

Prescription Drug Data Collection (RxDC)

Under Section 204 (of Title II, Division BB) of the **Consolidated Appropriations Act, 2021 (CAA)**, insurance companies and employer-based health plans must submit information about prescription drugs and healthcare spending. This data submission is referred to as the **RxDC report**. The “Rx” refers to Prescription Drug, and the “DC” refers to Data Collection. The gathering of said data is a joint project among the PBM, TPA, and their respective groups. While it mostly has PBM-related drug data, there is some medical reporting (hence, the TPA’s involvement) and information regarding how rebates are used (thus, the group’s involvement).

Indeed, the RxDC report isn’t only about prescription drugs. The report also gathers information about spending on healthcare services and premiums paid by members and employers. The information on healthcare spending is further categorized by hospital costs, provider and clinical service costs for primary and specialty care (separately), and other medical expenses, including wellness services. The **Centers for Medicare and Medicaid Services (CMS)** collects the RxDC report on behalf of the *Department of Health and Human Services*, the *Department of Labor*, the *Department of the Treasury*, and the *Office of Personnel Management*.

The specific items of information that insurance companies and employer-based health plans are required to submit to **CMS** are as follows:

- Spending on prescription drugs and healthcare services
- Prescription drugs that account for the most spending
- Drugs that are prescribed most often
- Prescription drug rebates from drug manufacturers
- Premiums and cost-sharing that patients pay

The data submitted by insurance companies and employer-based health plans is very helpful for identifying significant drivers of increases in prescription drug and healthcare spending, comprehending how prescription drug rebates affect premiums and out-of-pocket costs, and promoting transparency in prescription drug pricing.

The following entities are required to submit the **RxDC report**:

- Health insurance issuers offering both individual and group market coverage
- Fully-insured and self-funded group health plans, including those subject to ERISA; non-federal governmental plans, such as those sponsored by state and local government; church plans subject to the Internal Revenue Code; and FEHB plans.

Conversely, the following entities are not required to submit the RxDC report:

- Health Reimbursement Arrangements (HRAs)
- Limited-scope standalone dental and vision plans
- Short-term, limited-duration insurance
- Hospital or other fixed indemnity insurance
- Disease-specific insurance
- Medicare Advantage and Part D plans
- Medicaid plans
- State children’s health insurance program plans
- Retiree-only plans

It should be noted that the deadline for the 2024 reference year report is June 1, 2025. The reference year is the calendar year immediately preceding the calendar year in which the RxDC report is due. The RxDC report for the 2024 reference year, which is due in 2025, should contain information based on what happened in calendar year 2024.

Lastly, from a TPA’s perspective, it is vital to comprehend the scope of data that needs to be reported, which includes prescription drug costs, rebates, and any impact on plan progress toward meeting deductibles or out-of-pocket limits. TPAs need to be prepared to assist health plans in collecting, verifying, and submitting this data in a timely manner. They should also stay informed about any changes in requirements or deadlines related to RxDC to ensure compliance.

You can find more information about RxDC reporting by visiting the CMS website at the link below:

www.cms.gov/CCIIO/Programs-and-Initiatives/Other-Insurance-Protections/Prescription-Drug-Data-Collection