Reconciliation Job Aid
Best Practices

Task	Task ID #	Best Practices
Before Initiating Reconciliation		
Host a kick-off meeting	1.1	Host a kick-off meeting to communicate the RDS Reconciliation process to all individuals involved. Meeting objectives might include the following: • Define user roles • Establish deadlines • Assign tasks • Manage expectations
Determine Reconciliation participants	1.2	When determining Reconciliation participants, consider the following: • Assign a project lead • Review all tasks in the Task List and Assignments and make a list of all participants (some participants may be outside your organization and some participants may not be RDS Secure Website users) • Use the Reconciliation Contact List to gather names, phone numbers, and email addresses • Distribute the Reconciliation Contact List to all participants
Prepare timeline and plan	1.3	When preparing a timeline and plan, consider the following: • Start at least four months prior to your Reconciliation Deadline • Pick realistic due dates • Make your end point two weeks prior to your Reconciliation Deadline (just in case) • Confirm that the staff and Vendors understand which tasks are assigned to them and that they know how to complete their assigned tasks • Have the Task List and Assignments Job Aid available to update or take notes on at the meetings • Schedule regular meetings to monitor progress and ease communication
Communicate timeline and plan	1.4	Make sure the Reconciliation participants have a copy of the detailed Task List and Assignments, Timeline, and Contact List. Plan for periodic meetings that grow in frequency.

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Review/Change the Retiree Electronic Data Interchange (EDI) Methods and Sources	1.5	Review the Retiree Electronic Data Interchange (EDI) Methods and Sources setup on the Application to make sure the correct source and method is set to send the final Retiree files. Note the following: • Who is going to send the final Retiree Files to CMS' RDS Center and process the Response Files? If this source is different from previously sent retiree information for a Benefit Option, then EDI Methods and Sources must be updated • If changes are necessary and the EDI Methods and Sources have not been updated since the Application Submission Process, you will be required to assign EDI Methods and Sources, For more information, go to: Retiree EDI Method Job Aid
Review, assign, and re-assign RDS Secure Website roles and privileges	1.6	Review, assign, and re-assign RDS Secure Website user roles and privileges because each user role will be responsible for various tasks within the Reconciliation process. Consider the following: • Are there additional Cost Reporters that need to be added for Final Cost Reporting? • Are there any Designees that have the Request Payment privilege that should not participate in the preparation of the Reconciliation Payment Request? • Are there any Designees that should be granted the Request Payment privilege to help prepare the Reconciliation Payment Request? • Are there any Designees participating in Reconciliation that need complete Electronic Funds Transfer (EFT) Information privilege? • Are there any Designees participating in Reconciliation that need the View/Send/Receive Retiree Data privilege? • Will your Authorized Representative be in the office and available on your planned finish date? • Are there any role changes for an individual? For example, does a Designee need to be re-assigned as the Account Manager? In this case, the Designee must be deleted from all Applications prior to reassignment as the Account Manager for the Plan Sponsor • Has the Authorized Representative left the company? In this case, the Authorized Representative must be reassigned to another individual. That individual must complete verification, and an Authorized Representative Verification Form must be submitted to CMS' RDS Center • Has the Account Manager left the company? In this case, the Authorized Representative must reassign another individual to the Account Manager role and that individual must complete Registration

