

Financial Services Group

April 13, 2021

**Medicare Secondary Payer (MSP) Mandatory Reporting Provisions Section 111 of the Medicare, Medicaid, and SCHIP Extension Act (MMSEA) of 2007
(See 42 U.S.C. 1395y(b)(7)&(b)(8))**

Alert: Reminder Regarding who is the Responsible Reporting Entity (RRE) When Reporting Primary Prescription Drug Coverage Information.

The purpose of this alert is to offer a reminder about who has the responsibility for reporting primary prescription drug coverage as the RRE.

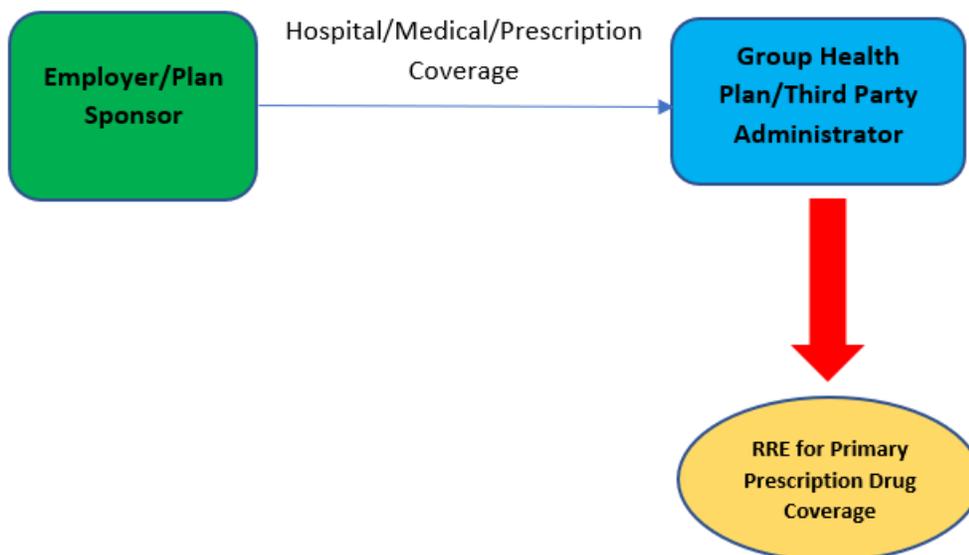
The entity considered to be the RRE for the purpose of reporting primary prescription drug coverage will depend on how the Employer/Plan Sponsor structures its contracts for hospital, medical and prescription drug coverage. The RRE for the primary prescription drug coverage reporting is the entity that has the direct relationship with the Employer/Plan Sponsor regarding this coverage offering.

Note: It should not be assumed that the RRE will be the entity that has direct responsibility of processing and paying the prescription drug claims.

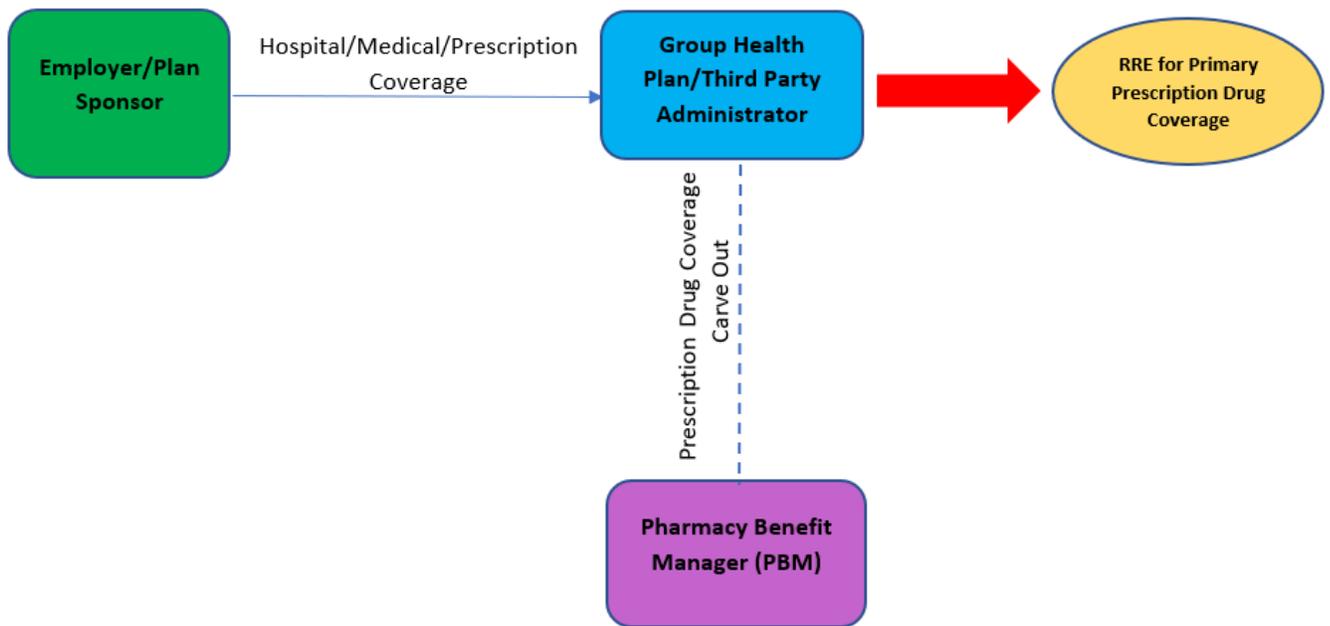
The below examples will assist in defining who should act as the RRE in common scenarios.

