmations for the older payment process will no longer be accepted after August 14th, 2015.

As we transition to the new payment process, the Centers for Medicare & Medicaid Services (CMS) and the Third Party Administrator (TPA) would like to make sure that any outstanding payments owed for previous reporting periods are settled by the time the payment confirmation process is discontinued. In order to resolve outstanding payments and reach the goal of closing out the old process, the following process should be followed immediately:

1. Verify that any missing payment(s) identified was not actually missing but, was either
 - a. Sent in the form of a check,
 - b. Sent during a subsequent reporting period , or
 - c. Combined with another payment.
2. Call the TPA to report the missing payment(s) and be prepared to provide the following information:
 - a. Reporting period,
 - b. Payer ID,
 - c. Payment amount,
 - d. Electronic Funds Transfer (EFT) Identifier, if necessary

3. The TPA representative will provide you with the appropriate Payer contact information so that you can resolve the missing payment(s) with the responsible parties.

4. The TPA should be copied on all communications with those parties.

5. All Payers involved are expected to cooperate when contacted about outstanding payments and be prepared to provide the Payee and the TPA with definitive, independent proof of payment, such as a bank statement.

6. In order to avoid compliance actions, outstanding payments must be resolved within 30 days of receiving the email notification from the Payee but no later than August 14, 2015. In resolving outstanding payments, Payees are expected to reach out to Payers as soon as possible to ensure that all outstanding payments can be resolved by August 14th.

7. Once resolved, updated payment confirmations should be submitted to the TPA to accurately reflect amounts paid and received.

8. Any unresolved payments that remain after following these steps should be reported to the TPA by August 14, 2015. If the TPA is not notified of unresolved payments by this date, the TPA will consider the issue resolved.

Any questions about this memorandum or the process for resolving missing payments should be directed to the TPA at 1-877-534-2772, Option 1 or tpaoperations@tpadministrator.com.