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Verify that all new users are registered and that existing User Accounts are active	1.7	To verify access to the RDS Secure Website, consider the following: • Does each RDS Secure Website user have access the RDS Secure Website? • Have RDS Secure Website users verified that their Logins are active? • Have new users registered for RDS Secure Website access? • Does everyone know their Security Questions and Answers? • Has the Authorized Representative Verification process been completed? (Displays in details box on Application Status page)
Verify that the Application is in "Approved" status	1.8	Check the Application Status page.
Ensure that all desired Interim Payment requests have been submitted	1.9	Reconciliation cannot be initiated when there is an Interim Payment in process. Identify that the date of the last Interim Payment request is at least 60 days before the date you want to initiate Reconciliation. If you have an Interim Payment request in process, check the RDS Secure Website to find the status of the request.
Stop Interim Payments (90 days prior to starting Reconciliation)	1.10	It is recommended that Interim Payments are stopped 90 days prior to initiating Reconciliation.
Process all Retiree Response Files and Retiree Notification Files and submit retiree updates to the CMS' RDS Center	1.11, 1.12	If you have received any retiree files from the CMS' RDS Center, you should process them in the order in which they were received, updating internal subsidy records in the process. This will help make sure your records are in sync with the CMS' RDS Center before you work on the Covered Retiree List (CRL).
Request the Covered Retiree List (CRL)	1.13	The Covered Retiree List (CRL) may be requested well in advance of Reconciliation activities. To facilitate timely processing, do not wait until Reconciliation begins to upkeep your retiree enrollment data. It should be managed all year.

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Download the Covered Retiree List (CRL)	1.14	Download the Covered Retire List (CRL) in Comma Separated Value (CSV) format and upload it to another tool such as a spreadsheet. If you have multiple Benefit Options, you will want to make sure the person performing this task has appropriate authority.
Distribute the CRL to those that will be scrutinizing the list at each Benefit Option level	1.15	The people managing your retiree enrollment and reporting cost data for each Benefit Option will need to compare the Qualifying Covered Retirees (QCR), Benefit Options, and Subsidy Periods with their internal records. Each person should receive the information in a format that allows them to review the data and make notes. Since all Benefit Options for the Application are included in the Covered Retiree List (CRL), you may need to make separate spreadsheets or documents for different Vendors or enrollment personnel.
Scrutinize the Covered Retiree List (CRL)	1.16	Plan Sponsor representatives involved with enrollment, claims processing, and cost calculation should scrutinize the Covered Retiree List (CRL). Many times the enrollment system and the claims processing system are separate. This is why you should reconcile the Covered Retiree List (CRL) against both systems and each system against the other. It is important to coordinate these updates so that the cost preparation process does not include data for anything outside the Qualifying Covered Retirees (QCR), Benefit Options, and corresponding subsidy periods listed in the Covered Retiree List (CRL).
Submit retiree changes and/or updates to the CMS' RDS Center	1.17	If necessary, gather changes from all those who have scrutinized the Covered Retiree List (CRL). Reconcile the changes to ensure that there are no conflicts. Submit a retiree file to CMS' RDS Center incorporating the identified updates.
Process Retiree Response Files and Retiree Notification Files	1.18	If necessary, process the Response File and any Notification files you receive from CMS' RDS Center.
Request the Covered Retiree List (CRL)	1.19	If you did not make any changes and did not get any Notifications, this task is not applicable.

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Download the Covered Retiree List (CRL)	1.20	If you did not make any changes and did not get any Notifications, this task is not applicable.
Communicate Covered Retiree List (CRL) to Cost Reporters	1.21	Communicating with Cost Reporters is essential to resolve any discrepancies with retiree data. Since the Covered Retiree List (CRL) includes the Plan Sponsor's full array of Benefit Options, in many cases it will need to be divided and communicated to multiple Cost Reporters. The cost data prepared and submitted by these Cost Reporters must not include data for anything outside the Qualifying Covered Retirees (QCR), Benefit Options, and corresponding subsidy periods listed in the Covered Retiree List.
Obtain and communicate final rebate information	1.22	In this task, the drug manufacturer usually communicates the rebates to the Pharmacy Benefit Manager (PBM) or Plan Sponsor. The Cost Preparer must receive the rebate information and incorporate it into the final cost figures.
Inform Cost Reporter that they should start preparing final costs	1.23	Because the Final Cost Reports must include rebate information, they may take longer to prepare than interim costs. Be sure to pay close attention to coordination of individual retiree cost data as well. Starting early will leave you plenty of time to clear up any discrepancies.
Initiating Reconciliation		
Complete Step 1: Initiate Reconciliation	2.1	The Account Manager or Authorized Representative should communicate that this step has been completed. After Reconciliation is initiated, it cannot be undone. Interim Payments are now prohibited and Cost Reporting should cease until Final Cost Reporting is opened.

