



# Consolidated Appropriations Act

## Section 204

Title II (Transparency) of Division BB of the Consolidated Appropriations Act, 2021 (Pub. L. 116-260) (CAA), establishes new protections for consumers to promote transparency in health care costs and, particularly, prescription drug costs. **Section 204 of the Transparency Title authorizes the collection of prescription drug and health care spending data from group health plans and health insurance issuers on an annual basis.**

The Department of Health and Human Services (HHS), the Department of Labor (DOL), and the Department of the Treasury (Treasury), (collectively, the Departments), will use the information submitted by reporting entities to inform their Section 204 Reporting in:

- Identifying major drivers of increases in prescription drug and health care spending
- Understanding how prescription drug rebates impact premiums and out-of-pocket costs
- Promoting transparency in prescription drug pricing.

Although the legal obligation to file is not placed directly on PBMs, Magellan Rx recognizes our clients need us to supply the relevant prescription drug information. The Frequently Asked Questions below address some of the high-level questions about how Magellan Rx will help clients comply with the regulation. Please be aware these guidelines are subject to change upon any adjustments to the regulations from the government. We will communicate to our clients when those changes happen. Go to [CMS Website Sec 204 Prescription Drug Data Collection Documentation](#) for more information regarding the regulations.

Some of our clients received a client communication that differs from this version. They provided us with comments and suggestions. Since Magellan Rx takes our partnership with clients seriously, we opted to change our process of submission. Please use this version of the Frequently Asked Questions as a reference on how Magellan Rx will proceed with the CAA Section 204 reporting.

### Frequently Asked Questions

**1. Will Magellan Rx submit files to CMS on behalf of their clients?**

Yes. Magellan Rx will submit files directly to CMS.

- 2. What if a client wants to submit to CMS instead of MRx?**

This first submission will be historical data only and must be submitted within a short timeframe. We would ask our clients for the ability to submit on their behalf this one time. For ongoing submissions, we will have more flexibility on who submits. If a client absolutely wants to submit the historical submission, we ask them to work with their Account Manager.
- 3. Will there be a charge to clients for MRx submitting on their behalf?**

There will be a charge for these requirements. However, all charges for this first submission will be waived for all clients.
- 4. Will there need to be a written agreement between clients and Magellan Rx for files to be submitted directly to CMS?**

Yes. Magellan Rx will send an informational letter to all clients. This will act as the agreement between Magellan Rx and clients for this first submission.
- 5. Will Magellan Rx require any data from clients to submit?**

Yes. A questionnaire will be sent to clients to provide data needed to submit on their behalf.
- 6. What information is needed on the questionnaire?**

Some of the information we need from our clients are HIOS Name and Number, 5500 Plan, and Total employee count. These questionnaires will be sent out with plenty of time for our clients to fill the template out and send back to us.
- 7. Will clients only need to provide information to Magellan Rx one time?**

Some of the data required for submission will change yearly such as any HIOS information and total employee count. Due to these expected changes, yearly questionnaires will be sent out at the beginning of the year for ongoing submissions starting in 2023.
- 8. What data will Magellan Rx submit to CMS?**

Magellan Rx will send data to CMS on behalf of clients for files P1-P3 and D3-D8. See Appendix
- 9. Why won't Magellan Rx submit D1 and D2 files?**

Files D1 and D2 reflect premium and medical data only. Magellan Rx does not have this type of data. The plan medical vendor should provide the medical data. See Appendix
- 10. At what level will Magellan Rx aggregate the data?**

Magellan Rx will aggregate the data at the TPA/client level per the CMS regulations.
- 11. Will coupons/copay card information be included in the prescription data?**

No. All coupon/copay card information is held by pharmacies and not by Magellan Rx.
- 12. When is the first submission date due to CMS?**

Historical data is due to CMS December 27, 2022. This is the first required submission date.

**13. The historical submission encompasses what reference years?**

Historical data is required for reference years 2020 and 2021.

**14. When are ongoing submissions due?**

After the historical data submission on 12/27/2022 all ongoing submissions are due June 1 following the reference year. For example, 2022 data is due June 1, 2023.

