

Transparency: Pharmacy Benefit and Drug Cost Reporting – Effective December 27, 2022, Transparency in Coverage Rule (TCR) requires fully insured and self-insured group health plans to report data annually to federal agencies on drug utilization and spending trends, including total spending for health care services and drugs covered under hospital or medical benefits. The report must include how the manufacturer rebates impact premiums and out-of-pocket costs, number of rebates by class, and amount of rebate for the top 25 drugs yielding highest number of rebates, among other information.

Blue Cross will provide different file submission details based on if the client has Prime Therapeutics or if the client carves out to another Pharmacy Benefits Manager (PBM).

1. What is Blue Cross submitting on behalf of our self-insured clients?

Groups with Prime Therapeutics: Blue Cross will submit P2 and D1-D8 files.

Groups that carve out pharmacy to another pharmacy benefits manager (PBM): Blue Cross will submit P2 and D1-D2 files to CMS. In the D2, Blue Cross will not include data for prescription drugs covered under the pharmacy benefit as per updated CMS 6/30/2022 requirements. The D2 data will include data for spending categories related to the medical benefit such as:

- Hospital
- Primary Care
- Specialty Care
- Other medical costs and services
- Known medical benefit drugs
- Estimated medical benefit drugs

Clients will need to coordinate with their PBM to submit D3-D8.

2. When does the CAA reporting for pharmacy benefits and cost begin?

The first report is required by December 27, 2022, and then by June 1 thereafter.

The data that will be included in the initial report submitted, December 27, 2022, will be data from reference years 2020 and 2021.

The data will be aggregated at the state and market level, rather than separately for each plan.

3. What if the client is no longer with Blue Cross?

Blue Cross will follow the same approach for both active and terminated clients for years 2020 and 2021 and will report the data.

4. What data does Blue Cross need from the employers for P2 and D1 files?

We believe the data is available in our systems for the P2 file. We will contact clients if we need specific data for the P2 file. For the 2022 and subsequent reference years, we will need data from the client to complete the premium data related to employer and employee cost share information in the D1 file.

5. Will the Blue Cross data submission be at the plan sponsor level or at a higher level of aggregation?

Plan Files will be reported at a plan sponsor level.

Data Files will be reported at a higher level of aggregation.

6. Will Blue Cross charge additional fees to the clients for complying with these requirements?

At this time, Blue Cross is not charging an additional fee.

7. Will there need to be an agreement signed between Blue Cross and the client for Blue Cross to do this work on the client's behalf?

There is language in the service agreements at Article Three, Section 8 addressing regulatory compliance with laws, including the CAA. There is also indemnification language found at Article 5 Section 2.

8. Who is responsible for submitting the data?

Blue Cross will report the data in aggregate from all clients by market segment.

9. What is Blue Cross and Blue Shields legal entity and their EIN?

Legal entity: BCBSMN, Inc.

Employer Identification number (EIN): 41-0984460

10. Will Blue Cross report carve out PBMs or other carve out vendors?

Blue Cross will do the medical benefit claims reporting for services that we capture. Blue Cross does not have claims data from carve out vendors (PBMs, specialty vendors etc.), so Blue Cross will not include any data related to carve out vendors in the files submitted to CMS regarding Section 204.

Narrative Response Details

11. Will Blue Cross provide a narrative response for fully insured employers?

Yes

12. Will Blue Cross provide a narrative response on behalf of self-insured employers?

Blue Cross will provide a narrative response for both medical and pharmacy when Prime is their PBM.

Blue Cross will provide a narrative response for medical benefit only for clients that carve out to a PBM other than Prime.

13. If you provide narrative response, do you require any information from the employer to prepare any of the narrative responses?

At this time, we do not.

14. If Blue Cross provides a narrative response, will Blue Cross provide the information to the employer?

Upon request, Blue Cross will provide a narrative response to the employer (after submission)

Reporting Requirements

15. What happens if Blue Cross does not receive a response from a client regarding the Form 5500 information?

Blue Cross will submit the reporting to CMS based on the data we have available. If the details are not provided, in this case the IRS Form 5500 details (e.g., name of plan, plan number, effective date of plan) there would be a data gap on the file submitted to CMS.

16. Will Blue Cross meet the December 27, 2022, submission timeline?

Blue Cross has a dedicated project team that has been working hard and will file required documents to CMS by the December 27 deadline.

17. What does the process look like for the Section 204 reporting for the 2023 submission?

There will be a mailing going out the end of Q1 2023, requesting the average monthly premium paid by members and average monthly premium paid by employers. Based off the most current reporting instruction manual these requirements were deferred to the June 2023 submission.

EMPLOYER FAQ

PHARMACY BENEFIT AND DRUG COST REPORTING (SECTION 204)

December 2022



18. Will Blue Cross include all client's data with their submission?

Yes, Blue Cross will provide data for those claims processed in our systems.

19. Can an employer request their data be carved out of Blue Cross's submission to CMS?

At this time, Blue Cross is unable to accommodate customized requests and will submit client's data in aggregated reports.

20. How do we get more information regarding the Section 204 requirements?

<https://www.cms.gov/CCIIO/Programs-and-Initiatives/Other-Insurance-Protections/Prescription-Drug-Data-Collection>

Please see the File Submission Data details on page 5. We value your business and are committed to provide updates on the Pharmacy Benefit and Drug Cost Reporting (Section 204) as needed. As always, please reach out to your Account Manager with any additional questions.

EMPLOYER FAQ

PHARMACY BENEFIT AND DRUG COST REPORTING (SECTION 204)

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File Submission Details

Report	Description	Blue Cross to submit for employer group Fully Insured	Blue Cross to submit for Employer Groups (Self-Insured) with Prime through Blue Cross	Blue Cross to submit for Employer Group (Self-Insured) Carve Out	Data Aggregation
P1	Individual and Student Market Plan List	N/A	N/A	N/A	N/A
P2	Group Health Plan List	Yes	Yes	Yes, to identify the D1-D2 files, only	No
P3	FEHB Plan List	N/A	N/A	N/A	N/A
D1	Premium and Life Years *	Yes	Yes	Yes	Aggregated at Market Segmentation Level
D2	Spending by Category	Yes	Yes	Yes	Aggregated at Market Segmentation Level
D3	Top 50 Most Frequent Brand Drugs	Yes	Yes	No	Aggregated at Market Segmentation Level
D4	Top 50 Most Costly Drugs	Yes	Yes	No	Aggregated at Market Segmentation Level
D5	Top 50 Drugs by Spending Increase	Yes	Yes	No	Aggregated at Market Segmentation Level
D6	Rx Totals	Yes	Yes	No	Aggregated at Market Segmentation Level
D7	Rx Rebates by Therapeutic Class	Yes	Yes	No	Aggregated at Market Segmentation Level
D8	Rx Rebates for the top 25 drugs	Yes	Yes	No	Aggregated at Market Segmentation Level

*Note: We will need Employer Group collaboration and will continue to reach out for additional information.