

---

February 21, 2024



## Frequently Asked Questions

# Consolidated Appropriations Act Section 204 2023 Submission

### What is the 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 pharmacy benefit managers (PBM), Prime Therapeutics LLC and Magellan Rx (Prime and Magellan Rx) recognize our clients need for us to supply the relevant prescription drug information. The frequently asked questions below address some high-level questions about how Prime and Magellan Rx will help assist our clients comply with the regulation. Please be aware these guidelines are subject to change upon any adjustments to the regulation by the government. If changes do arise, we will be proactive in communicating to our clients. For more information about the regulations, go to [Centers for Medicare & Medicaid Services \(CMS\) website Sec 204 Prescription Drug Data Collection Documentation](#).

### Will Prime and Magellan Rx submit files to CMS on behalf of their clients?

Prime and Magellan Rx will submit files directly to CMS for all clients active any point in time during calendar year 2023.

### Will there be a charge to clients for Prime and Magellan Rx submitting on their behalf?

Charges for the 2023 submission will be waived for all clients.

### What clients are required to submit reports?

Required to Submit	Not Required to Submit
<ul style="list-style-type: none"><li>• Health insurance issuers offering group market coverage</li><li>• Health insurance issuers offering individual market coverage, including:<ul style="list-style-type: none"><li>○ Student health plans</li><li>○ Plans sold through the Exchanges</li><li>○ Plans sold outside of the Exchanges</li><li>○ Individual coverage issued through an association</li></ul></li><li>• Fully-insured and self-funded group health plans, including:<ul style="list-style-type: none"><li>○ Group health plans subject to Employee Retirement Income Security Act of 1974 (ERISA)</li><li>○ Non-federal governmental plans, such as plans sponsored by state and local government</li><li>○ Church plans that are subject to the Internal Revenue Code</li><li>○ FEHB plans</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Account-based plans, such as health reimbursement arrangements (HRAs)</li><li>• Excepted benefits<sup>2</sup> including but not limited to:<ul style="list-style-type: none"><li>○ Limited-scope standalone dental and vision plans</li><li>○ Short-term, limited-duration insurance</li><li>○ Hospital or other fixed indemnity insurance</li><li>○ Disease-specific insurance</li></ul></li><li>• Medicare Advantage and Part D plans</li><li>• Medicaid plans</li><li>• State children’s health insurance program plans</li><li>• Basic Health Program plans</li><li>• Retiree-only plans<sup>3</sup></li><li>• Plans maintained outside of the U.S. primarily for the benefit of persons substantially all of whom are nonresident aliens<sup>4</sup></li></ul>

### What if a client does not want Prime and Magellan Rx to submit on their behalf?

If a client does not want Prime and Magellan Rx to submit in their behalf, they must email [CAA204Compliance@primetherapeutics.com](mailto:CAA204Compliance@primetherapeutics.com) by March 22, 2024.

### Are Workers Compensation plans required to submit?

Workers Compensation plans are not required to submit and will be omitted from all reports.

### Are Contraceptive Only plans required to submit?

Contraceptive Only plans are not required to submit and will be omitted from all reports.

### Are MEC plans required to submit?

MEC plans are required to submit and will be included in all reports.

### Will there need to be a written agreement between clients and Prime and Magellan Rx for files to be submitted by Prime and Magellan Rx?

Prime and Magellan Rx will send a legal informational letter which will function as the agreement between Prime and Magellan Rx and our clients for this submission.

---

February 21, 2024



**Will Prime and Magellan Rx require any data from clients to submit?**

Prime and Magellan Rx will use data currently in our systems to submit all required reports. If there are any pieces of missing data, Prime and Magellan Rx will contact each group directly. To verify the information in our system, clients may email [CAA204Compliance@primetherapeutics.com](mailto:CAA204Compliance@primetherapeutics.com) by March 22, 2024.

**How will Prime and Magellan Rx determine total number of employees?**

Prime and Magellan Rx will use the calculation within the CMS guidelines to estimate total number of employees.

**What files will Prime and Magellan Rx submit to CMS?**

Prime and Magellan Rx will submit P1-P3 and D3-D8 files for all clients. See Appendix.

**Why isn't Prime and Magellan Rx submitting D1-D2 files?**

The D1 and D2 files reflect premium and medical data only. Prime and Magellan Rx does not have access to this type of data. The plan's medical vendor should provide the medical data and premium data for the D1 and D2 reports.

**Will Prime and Magellan Rx provide a Narrative Response?**

Prime and Magellan Rx will include a Narrative Response for the files submitted.

**At what level will Prime and Magellan Rx aggregate the data?**

Prime and Magellan Rx will aggregate the data at the group level.

**Will coupons/copay card information be included in the prescription data?**

No coupon/copay card information will be included in the prescription data as this information is held by the pharmacies.

**When is the submission due date for 2023 data?**

Reporting for 2023 data is due no later than June 1, 2024.

