DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CMS

CENTERS for MEDICARE & MEDICAID SERVICES

CENTER FOR BENEFICIARY CHOICES

MEMORANDUM

TO: Medicare Advantage Organizations, Prescription Drug Plan Sponsors, and Other
           Interested Parties

FROM: Gary A. Bailey, Deputy Director, Centers for Beneficiary Choices

RE: Plan to Plan Reconciliation (Phase I – Post Enrollment Reconciliation)

DATE: June 20, 2006

The Centers for Medicare & Medicaid Services (CMS) issued technical instructions for Plan to
Plan Reconciliation (Phase I – Post Enrollment Reconciliation). P2P Reconciliation leverages
existing Prescription Drug Event (PDE) data flow and reporting to resolve situations when Part
D plans paid claims in good faith for beneficiaries officially enrolled in another plan (i.e. the plan
of record). In summary, P2P accomplishes two major objectives. It facilitates the exchange of
payments between the plan of record and the plan that paid claims. Secondly, P2P reconciliation
assigns financial amounts needed for Part D Payment Reconciliation calculations to the
appropriate Part D plan.

These instructions are available on our website at
http://www.cms.hhs.gov/DrugCoverageClaimsData under Prescription Drug Event Data Guidance.

To support P2P Reconciliation CMS will distribute a series of four reports as well as a modified
version of the DDPS return file. These report naming conventions and file layouts are available
on our customer service website at
http://www.csscoperations.com/new/pdic/reports/reports.html

Policy questions concerning these instructions may be addressed to Deborah Larwood at
(deborah.larwood@cms.hhs.gov). Technical and system questions concerning these instructions
may be addressed to Sandra Anderson at (sandra.anderson@cms.hhs.gov).

Attachments:
Plan to Plan Reconciliation Instructions (Phase I – Post Enrollment Reconciliation)
Figure 1A - Current DDPS Eligibility Logic
Figure 1B - New P2P Eligibility Logic
P2P Report Summary