

Legal Update

Brought to you by: MST Insurance Solutions, Inc.

Submission Grace Period Issued for Prescription Drug Reporting

The transparency provisions of the No Surprises Act require group health plans and health insurance issuers to report information on prescription drugs and health care spending to the Departments of Labor, Health and Human Services and the Treasury (Departments). This reporting process is referred to as the "[prescription drug data collection](#)" (or "RxDC report"), and it must be submitted by Dec. 27, 2022.

Submission Grace Period

On Dec. 23, 2022, the Departments released an [FAQ](#) stating that, for the 2020 and 2021 data submissions due by Dec. 27, 2022, they will not take enforcement action with respect to any plan or issuer that uses a **good faith, reasonable interpretation** of the regulations and the RxDC reporting instructions in making its submission.

The Departments are also providing a **submission grace period through Jan. 31, 2023**, and will not consider a plan or issuer to be out of compliance with these requirements provided that a good faith submission of 2020 and 2021 data is made on or before that date.

In addition, to facilitate the submission process, the Departments are providing clarifications and flexibilities with respect to reporting requirements for this data (e.g., allowing multiple submissions by the same reporting entity, email submission of certain data for certain plans and optional reporting for certain data), which are outlined in the [FAQ](#).

Employer Compliance Steps

Most employers will rely on their carriers, TPAs or other third parties to report prescription drug costs by the deadline. Employers should update their written agreements with these parties to reflect that responsibility and confirm they will timely submit the reports.

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Submission Deadlines

Dec. 27, 2022

The RxDC report was initially required to be submitted by Dec. 27, 2021, and by June 1 of each year thereafter. However, in [interim final rules](#), the Departments deferred enforcement of these deadlines to Dec. 27, 2022.

Jan. 31, 2023

The Departments will not initiate enforcement action against a plan or issuer that makes a good faith effort to submit the required information by this date.

The Departments are providing a grace period through Jan. 31, 2023, if plans make a good faith data submission on or before that date.