

Section 204

# Pharmacy Benefit and Drug Costs Reporting

plan sponsor information

This template is for sharing information with plan sponsors



August 2022

## Pharmacy Benefit and Drug Costs Reporting

Dear Plan Sponsor,

The following information is designed to help you understand and navigate the upcoming Pharmacy Benefit and Drug Cost (RxDC) Reporting.

As a reminder, this prescription drug reporting is required no later than December 27, 2022, and by June 1 every year thereafter. Data elements include Plan lists and plan-level information (e.g.), beginning and end dates and number of members; prescription and brand name drug utilization and cost information, along with associated claim information; total spending on health care services, including hospital costs, primary and specialty care, prescription drugs, and other health care costs; premium amounts paid by members and employers; and certain impacts on premiums from drug manufacturer rebates.

The first reports are due December 27, 2022, for reference years:

- 2020 (containing 2019 and 2020 data)
- 2021 (containing 2020 and 2021 data)

As always, we are committed to complying with all legal and regulatory requirements affecting our business operations and our customer's health benefits. Aetna has developed a process to support our plan sponsors in the submission of these reports. If we can answer any questions, please let us know.

Be well!

Your Aetna team

## Data files covered based on pharmacy benefit coverage

#	DESCRIPTION	CARVED OUT*	INTEGRATED**
		SELF-INSURED/FULLY INSURED	SELF-INSURED/FULLY INSURED
	Narrative response	YES	YES
P1	Individual and Student Life market plan list	YES	YES
P2	Group health plan list	YES	YES
P3	FEHB plan list	YES	YES
D1	Premium and Life Years	YES	YES
D2	Spending by Category	YES	YES
D3	Top 50 Most Frequent Drugs	NO	YES
D4	Top 50 Most Costly Drugs	NO	YES
D5	Top 50 Drugs by Spending Increase	NO	YES
D6	Rx Totals	NO	YES
D7	Rx Rebates by Therapeutic Class	NO	YES
D8	Rx Rebates for the Top 25 drugs	NO	YES

\*Carved out, also known as direct, which is when a plan sponsor separates their prescription drug benefits from their medical plan, letting them contract directly with a Pharmacy Benefit Manager (PBM), such as Caremark, or other entity.

\*\*Integrated, the plan sponsor has purchased both medical and pharmacy from Aetna (one contract).

# Frequently Asked Questions

**Q: Is Aetna charging plan sponsors for this reporting?**

**A:** No.

**Q: Who is impacted by RxDC reporting?**

**A:** According to CMS, RxDC reporting applies to:

Required to Submit	NOT Required to Submit
<ul style="list-style-type: none"><li>• Health insurance issuers offering group 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>○ 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>○ Federal Employees Health Benefits (FEHB) plans</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Account-based plans, such as health reimbursement arrangements</li><li>• Excepted benefits including but not limited to:<ul style="list-style-type: none"><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></ul>

**NOTE:** These requirements apply regardless of whether a plan is considered a grandfathered or grandmothers health plan.

# Frequently Asked Questions

**Q: Can a plan sponsor opt out of the pharmacy benefit and drug cost reporting?**

**A:** No, it is required by law.

**Q: Who is responsible for submitting the report to the federal government?**

**A:** The regulation says the plan sponsor is accountable for the submission; however, as encouraged in the reporting instructions, Aetna is submitting the reports for its clients at no cost.

**Q: How will Aetna submit a plan sponsor's RxDC report?**

**A:** Aetna will submit the RxDC reports through the CMS Health Insurance Oversight System (HIOS) as required by the reporting instructions..

**Q: What is the timeline for this reporting?**

**A:** Aetna will submit the first reports by December 27, 2022

**Q: Where can I access the CMS RxDC reporting instructions?**

**A:** Section 204 data submission instructions for 2020 and 2021 are located [here](#). Please note the implementing regulations for Section 204 data collection are at [Subpart H, 45 CFR part 149](#).

# Frequently Asked Questions

## **Q: What data elements are included in RxDC reporting?**

**A:** Data elements include Plan lists and plan-level information (e.g., beginning and end dates and number of members); prescription and brand name drug utilization and cost information, along with associated claim information; total spending on health care services, including hospital costs, primary and specialty care, prescription drugs, and other health care costs; premium amounts paid by members and employers; and certain impacts on premiums from drug manufacturer rebates.

## **Q: How is Aetna managing RxDC reporting for plan sponsors who use multiple carriers for their plan?**

**A:** Aetna will report on the data they have for the time-period the plan sponsor was with Aetna.

For example, (1) plan sponsor which moved to Aetna in 2020 who had a different carrier in 2019, or (2) plan sponsor was with Aetna in 2020 but terminated 1/1/20 to 06/30/2021, Aetna will report data only from the time period the plan sponsor was with Aetna.

**If you have any additional questions, please contact your Aetna sales team.**

