

Adjustment/Dispute Codes for Reconciliation of State Invoice (CMS-304) and/or Prior Quarter Adjustment Statement (CMS-304a)

- A. Rebate per unit (RPU) amount has been revised by labeler and reported to CMS, as required.
- B. Labeler has calculated RPU and/or rebate where none was reported by state.
- C. Units invoiced adjusted through mutual agreement between labeler/state.
- D. Labeler/state Unit Type and/or Units Per Package Size (UPPS) value discrepancy (e.g., unit type and/or UPPS reported on invoice does not match CMS tape).
- E. Labeler/state decimal discrepancy or rounding problems (e.g., state invoice does not reflect decimal value on CMS tape).
- F. *Package size discrepancy (e.g., could include correction to package size by labeler).
- G. *Transferred NDC to another labeler code (Labeler code is ultimately responsible for rebate payment).
- H. Utilization change from the State.
- I. RPU amount adjusted through correspondence between labeler/State. USE THIS CODE ONLY when the State has reported a RPU not based on the CMS tape and code A is not applicable.
- J. No state reimbursement reflected on claims level detail.
- K. *J-Code to NDC crosswalk requires validation data (e.g., crosswalk to products with multiple NDCs and/or package sizes).
- L. Generic Substitution.
- M. Duplicate Claim.
- N. *Discontinued/terminated NDC for which the shelf life expired more than one year from the dispense date (Documentation should support dispensed date).
- O. Invalid/miscoded NDC.
- P. *State units invoiced exceed unit sales (Documentation should include supporting methodology and data source).
- Q. Utilization/quantity is inconsistent with the number of prescriptions.
- R. *Utilization/quantity is inconsistent with pharmacy reimbursement levels, including Third Party Payments (This dispute code should be used in conjunction with another code or other supporting documentation).
- S. *Utilization/quantity is inconsistent with State historical trends or current State program information (Documentation should include trend/program information).
- T. Utilization/quantity is inconsistent with lowest dispensable package size.
- U. *Product not rebate-eligible (e.g., product was not reported to CMS because product is not a covered outpatient drug, product is for a non-Medicaid State-only program, an HMO non-fee-for-service program, etc...).
- V. *No record of sales directly to State or State history of purchase from out-of-State provider (e.g., border pharmacies, mail order pharmacies, etc...).
- W. Closed out. All disputes resolved.
- X. *PHS entity not extracted from State data (Documentation should include PHS provider number).

*Supporting Documentation REQUIRED.

Note: Some adjustment/dispute codes are specifically noted to require supporting documentation; however, supporting documentation can always be submitted, even for those instances where it is not specifically mentioned on this document.