



National Compliance Update

USI EMPLOYEE BENEFITS

March 12, 2026

2025 RxDC Reporting Reminder

The Centers for Medicare and Medicaid Services (“CMS”) recently released updated Prescription Drugs Data Collection (“RxDC”) instructions for reporting 2025 data; there are no substantive changes to the instructions from last year.

The deadline to report 2025 RxDC data to CMS is **June 1, 2026**.

Carriers, third-party administrators (“TPAs”), pharmacy benefit managers (“PBMs”) and other vendors who assist plans with RxDC reporting usually send out survey and information requests for data from plan sponsors. Responses to these data requests are due well in advance of the June 1 deadline (a date in March or April is common).

In some cases, usually certain self-funded plans with carve-out benefits, the employer will need to submit some of the files to CMS to furnish complete reporting.

In preparation for 2025 RxDC reporting, employers should:

- Work with carrier partners, TPAs, PBMs and other vendors, as appropriate, to submit the requisite 2025 data and submit RxDC reporting.
 - Obtain assurances in writing from vendors who will submit on behalf of the plan and request documentation of successful submission.
- Timely respond to any carrier, TPA, PBM or other vendor survey requests for information in order to complete reporting on behalf of the plan.
- Identify any circumstances where the employer will be responsible for submitting any of the information to CMS via the Health Insurance Oversight System (“HIOS”)
 - For example, when an employer offers a self-funded health plan where stop loss insurance is carved out, the employer may be responsible for furnishing stop loss information by filing a P2 and D1 with HIOS.
- If needed, review whether a HIOS account has been established. If not, set up a HIOS account well before the filing deadline. It can take up to 2 weeks to establish.

The following FAQs provide additional details.

BACKGROUND

What is RxDC reporting?

Section 204 of the Consolidated Appropriations Act, 2021 (“CAA-21”) requires group health plans and health insurance issuers (“carriers”) offering group health insurance coverage to submit information annually about prescription drugs and health care spending to CMS. This is commonly referred to as RxDC reporting.

When is RxDC reporting due?

RxDC reporting collects information about prescription drugs and health care spending over a reference year (which is the calendar year for the data in the RxDC reporting). The RxDC reporting is due by the following June 1.

RxDC reporting for calendar year 2025 is due **June 1, 2026**.

What is RxDC reporting for?

RxDC reporting is intended to:

- Identify major drivers of increases in Rx and health care spending
- Understand the impact of Rx rebates on premiums and out-of-pockets costs
- Promote transparency in Rx pricing

CMS should issue a biannual public report based on the data collected in the RxDC reporting to highlight, among other things, prescription drug pricing trends and the impact of prescription drug costs on rates. To date, this report has not been published.

PLANS SUBJECT TO RXDC REPORTING

Who must submit RxDC reporting?

- Fully insured and self-funded group health plans (including ERISA plans, state and local government plans and church plans).
- Carriers offering group health plan coverage.¹

The following plans are not subject to RxDC reporting:

- Retiree-only plans.
- Account-based plans (e.g., ICHRAs, HRAs, health FSAs).
- Plans that consist of excepted benefits (e.g., dental, vision) are not subject to the reporting requirement.
- Plans maintained outside the U.S. primarily for the benefit of persons substantially all of whom are nonresident aliens.²

¹ In addition, health insurance issuers offering individual coverage, student health plans and FEHB plans are subject to this reporting. Details on these plans are not included in this FAQ.

² Per the [instructions](#), “An alien is any individual who is not a U.S. citizen or U.S. national. A nonresident alien is an alien who has not passed the green card test or the substantial presence test” (Page 7).

RESPONSIBILITY FOR RXDC REPORTING

Who handles the reporting?

Group health plans are responsible for the reporting.

Fully insured group health plans

For fully insured plans (with no carve out benefits) **the carrier** will usually submit RxDC reporting on behalf of the plan. Employers with a fully insured plan should obtain written confirmation that the carrier will handle this requirement on behalf of the plan.

If the insured plan has a written agreement requiring the health insurance carrier to complete and file the RxDC reporting, the carrier is responsible for compliance.

Self-funded (including level funded) group health plans

For self-funded plans, **the plan** is responsible for compliance. TPAs, PBMs and other vendors may compile and submit RxDC reporting on behalf of the self-funded plan. However, the plan remains liable for any reporting failures or violations.

