

# 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 provide 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.

### Frequently Asked Questions

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

No. Magellan will send files to the TPA/Direct Client. The client will then need to submit files to CMS on their behalf.

**2. What data will Magellan Rx send to their clients?**

Magellan Rx will send data to clients for files P1-P3 and D3-D8. See Appendix

- 3. Why won't Magellan Rx be sending data for D1 and D2 files?**  
Files D1 and D2 reflect premium and medical data only. The plan medical administrator should provide the medical data. See Appendix
- 4. When should clients expect their files from Magellan Rx?**  
We are working extremely hard to get the data gathered and organized in a way that is the most beneficial to our clients. As of now, the timeline to start sending files to our clients will be the beginning of November 2022.
- 5. How should clients expect to receive their files?**  
Magellan Rx will provide files using a secured delivery method.
- 6. At what level will Magellan Rx be aggregating the data?**  
Magellan Rx will send the aggregated data at the TPA/client level.
- 7. What if I need the aggregate level at the Parent Account level?**  
Files aggregated at the Parent Account level are available upon request. Clients should contact their Account Manager to request the additional files.
- 8. How does Magellan Rx determine employer size?**  
Magellan Rx will use the calculation outlined in the regulation to estimate employer size: Number of employees in the plan (as of the end of the reference year) divided by 0.73. If the calculation above yields an employee estimate greater than 50 it will be considered a large employer. If it is less than 51 it will be considered a small employer. TPAs will receive a set of files for both large and small groups.
- 9. 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.
- 10. How is Magellan Rx handling confidential data?**  
Per contractual proprietary agreements with our clients, we will share only necessary information and expect our clients to do the same.
- 11. 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.
- 12. The historical submission encompasses what reference years?**  
Historical data is required for reference years 2020 and 2021.
- 13. 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.

**14. Will Magellan Rx have 2019 data in the Prior Year fields on the D5\_Top 50 Drugs by Spending file for 2020?**

Yes. 2019 data will be provided in the prior year fields.

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

Yes. A Narrative Response will be sent along with the files to our clients. The Narrative Response will outline how we pulled data and made certain assumptions including NDCs that were not on the cross walk provided by CMS.

**16. What format will the files be sent in?**

Magellan Rx will send all files in Comma Separated Values (CSV) format. This is the same format required to submit to CMS. This regulation can be found in section 11.3 of the RxDC Reporting Instructions: [7/29/2022 CAA Section 204 Reporting Instructions](#)

**17. How is Magellan Rx reporting for Parent Accounts that have termed under an active TPA?**

Active TPAs will have all Parent Account data aggregated including any Parent Accounts that termed during the reference year.

**18. 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.

**19. Are there file templates available for clients to view?**

Yes. CMS has provided RxDC templates which will have the most up to date file requirements. These can be found on the CMS.gov website under RxDC templates(ZIP): [CMS Website Sec 204 Prescription Drug Data Collection Documentation](#)

## 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: [7/29/2022 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