50.3 – Standards for E-Prescribing

(Rev. 11, Issued: 02-19-10, Effective/Implementation Date: 03-01-10)

Part D sponsors are required to establish electronic prescription drug programs to provide for electronic transmittal of certain information to the prescribing provider and the dispensing pharmacy and pharmacist. There is no requirement that prescribers or dispensers implement e-prescribing. However, prescribers and dispensers who electronically transmit prescription and certain other prescription-related information for Medicare Part D covered drugs prescribed for Medicare Part D eligible individuals are required to comply with any applicable final standards that are in effect.

Part D sponsors should ensure that their pharmacy contracts require compliance with the Part D e-prescribing standards whenever the network pharmacy electronically receives or transmits prescriptions or prescription-related information about Part D covered drugs that are prescribed to Part D eligible individuals. Although Part D sponsors are not required to pay for standard e-prescribing transactions between prescribers and network pharmacies, such e-prescribing transaction costs incurred by their network pharmacies are legitimate Part D overhead costs that should be a consideration in setting network dispensing fees.

The Medicare Modernization Act (MMA) required the identification of potential e-prescribing standards, which the Secretary would recognize as "initial uniform standards." These standards would generally be subject to pilot testing prior to the promulgation of final uniform standards. This general requirement was to be waived, however, in instances in which there was "adequate industry experience" with an initial standard.

The Secretary recognized a number of initial standards. Three met the requirements for adequate industry experience. The *"E-P*rescribing and the *P*rescription *D*rug *P*rogram*"* final rule, *which was* published in the Federal Register on November 7, 2005, (70 FR 67568) adopted *these "*foundation e-prescribing standards*."* CMS refers to them as "foundation standards" because they *were the first set of final standards adopted for the Part D e-prescribing program. As subsequently amended (see, 73 FR 18918) t*he *f*oundation *s*tandards are as follows:

1. Prescription standards.

   On or after April 1, 2009, The *National Council for the Prescription Drug Programs (*NCPDP*)Prescriber/Pharmacist Interface* SCRIPT Standard, Implementation Guide, Version 8, Release 1, *(Version 8.1)* October 2005, to provide for the communication of a prescription or prescription-related information between prescribers and dispensers, for the following:

- Get message transaction.
- Status response transaction.
- Error response transaction.
- New prescription transaction.
- Prescription change request transaction.
- Prescription change response transaction.
- Refill prescription request transaction.
- Refill prescription response transaction.
- Verification transaction.
- Password change transaction.
- Cancel prescription request transaction.
- Cancel prescription response transaction.

2. Eligibility standards.

   - For transmitting eligibility inquiries and responses between prescribers and Part D sponsors—

     The Accredited Standards Committee (ASC) X12N 270/271-Health Care Eligibility Benefit Inquiry and Response, Version 4010, May 2000, Washington Publishing Company, 004010X092 and Addenda to Health Care Eligibility Benefit Inquiry and Response, Version 4010, A1, October 2002, Washington Publishing Company, 004010X092A1.

   - For transmitting eligibility inquiries and responses between dispensers and Part D sponsors—

     The NCPDP Telecommunication Standard Specification, Version 5, Release 1 (Version 5.1), September 1999, and equivalent NCPDP Batch Standard Batch Implementation Guide, Version 1, Release 1 (Version 1.1), January 2000 supporting Telecommunications Standard Implementation Guide, Version 5, Release 1 (Version 5.1), September 1999, for the NCPDP Data Record in the Detail Data Record.

Six other initial standards were pilot tested. Based upon the evaluation of the pilot project and public comments CMS issued *the Standards for E-P*rescribing *Under Medicare Part D* final rule (73 FR 18918) adopting *four* additional e-prescribing standards with which Part D sponsors' e-prescribing programs must also comply. These *four* standards are:

1. Medication History

   - To provide for the communication of Part D medication history information among Medicare Part D sponsors, prescribers, and dispensers—

The National Council for Prescription Drug Programs Prescriber/Pharmacist Interface SCRIPT Standard, Implementation Guide, Version 8, Release 1 (Version 8.1).

2. *Prescription Fill Status Notification (RxFill)*

   - *To provide for the communication of prescription fill status between prescribers and dispensers—*

     The National Council for Prescription Drug Programs Prescriber/Pharmacist Interface SCRIPT Standard, Implementation Guide, Version 8, Release 1 (Version 8.1).

3. Formulary and Benefits

   - For transmitting formulary and benefits information between prescribers and Part D sponsors—

     The National Council for Prescription Drug Programs Formulary and Benefits Standard, Implementation Guide, Version 1, Release 0 (Version 1.0), October 2005.

     This standard includes five separate files for providing formulary or benefit information to the prescriber:

     Formulary Status List
     Formulary Alternatives List
     Benefit Coverage List
     Benefit Copay List
     Drug Classification List

     Part D sponsors must be capable of sending all of these files electronically using the adopted standard if such information is requested, including all conditional fields for all these files if such information is requested by prescribers.

4. Provider Identifier

   - To identify an individual health care provider to Part D sponsors, prescribers and dispensers, in electronically transmitted prescriptions or prescription-related materials for Part D covered drugs for Part D eligible individuals—

     The National Provider Identifier (NPI), as defined at 45 CFR 162.406.

In order to monitor the uptake of e-prescribing in the Part D program, Part D sponsors are required to obtain the Prescription Origin Code via the NCPDP Telecommunication Standard 5.1 optional field 419 DJ and report this code on their prescription drug event (PDE) submissions. A corresponding Prescription Origin Code field has been added to the PDE record file layout and PDE return file layout at field number 41.

CMS requires the Prescription Origin Code (using alphanumeric values 1-4) only on PDEs for new prescriptions submitted in Standard format (currently Standard format is NCPDP Telecommunication Standard 5.1). The Prescription Origin Code will remain optional for all PDEs for refills submitted in the Standard format and for all PDEs submitted in the Non-Standard Format. Further, the Part D sponsor has the options to report "blank" for PDEs for refills and Non-Standard format PDEs.