**15. Will Magellan Rx provide a Narrative Response?**

Yes. A Narrative Response will be provided to CMS for the files MRx submits.

**16. How will Magellan Rx report for clients who were not active the entire reference year?**

Magellan Rx will submit files to CMS for the period in which clients were active. For example, if a client was active 1/1/2020 – 6/30/2021, MRx would submit files for all 12 months of 2020 as well as the first 6 months of 2021. The timeframe after the client termed 7/1/2021 will not be submitted by MRx. Likewise, if a client was active with Magellan Rx starting 3/1/2021 – 12/31/2021, we would submit files to CMS for the last 10 months of 2021. See section 3.5 of the RxDC Reporting Instructions [CAA Section 204 Reporting Instructions](#)

**17. What if the NDC on a claim is not on the crosswalk provided by CMS?**

Per the regulation instructions, Magellan Rx will assign the prescription drug a unique RxDC drug code and notate it in the Narrative Response.

**18. How are states aggregated in the files?**

Per the regulation instructions, Magellan Rx will use the state where the plan sponsor has its principal place of business for self-funded plans that is not provided through a group trust, association, or MEWA. For self-funded plans that provides coverage through a group trust or MEWA the state where the employer has its principal place of business or the state where the association is incorporated if there is not principal place of business. For fully insured plans we will use the state where the policy was issued.

## Appendix

Below are the file names and the various fields required within each file. More information can be found in the RxDC Reporting Instructions starting in section 11.1: [CAA Section 204 Reporting Instructions](#)

**P1: Individual and Student Market Plan List**

HIOS Plan Name

HIOS Plan ID

Plan Year Beginning Date

Plan Year End Date

Market Segment

Members as of 12/31 of the reference year

PBM Name

PBM EIN

Included in D1 Premium and Life Years? Yes/No

Included in D2 Spending by Category? Yes/No

Included in D3 Top 50 Most Frequent Brand Drugs? Yes/No

Included in D4 Top 50 Most Costly Drugs? Yes/No

Included in D5 Top 50 Drugs by Spending Increase? Yes/No

Included in D6 Rx Totals? Yes/No

Included in D7 Rx Rebates by Therapeutic Class? Yes/No

Included in D8 Rx Rebates for the Top 25 Drugs? Yes/No

## **P2: Group Health Plan List**

Group Health Plan Name

Group Health Plan Number

HIOS Plan ID

Form 5500 Plan Number

States in which the plan is offered

Market Segment

Plan Year Beginning Date

Plan Year End Date

Market Segment

Members as of 12/31 of the reference year

Plan Sponsor Name

Plan Sponsor EIN

Issuer Name

Issuer EIN

TPA Name

TPA EIN

PBM Name

PBM EIN

Included in D1 Premium and Life Years? Yes/No

Included in D2 Spending by Category? Yes/No

Included in D3 Top 50 Most Frequent Brand Drugs? Yes/No

Included in D4 Top 50 Most Costly Drugs? Yes/No

Included in D5 Top 50 Drugs by Spending Increase? Yes/No

Included in D6 Rx Totals? Yes/No

Included in D7 Rx Rebates by Therapeutic Class? Yes/No

Included in D8 Rx Rebates for the Top 25 Drugs? Yes/No

## **P3: FEHB Plan List**

FEHB Plan Name

FEHB Contract Number

FEHB Plan Code  
States in which the plan is offered  
Plan Year Beginning Date  
Plan Year End Date  
Members as of 12/31 of the reference year  
FEHB Carrier Name  
FEHB Carrier EIN  
Affiliate Name  
Affiliate EIN  
TPA or Other Third-party Name  
TPA or Other Third-party EIN  
PBM Name  
PBM EIN  
Included in D1 Premium and Life Years? Yes/No  
Included in D2 Spending by Category? Yes/No  
Included in D3 Top 50 Most Frequent Brand Drugs? Yes/No  
Included in D4 Top 50 Most Costly Drugs? Yes/No  
Included in D5 Top 50 Drugs by Spending Increase? Yes/No  
Included in D6 Rx Totals? Yes/No  
Included in D7 Rx Rebates by Therapeutic Class? Yes/No  
Included in D8 Rx Rebates for the Top 25 Drugs? Yes/No