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Complete Step 2: Review Payment Setup	2.1	Make any changes to Payment Setup that was not completed in the pre-Reconciliation process. Communicate those changes to the affected people. Consider assigning Designees to Vendors who report Mainframe cost data so Vendors may monitor the receipt and processing of their Mainframe Cost Reports. For information about setting up a Vendor Designee in Payment Setup, go to: Set Up A Vendor Designee In Payment Setup. Work with your Vendor to establish the proper Cost Reporter relationships in Payment Setup. Vendor Designees are frequently setup incorrectly as Plan Sponsor Designees. If possible, consider assigning only one source to report cost data for each Benefit Option to eliminate the possibility of duplicate Cost Reporting. If changing sources for Final Cost Reporting, you will not be permitted to remove a Vendor or individual Plan Sponsor Cost Reporter if they previously reported interim costs. In this case, you may need to assign multiple sources to the Benefit Option. Communication is critical if multiple sources are assigned to assure duplicate cost data are not included in the Final Reconciliation Request. Cost data from multiple sources for the same Benefit Option will be accepted during Final Cost Reporting. The Account Manager and Designee with the Request Payment privilege must review cost data carefully in Step 7: Review Final Costs and if necessary, reject a duplicate Cost Report.
Finalizing Retirees		
Request the Covered Retiree List (CRL) - Complete Reconciliation Step 3: Request List Of Covered Retirees	3.1	While you have been working with Covered Retiree Lists (CRL) throughout the Plan Year, this is the final Covered Retiree List (CRL) that will be used for final cost verification. You must request Covered Retiree Lists (CRL) to complete Step 3: Request List Of Covered Retirees.
Download the Covered Retiree List (CRL)	3.2	Download the Covered Retiree List (CRL) in Comma Separated Value (CSV) format and load it into another tool such as a spreadsheet. If you have multiple Benefit Options you will want to make sure the person performing this task has the appropriate authority.

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Distribute the Covered Retiree List (CRL) to those that will be scrutinizing the list at each Benefit Option level	3.3	This is likely the same group of participants that validated the list in the pre-Reconciliation process. If they have cited no changes to their records since the last Covered Retiree List (CRL), and the current CRL matches the last CRL, this may be a quick review. However, if you did not thoroughly scrutinize the CRL in pre-Reconciliation, you must do so as soon as possible. This process may include iterative steps to get the enrollment data in sync with CMS' RDS Center's records.
Compare the Covered Retiree List (CRL) to the previously validated CRL	3.4	If there is no variance between the current list and the Covered Retiree List (CRL) you examined in the pre-Reconciliation process, this will be a simple task.
If there are changes to the CRL, repeat steps 1.16- 1.21 in the Task List and Assignments	3.5	If the new Covered Retiree List (CRL) varies from the data you validated in the pre-Reconciliation process, you will need to update internal records, resolve discrepancies, submit retiree changes, process Response and or Notification files, and request an additional Covered Retiree List (CRL) prior to completing Step 4: Finalize Covered Retirees.
Finalize the Covered Retiree List (CRL) - Complete Reconciliation Step 4: Finalize Covered Retirees	3.6	This step can only be completed by the Account Manager or Authorized Representative. This step should only be completed after all of the benefit enrollment and cost preparation staff for each of the Benefit Options have agreed to the Qualified Covered Retirees (QCR), Benefit Options, and corresponding subsidy periods in the Covered Retiree List (CRL).
Finalizing Costs		
Communicate the Final Covered Retiree List (CRL) to Cost Reporters	4.1	The Plan Sponsor must communicate finalized Qualifying Covered Retiree (QCR) data to the proper Cost Reporters. Final cost data must only be submitted for the QCRs, Subsidy Periods, and Benefit Options listed on the final Covered Retiree List (CRL) agreed to by the Plan Sponsor in Step 4: Finalize Covered Retirees.

