

BLOG

Reporting Deadlines Extended for Rx & Health Care Spending

By Erica Honig, Compliance Director, Employee Benefits

Dec 29, 2021

On November 23, 2021, the Department of Health and Human Services (HHS), together with the Department of Labor (DOL) and the Department of the Treasury (collectively, the Departments), released [interim final rules](#) implementing parts of the Consolidated Appropriations Act (CAA) with new requirements for employer-based health plans and health insurers to submit data about prescription drug and health care spending to the Departments. The deadline to submit this data has been extended to **December 27, 2022** for 2020 and 2021 calendar years.



Reporting requirements for employer-based health plans and health insurers in the group and individual markets include the following:

- General information regarding the plan or coverage;
- Enrollment and premium information, including average monthly premiums paid by employees versus employers;
- Total health care spending, broken down by type of cost (hospital care; primary care; specialty care; prescription drugs; and other medical costs, including wellness services), including prescription drug spending by enrollees versus employers and issuers;
- 50 most frequently dispensed brand prescription drugs;
- 50 costliest prescription drugs by total annual spending;
- 50 prescription drugs with the greatest increase in plan or coverage expenditures from the previous year;
- Prescription drug rebates, fees, and other remuneration paid by drug manufacturers to the plan or issuer in each therapeutic class of drugs, as well as for each of the 25 drugs that yielded the highest amount of rebates; and
- The impact of prescription drug rebates, fees, and other remuneration on premiums and out-of-pocket

costs.

Self-funded plans may contract with a third-party (e.g. TPAs, pharmacy benefit manager, health insurance providers) to report the data on their behalf via a written agreement. However, if the third-party fails to submit the required data, the self-funded plans bear the ultimate responsibility for complying with these reporting requirements. Fully insured plans, on the other hand, may enter into a written agreement requiring their health insurers to report the data to the Departments and any failure to do so falls on the insurers.

The Departments intend to provide further technical guidance by way of formal instructions and build an online portal where reporting entities can submit the required data. This data will be collected and aggregated by the Departments to publish public reports on prescription drug pricing trends starting in 2023. The publication of these reports by the Departments are intended to enhance health care and prescription cost transparency.

The CAA requires plans and insurers to begin submission of the reporting requirements to the Departments by December 27, 2021 and to submit this required information by June 1 of each subsequent year. However, the Departments announced in the final interim rules that they will delay enforcement of these deadlines as long as plans and insurers provide the required 2020 and 2021 calendar year data by **December 27, 2022**. The data for 2022 will be due June 1, 2023.

Employers sponsoring group health plans are encouraged to start discussing compliance efforts around these reporting requirements with their third-party administrator, pharmacy benefit manager and/or health insurer as well as their Risk Strategies account team.

TAGS:

Employee Benefits