Example 1 – Group Health Plan (GHP)/Third Party Administrator (TPA)

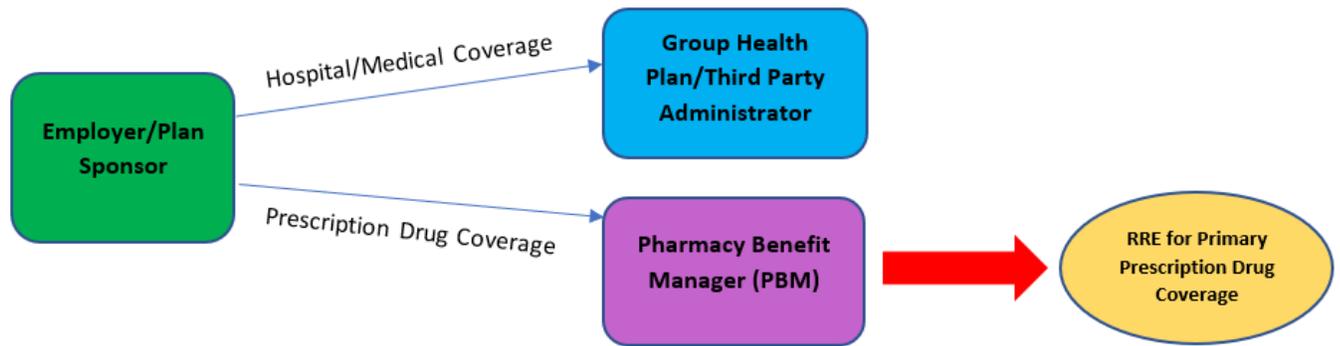
Comprehensive Coverage: In this example, the Employer/Plan Sponsor is contracting directly with the Group Health Plan for hospital, medical and/or prescription drug coverage. The GHP in this example is processing and paying the claims directly and will be considered the RRE and, as such, will be responsible for reporting the primary prescription drug coverage information.



Example 2 – GHP/TPA Comprehensive Coverage with Rx Coverage Carve Out: In this second example, the Employer/Plan Sponsor is still contracting with the GHP for hospital, medical and prescription drug coverage. The difference in this example is that you can see that the GHP has chosen to carve out the processing and payment of the primary prescription drug claims to a Pharmacy Benefit Manager (PBM). However, because the GHP has the direct contract with the Employer/Plan Sponsor for that prescription drug coverage, it does not matter whether the GHP administers the prescription drug coverage directly or carves out the prescription drug coverage to a PBM, the GHP will still be considered the RRE and will have reporting responsibility for the primary prescription drug coverage information.



Example 3 – PBM Contract for Rx with Employer/Plan Sponsor: In this example the Employer/Plan Sponsor has contracted with the GHP for medical and/or hospital coverage only. The Employer/Plan Sponsor has then independently contracted with another third party, such as a PBM, to administer the prescription drug coverage. In this case, because the contract for the prescription drug coverage is between the Employer/Plan Sponsor and the PBM directly, the PBM is considered the RRE and has the responsibility for reporting the primary prescription drug coverage information.



For additional information regarding reporting primary prescription drug coverage please reference the [GHP User Guide](#) or contact your EDI Representative at (646) 458-6740.