**D1: Premium and Life Years**

Issuer or TPA Name  
Issuer or TPA EIN  
State  
Market Segment  
Average Monthly Premium Paid by Members  
Average Monthly Premium Paid by Employers  
Life Years  
Earned Premium  
Premium Equivalents  
ASO/TPA Fees Paid (included in Premium Equivalents fields)  
Stop Loss Premium Paid (included in the Premium Equivalents field)

**D2: Spending by Category**

Issuer or TPA Name  
Issuer or TPA EIN  
State  
Market Segment  
Spending Category  
Total Spending  
Total Cost Sharing  
Amounts Not Applied to Deductible and/or Out-of-Pocket Maximum

**D3: Top 50 Most Frequent Brand Drugs**

Issuer or TPA Name  
Issuer or TPA EIN  
State  
Market Segment  
Drug Name  
Drug Code  
Frequency Rank  
Number of Paid Claims  
Number of Members with a Paid Claim  
Number of Dosage Units  
Total Spending  
Total Cost Sharing  
Manufacturer Cost-Sharing Assistance

**D4: Top 50 Most Costly Drugs**

Issuer or TPA Name  
Issuer or TPA EIN  
State  
Market Segment  
Drug Name  
Drug Code  
Cost Rank  
Number of Paid Claims  
Number of Members with a Paid Claim  
Number of Dosage Units  
Total Spending  
Total Cost Sharing  
Manufacturer Cost-Sharing Assistance

**D5: Top 50 Drugs by Spending Increase**

Issuer or TPA Name  
Issuer or TPA EIN  
State  
Market Segment  
Drug Name  
Drug Code  
Spending Increase Rank  
Number of Paid Claims  
Number of Members with a Paid Claim  
Number of Dosage Units  
Total Spending  
Total Cost Sharing

Manufacturer Cost-Sharing Assistance  
Prior Year Number of Paid Claims  
Prior Year Number of Members with a Paid Claim  
Prior Year Number of Dosage Units  
Prior Year Total Spending  
Prior Year Total Cost Sharing  
Prior Year Manufacturer Cost-Sharing Assistance  
Dollar Increase in Total Spending

**D6: Rx Totals**

Issuer or TPA Name  
Issuer or TPA EIN  
State  
Market Segment  
Total Rx Spending under Pharmacy Benefit  
Rx Amounts Not Applied to Deductible and/or Out-of-Pocket Maximum  
Bona Fide Service Fees  
PBM Spread Amounts  
Total Rebates/Fees/Other Remuneration  
Restated Prior Year Rebates/Fees/Other Remuneration

**D7: Rx Rebates by Therapeutic Class**

Issuer or TPA Name  
Issuer or TPA EIN  
State  
Market Segment  
Therapeutic Class Name  
Therapeutic Class Code  
Number of Paid Claims  
Number of Members with a Paid Claim  
Number of Dosage Units  
Total Spending  
Total Cost Sharing  
Manufacturer Cost-Sharing Assistance  
Rebates Retained by PBM  
Rebates Retained by Plan/Issuer/Carrier  
Rebates Passed to Member at POS  
Net Transfer of Fees and Other Remuneration from Manufacturer to Plan/Issuer/Carrier  
Total Rebates/Fees/Other Remuneration  
Restates Prior Year Rebates/Fees/Other Remuneration

**D8: Rx Rebates for the Top 25 Drugs**

Issuer or TPA Name  
Issuer or TPA EIN

State  
Market Segment  
Drug Name  
Drug Code  
Rebate Rank  
Number of Paid Claims  
Number of Members with a Paid Claim  
Number of Dosage Units  
Total Spending  
Total Cost Sharing  
Manufacturer Cost-Sharing Assistance  
Rebates Retained by PBM  
Rebates Retained by Plan/Issuer/Carrier  
Rebates Passed to Member at POS  
Net Transfer of Fees and Other Remuneration from Manufacturer to Plan/Issuer/Carrier  
Net Transfer of Fees/Other Remuneration from Pharmacy to Plan/Issuer/Carrier  
Total Rebates/Fees/Other Remuneration  
Restates Prior Year Rebates/Fees/Other Remuneration