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RxDC Reporting Relief and Submission Grace Period for 2020/2021

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As previously reported, group health plans must submit information annually about prescription drugs and health care spending to the Centers for Medicare and Medicaid Services (“CMS”). This is known as the RxDC reporting requirement and the first deadline is **December 27, 2022**, for reporting on calendar years 2020 and 2021.

Very late on December 23, 2022, the Departments of Labor, Health and Human Services, and the Treasury (collectively, “the Departments”) issued FAQ Part 56 addressing this requirement.

Specifically, as it relates to the 2020/2021 data, the guidance announces:

- 1. Good Faith Relief.** The Departments will not take enforcement action with respect to any plan or issuer that uses a good faith, reasonable interpretation of the regulations and the [RxDC Reporting Instructions](#) in making its submission.
- 2. Submission Grace Period.** A plan or issuer will not be considered to be out of compliance with these requirements provided that a good faith submission of the 2020 and 2021 data is made on or before **January 31, 2023**.
- 3. Limited Email Submission Option.** Where the plan (or the reporting entity) is submitting only the plan list (P2), premium and life-years data (D1), and narrative response, and is not submitting any other data, it may submit the file by email to RxDCsubmissions@cms.hhs.gov instead of submitting in HIOS.
 - The emailed submission must include the plan list file, premium and life-years data (data file D1), and a narrative response. The submission may include optional supplemental documents. The name of each file should include the reference year of the submission, the plan list or data file type (e.g., P2, D1), and the name of the group health plan sponsor.

It should be noted that, if an employer, as the plan sponsor, must submit a P2 and D1 on behalf of the group health plan (often the case where the plan has a stop loss or pharmacy carveout), this relief is helpful as the employer will not need to create a HIOS account. Rather, the employer should be able to complete the files and submit them via email to CMS, in accordance with the instructions.

The guidance also includes flexibility as it relates to multiple submissions by the same reporting entity, submission of the same data file by multiple reporting entities, and a suspension of certain aggregation rules, among other guidance.

While these flexibilities apply only to the submission of data for the 2020 and 2021 reference years, the Departments will monitor stakeholder compliance efforts to determine whether to extend these flexibilities for future reporting deadlines. Any extension of these flexibilities will be communicated through guidance in advance of the relevant reporting deadline.

Employer Action

Generally, carriers are filing the RxDC on behalf of fully insured group health plans. With respect to self-funded health plans the TPA may assist with some, or all, of the reporting. Where a self-funded health plan has carve-out benefits (such as stop loss or pharmacy), the employer/plan sponsor may be required to file certain data files.

Employers required to file should do all of the following:

- Continue to comply with RxDC reporting requirements for 2020/2021 data, understanding that they have relief for good faith mistakes and have until January 31, 2023 to submit the 2020/2021 data (instead of December 27, 2022).
- Where applicable, consider taking advantage of the email submission option for P2, D1, and narrative response versus the HIOS platform.
- Await further guidance on the next deadline – June 1, 2023 – for calendar year 2022 RxDC reporting. While the relief announced in FAQ 56 pertains only to 2020/2021 data, it will be interesting to see if any of the relief carries over into future reporting.