

Client Alert



Applies To: Self-Funded, Fully-Funded, Large Group, and Small Group

MARCH 26TH, 2024

Preparing for 2024 RxDC Reporting

As employers may remember from last year, group health plans (and health insurance carriers) must annually submit detailed information on their plan's prescription drug and health care spending to the Centers for Medicare & Medicaid Services (CMS). This reporting is referred to as the "prescription drug data collection" (or "RxDC report"). The next RxDC report is due by Saturday, June 1, 2024, covering data for 2023. The RxDC report is comprised of several files, including those that require specific plan-level information, such as plan year beginning and end dates as well as enrollment and premium data. It also includes files that require detailed information about medical and pharmacy benefits.

For fully-insured employer health plans, the reporting is generally done by the insurance carrier. Most self-funded employers rely on their third-party administrators (TPAs) and pharmacy benefit managers (PBMs) to submit RxDC reports on behalf of their health plans. Some self-funded employers may be required to do certain elements of the reporting themselves. In addition, employers who have carved out all or some of the plan's prescription drug coverage will have to work with multiple vendors to complete the reporting. For example, a self-insured employer may use both its TPA and PBM to submit different portions of the RxDC report. And in some cases, the employer may be responsible for reporting certain files on its own. A health plan's submission is considered complete if CMS receives all required files, regardless of who submits them.

Employers should start reaching out to their carriers, TPAs or PBMs (as applicable) to confirm that they will submit the RxDC files for their health plans by June 1, 2024. Employers should also confirm that their written agreements with these third parties address this reporting responsibility. Both fully-insured and self-funded employers will likely need to provide their third-party vendors with plan-specific information, such as enrollment and premium data, to complete their RxDC submission. Employers should watch for these vendor surveys and promptly provide the requested information. Because employers with self-funded plans are ultimately responsible for RxDC reporting, they should monitor their TPAs' or PBMs' compliance with this reporting requirement.

Summary

- Health plans and issuers are required to annually submit RxDC reports.
- Most employers rely on carriers, TPAs or PBMs to submit RxDC files for their health plans.
- If an issuer is required by written agreement to submit the RxDC report for a fully insured health plan but fails to do so, then the issuer (not the plan) violates the reporting requirements.
- The reporting liability stays with a self-insured health plan, even if a third party contractually agrees to submit the required information.

Reporting Resources

- RxDC Webpage
- Frequently Asked Questions
- Reporting Instructions
- User Manual

Please visit www.moreton.com/news-events/ for more information and to view other client alerts. This Client Alert was written by Carolyn Cox, who provides our clients with compliance services. For additional questions, please contact Carolyn at 801-715-7110 or ccox@moreton.com.

© 2024 by Moreton & Company. This Client Alert is intended to alert recipients to recent legal developments. It does not constitute the rendering of legal advice or recommendations and is provided for your general information only. If you need legal advice upon which you can rely, you must seek an opinion from your attorney.