**What dates will this submission cover?**

This submission will cover January 1, 2023, to December 31, 2023. Any group that was active with Prime and Magellan Rx during this time will be included in the submission.

**How will Prime and Magellan Rx report for clients not active the entirety of 2023?**

Prime and Magellan Rx will submit files for the period in which clients were active with Prime and Magellan Rx. Any period the client was not active with Prime and Magellan Rx will not be reported.

---

February 21, 2024



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

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

**What if rebate payments are not received by Prime and Magellan Rx before the deadline to submit?**

If rebate data for the reference year is not received by April 15, Prime and Magellan Rx will omit the unpaid rebates from the submission. The data will be included in the next year's submission under the previous year data fields.

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

Per CMS guidelines, Prime and Magellan Rx will use the state where the plan sponsor has its principal place of business for self-funded plans. For fully insured plans, Prime and Magellan Rx will use the state where the policy was issued.

**What if a client has a question not answered by this FAQ document?**

If a client needs further information or has specific questions, they should email [CAA204Compliance@primetherapeutics.com](mailto:CAA204Compliance@primetherapeutics.com).

**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: [CAA Section 204 2023 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? (1= Yes; 0 = No)
- Included in D2 Spending by Category? (1= Yes; 0 = No)
- Included in D3 Top 50 Most Frequent Brand Drugs? (1= Yes; 0 = No)
- Included in D4 Top 50 Most Costly Drugs? (1= Yes; 0 = No)
- Included in D5 Top 50 Drugs by Spending Increase? (1= Yes; 0 = No)
- Included in D6 Rx Totals? (1= Yes; 0 = No)
- Included in D7 Rx Rebates by Therapeutic Class? (1= Yes; 0 = No)
- Included in D8 Rx Rebates for the Top 25 Drugs? (1= Yes; 0 = No)

---

February 21, 2024



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

Group Health Plan Name  
Group Health Plan Number  
Carve-out Description  
Form 5500 Plan Number  
States in which the plan offered  
Market Segment  
Plan Year Beginning Date  
Plan Year End Date  
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? (1= Yes; 0 = No)  
Included in D2 Spending by Category? (1= Yes; 0 = No)  
Included in D3 Top 50 Most Frequent Brand Drugs? (1= Yes; 0 = No)  
Included in D4 Top 50 Most Costly Drugs? (1= Yes; 0 = No)  
Included in D5 Top 50 Drugs by Spending Increase? (1= Yes; 0 = No)  
Included in D6 Rx Totals? (1= Yes; 0 = No)  
Included in D7 Rx Rebates by Therapeutic Class? (1= Yes; 0 = No)  
Included in D8 Rx Rebates for the Top 25 Drugs? (1= Yes; 0 = 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? (1= Yes; 0 = No)  
Included in D2 Spending by Category? (1= Yes; 0 = No)

---

February 21, 2024



Included in D3 Top 50 Most Frequent Brand Drugs? (1= Yes; 0 = No)  
Included in D4 Top 50 Most Costly Drugs? (1= Yes; 0 = No)  
Included in D5 Top 50 Drugs by Spending Increase? (1= Yes; 0 = No)  
Included in D6 Rx Totals? (1= Yes; 0 = No)  
Included in D7 Rx Rebates by Therapeutic Class? (1= Yes; 0 = No)  
Included in D8 Rx Rebates for the Top 25 Drugs? (1= Yes; 0 = No)

**D1: Premium and Life Years**

Company Name  
Company EIN  
Aggregation State  
Market Segment  
Average Monthly Premium Paid by Members  
Average Monthly Premium Paid by Employers  
Life Years  
Earned Premium  
Premium Equivalents  
Admin fees Paid (included in the Premium Equivalents field)  
Stop-loss Premium Paid (included in the Premium Equivalents field)

**D2: Spending by Category**

Company Name  
Company EIN  
Aggregation 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**

Company Name  
Company EIN  
Aggregation 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

---

February 21, 2024



**D4: Top 50 Most Costly Drugs**

Company Name  
Company EIN  
Aggregation 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**

Company Name  
Company EIN  
Aggregation 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**

Company Name  
Company EIN  
Aggregation State  
Market Segment  
Rx Enrollment  
Total Rx Spending under Pharmacy Benefit  
Rx Amounts Not Applied to Deductible and/or Out-of- Pocket Maximum  
Bona Fide Service Fees

---

February 21, 2024



PBM Spread Amounts  
Total Rebates/Fees/Other Remuneration  
Restated Prior Year Rebates/Fees/Other Remuneration

**D7: Rx Rebates by Therapeutics Class**

Company Name  
Company EIN  
Aggregation 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  
Net Transfer of Fees and Other Remuneration from Pharmacy to Plan/Issuer/Carrier  
Total Rebates/Fees/Other Remuneration  
Restated Prior Year Rebates/Fees/Other Remuneration

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

Company Name  
Company EIN  
Aggregation 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  
Restated Prior Year Rebates/Fees/Other Remuneration