

## LEGAL UPDATE

# Prescription drug reporting due by Dec. 27, 2022

A new transparency provision, enacted as part of the **2021 Consolidated Appropriations Act**, requires employer-sponsored health plans and health insurance issuers to annually report information about prescription drugs and healthcare spending to the federal government. This reporting process is referred to as the “**prescription drug data collection**” (or RxDC report).

The first RxDC report is due by Dec. 27, 2022, and covers data for the 2020 and 2021 reference years. Going forward, the annual deadline is June 1 of the calendar year immediately following the reference year. This means that the second RxDC report is due by June 1, 2023, and will cover data for 2022.

### Impact on employers

The RxDC reporting requirement applies to employer-sponsored group health plans, including fully insured plans and self-funded plans. However, account-based plans (such as HRAs) and excepted benefits are exempt from RxDC reporting. According to **interim final rules**, employers may use issuers, third-party administrators (TPAs), pharmacy benefit managers (PBMs), or other third parties to submit the RxDC reports on their behalf. Federal agencies have stated that, although employers can submit these reports on their own, they expect it will be rare for employers to do so.

### Action steps

Employers should reach out to their issuers, TPAs, or PBMs, as applicable, to confirm that they will submit the RxDC reports for their health plans. Employers should also update their written agreements with these third parties to reflect this reporting responsibility. In addition, employers with self-funded plans should monitor their TPA’s or PBM’s compliance with the RxDC reporting. Unlike fully insured plans, the legal responsibility for RxDC reporting stays with a self-insured plan even if its TPA or PBM agrees to provide the report on its behalf.

## DEADLINES & INSTRUCTIONS

**DEC. 27, 2022**

The first RxDC report is due, covering data from 2020 and 2021.

**JUNE 1, 2023**

The second RxDC report is due, covering data from 2022.

### REPORTING INSTRUCTIONS

More information, including RxDC reporting instructions, is available through the **Centers for Medicare and Medicaid Services**.

*Most employers will rely on their TPAs, PBMs, or issuers to provide the RxDC report for their health plans.*



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## Please contact us with any questions.

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