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Open Cost Reporting - Complete Reconciliation Step 5: Start Preparation Of Reconciliation Payment Request	4.2	After Step 5: Start Preparation Of Reconciliation Payment Request is completed, Final Cost Reporting will be opened and all Cost Reporters may submit final cost data. You may return to Step 2: Review Payment Setup to add or delete Cost Reporters, however, Step 2: Review Payment Setup must be complete for any Cost Reporters to submit final cost data.
Notify Cost Reporters that Cost Reporting is Opened	4.3	When Reconciliation is initiated, Mainframe Cost Reports will be rejected and Cost Reporting will be prohibited on the RDS Secure Website until Final Cost Reporting is opened by the Plan Sponsor. When Final Cost Reporting is opened after Step 5: Start Preparation Of Reconciliation Payment Requests is complete, the Account Manager or the Designees with Payment Request privilege should inform the Cost Reporters to begin submitting Final Cost Reports.
Prepare Final Costs	4.4	For information on how to prepare final cost data, go to: How To Prepare RDS Cost Data For Submission To The RDS Center.
Report Final Costs	4.5	Final cost data can only be reported after the Application is in "Reconciliation Cost Reporting Opened" status. Consider the following: • Designee Cost Reporters do not have access to the Reconciliation Checklist, but can monitor the status of the Application on the RDS Secure Website to determine when Final Cost Reporting is open • Vendor Designees can also utilize the RDS Secure Website to monitor the submission and processing of their Vendor's Mainframe Cost Reports to assure that the Cost Reports are accepted by CMS RDS Center Vendors and Account Managers managing Cost Reporting for several Applications should also monitor the RDS Program Website for an Announcement on the availability of Quick Access Reports. These reports will provide consolidated Cost Reporting information in a Comma Separated Value (CSV) format.
Coordinate the Cost Threshold and Cost Limit for each individual Qualifying Covered Retiree (QCR)	4.6	For information on coordinating individual Qualifying Covered Retiree (QCR) cost data, go to: Coordinating Individual Qualifying Covered Retiree Costs and Coordinating Final Costs.

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Manage Final Cost Reports - Open Reconciliation Step 6: Manage Submission Of Final Cost Reports	4.7	The Plan Sponsor should monitor the progress of final costs submission to ensure that the reports are received and accepted by CMS' RDS Center while the Application is in Step 6: Manage Submission Of Final Cost Reports. The Plan Sponsor should view the Audit Trail for warning and errors detected on Mainframe Cost Reports.
Communicate rejected reports to Mainframe Cost Reporter	4.8	The Plan Sponsor is not required to assign a Vendor Designee in Payment Setup to Vendor Cost Reporters who report by Mainframe transmission. If a Vendor Designee is not assigned, the Vendor may not be able to monitor its Cost Report submissions. Mainframe Cost Reports that are rejected by CMS' RDS Center will be placed in a status of "Mainframe: Errors Detected." The Account Manager and Designee with the Request Payment privilege should monitor for this status in Step 6: Manage Submission Of Final Cost Reports and notify the appropriate Vendor Cost Reporter.
Verify with Cost Reporters that all Cost Reports have been submitted	4.9	Final Cost Reports are only required for those Benefit Options included in a Final Payment request. The Account Manager and Designee with Payment Request privilege should assure that all Cost Reports have been successfully submitted prior to closing Final Cost Reporting especially if Interim Payments have not been previously requested. If a Mainframe Cost Report is rejected by CMS' RDS Center after a Final Cost Report was accepted for the same Benefit Option and source, Reconciliation can proceed with the previously accepted report. If the costs differ between the accepted and rejected report, the Plan Sponsor should contact the Cost Reporter to assure that the correct figures have been successfully reported.
Close Cost Reporting - Close Reconciliation Step 6: Manage Submission Of Final Cost Reports	4.10	The Plan Sponsor should communicate to the Cost Reporters when Step 6: Manage Submission Of Final Cost Reports has been completed. CMS' RDS Center will not accept Cost Reports when the Application Status is "Reconciliation Cost Reporting Closed."
Communicate Cost Reporting is closed to Cost Reporters	4.11	The Account Manager and Designee with the Request Payment privilege should notify their Cost Reporters that Cost Reporting is closed. Cost Reporters must notify the Plan Sponsor if additional Cost Reports must be submitted so the Plan Sponsor may reopen Final Cost Reporting.

