

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



CENTER FOR DRUG AND HEALTH PLAN CHOICE

Date: September 30, 2008

To: All Part D Plan Sponsors

From: Thomas Hutchinson
Director, Medicare Plan Payment Group

Subject: 2007 Final Part D Payment Reconciliation

CMS completed the calculations for the 2007 Final Part D Payment Reconciliation. The calculations were performed in accordance with §1860D-14 and §1860D-15 of the Social Security Act and associated regulations and guidance. The reconciliation calculations utilize all Prescription Drug Event (PDE) data received by 1:00 P.M. on July 31, 2008 and accepted in the Drug Data Processing System; all prospective payments made for Part D net of all adjustments processed through the September 2008 payment; and DIR information received in the Health Plan Management System by August 28, 2008.

The payment reconciliation reports will be available in your reconciliation mailboxes at the Customer Service and Support Center (CSSC) on Tuesday, September 30, 2008. If you cannot access these reports, please contact CSSC at (877) 534-2772.

Payment adjustments to remit and recover these calculated reconciliation amounts are planned for November 2008 payment. Payment is contingent on receipt of the Attestation of Data Relating to CMS Payment to a Medicare Part D Sponsor- CY 2007, which was due by August 29, 2008. If the attestation was not received, the payment will not occur in the November 2008 payment. The payment will occur after the attestation is received. However, all recoveries will be made in November regardless of whether an attestation has been received.

The regulations provide for appeal rights at 42 C.F.R. §423.350. Appeals are filed when a plan sponsor does not believe that CMS applied its stated payment methodology correctly. Refer to the reopenings and appeals guidance, which was released through HPMS on May 8, 2008, for additional information on the process for filing an appeal. If you wish to appeal, your request must be filed and received by October 15, 2008. Requests for appeal should be

addressed to Thomas Hutchinson, and sent to the Reconciliation Support Contractor, Strategic Health Solutions (Strategic):

StrategicHealthSolutions, LLC
10040 Regency Circle, Suite 150
Omaha, NE 68114

If you intend to send your appeal electronically, submit the appeal to Strategic at PartDPaymentReview@strategichs.com.

CMS may reopen final payment determinations. Part D Sponsors can submit requests for reopening, as instructed in the May 8, 2008 HPMS memo referenced above. Any requests received from Part D Sponsors prior to the release of the final payment determination are not considered valid requests for reopening. The Part D Sponsor will have to resubmit the request and the reopening request spreadsheet in accordance with the guidance in the May 8, 2008 memo.

Any questions regarding this memo can be sent to Strategic.