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Resolve any Cost Reports submitted after Cost Reporting is closed	4.12	Warnings will be displayed on the RDS Secure Website should Cost Reports continue to be submitted by Mainframe transmission after Final Cost Reporting is closed. The Account Manager and Designee with Request Payment privilege should continue to monitor for these reports and contact the Cost Reporter if the figures vary from the last accepted report.
Consider Warnings when reviewing final costs	4.13	Warnings occur in Step 7: Review Final Costs when unusual Cost Reporting events occur such as multiple sources reporting costs or an additional Cost Report being submitted after the Benefit Option costs are reviewed in Step 7: Review Final Costs. The warnings will suggest the appropriate actions. The Account Manager and Designee with the Request Payment privilege should consider these warnings carefully and take the appropriate action.
Resolve Errors by rejecting Cost Reports or reopening Cost Reporting	4.14	All Cost Reports successfully submitted in Step 6: Manage Submission Of Final Cost Reports are edited upon initial entry into Step 7: Review Final Costs. If errors are detected, error messages will be displayed and the Plan Sponsor will not be permitted to complete Step 7: Review Final Costs. To resolve the errors, the Plan Sponsor may chose to reject specific Cost Reports or reopen Cost Reporting. If a Cost Report is rejected, it is excluded from the Final Reconciliation Request and further editing in Step 7: Review Final Costs.
Complete Review of Costs - Reconciliation Close Step 7: Review Final Costs	4.15	The final costs accepted in Step 7: Review Final Costs will determine the final subsidy amount. The Account Manager or Designee with Request Payment privilege should review all cost data carefully and assure the following before completing their review: • Final costs are accurate • Final costs are complete • Final costs are not duplicated
Consider Revisions to Final Costs	4.16	When considering revisions to Final Costs, the Plan Sponsor should pause to consider that all Individual Retiree Costs have been accurately coordinated and no revisions to final costs are necessary before proceeding with finalizing the Reconciliation Payment Request.

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Complete Reconciliation Step 8: Enter Revisions To Final Costs	4.17	Step 8: Enter Revisions To Final Costs is currently unavailable; therefore, all final cost data must be accurately reported when submitting final costs in Step 6: Manage Submission Of Final Cost Reports. For more information about submitting final cost data, go to: How to Submit Final Cost Data
Providing Payment Information		
Complete Reconciliation Step 9: Finalize Reconciliation Payment Request	5.1	In this step, the Final Reconciliation Subsidy Amount will be calculated based upon the difference between the costs accepted in Step 7: Review Final Costs and the costs included in prior payment requests. The Account Manger or Designee with the Request Payment privilege should review this amount carefully. If accepted, the amount will be submitted to the Authorized Representative for final approval in Step 12: Review And Submit Reconciliation Payment Request.
Complete Reconciliation Step 10: Review Electronic Funds Transfer (EFT) Information	5.2	If there has been no change to your banking information, you may simply review the data and complete the step. Any changes to the banking information must be verified by the Authorized Representative in Step 11: Approve Electronic Funds Transfer (EFT) Information.
Approving and Submitting the Reconciliation Payment Request		
Complete Reconciliation Step 11: Approve Electronic Funds Transfer (EFT) Information (if necessary)	6.1	This step may only be completed by the Authorized Representative. It will be completed automatically if the banking information was not changed in Step 10: Review Electronic Funds Transfer (EFT) Information.
Complete Reconciliation Step 12: Review And Submit Reconciliation Payment Request	6.2	Consider the availability of the Authorized Representative to sign the Reconciliation Agreement and complete Step 12: Review And Submit Reconciliation Payment Request Information. This final step must be completed by the Reconciliation Deadline with No Acceptations.