Vendors approach assisting self-funded plans with RxDC reporting differently. The following briefly summarizes common approaches in the marketplace. However, it may not reflect how a particular TPA, PBM or other vendor supports compliance.

It is important to obtain specific information from vendors servicing the self-funded plan as to how they support RxDC compliance.

- **Integrated self-funded plans.** The TPA may collect all the relevant data and file complete RxDC reporting with CMS (P2, D1-D8). This is often the case when the plan is integrated (i.e., the medical, pharmacy and stop loss are with the same vendor).
- **Self-funded with carved-out pharmacy benefits.** The TPA may only file information on the medical benefits (P2, D1, D2). The PBM *may* file the information related to a carve-out pharmacy benefit on behalf of the plan (P2, D3-D8). PBMs may charge for this service. Alternatively, PBMs may provide the data (D3-D8) to the employer sponsoring the program and the employer will need to file the files with CMS. The employer may need to prepare a P2 for submission.
 - **Other carved-out benefits.** Self-funded plans may carve out other types of benefits (e.g., behavioral health) that must be included in the RxDC reporting. These vendors often take a similar approach to the PBMs.
- **Self-funded that is integrated except stop loss.** A self-funded plan that has carved out stop loss insurance with a carrier who is unrelated to the TPA may need to file information on stop loss insurance directly with CMS. The stop loss carrier and/or TPA may not file this information on behalf of the plan. Employer may be responsible for filing a P2 and D1 with stop loss information.

The chart in Appendix A provides additional details.

What is this request from my carrier/TPA/PBM or other vendor for RxDC related data?

Vendors that help group health plans prepare the files and timely submit RxDC reporting on behalf of the plan request certain data from the employer sponsoring the arrangement. These requests

typically come in a survey format with a completion deadline well in advance of the June 1 due date (typically a date in March or April).

Often these surveys request the following information:

- Group health plan name and number
- States where the plan is offered
- Average monthly premium paid by the employer
- Average monthly premium paid by the employee
- Annual stop loss premiums

It is important to timely and accurately complete this information and submit it to the vendor to ensure complete reporting is submitted on behalf of the group health plan.

What happens if an employer does not timely respond to a carrier/TPA/PBM survey?

If the specific deadline for furnishing this information is not met, the vendors may not file on behalf of the plan. This would mean the vendor is filing incomplete information and the employers may need to file full (or partial) reports with CMS.

INFORMATION REQUIRED IN RXDC REPORTING

What files are required?

Group health plans must submit (or have submitted on their behalf) the following files:

- **A plan list (P2):** Identifies the plans in the submission and collects certain plan information. Group health plans use P2.
- **Data Files (D1-D8):** Files collect the premium and spending information. Files D3-D8 address the prescription drug spending.
 - D1 Premium and Life Years
 - D2 Spending by Category
 - D3 Top 50 Most Frequent Brand Drugs
 - D4 Top 50 Most Costly Drugs
 - D5 Top 50 Drugs by Spending Increase
 - D6 Rx Totals
 - D7 Rx Rebates by Therapeutic Class
 - D8 Rx Rebates for the Top 25 Drugs
- **Narrative response:** The following topics are addressed in a narrative response. The narrative response should be saved as a Word document or pdf and then uploaded.
 - Drugs missing from the CMS crosswalk
 - Medical benefit drugs
 - Prescription drug rebate descriptions
 - Allocation methods for prescription drug rebates
 - Impact of prescription drug rebates.

Templates for the P2 and all D files are available here:

https://regtap.cms.gov/reg_librarye.php?i=3863

There is no sample template for the narrative response.

HIOS

How is RxDC reporting submitted?

The entity that submits the report to HIOS is the reporting entity.

The RxDC reporting is submitted to CMS through the RxDC module in HIOS. This is the only option (no email submissions).

Each reporting entity will need a HIOS account to submit the files.

Can multiple vendors act as reporting entities?

Yes. Multiple vendors may act as reporting entities and submit on behalf of the plan.

Example: A self-funded group health plan can have the TPA submit P2, D1 and D2 and the PBM submit a P2, D3-D8 plus a narrative response on behalf of the plan.

Will an employer be a reporting entity?

Perhaps.

There are situations where the employer will need to file RxDC reporting on behalf of the group health plan. This typically occurs when the employer sponsors a self-funded group health plan with certain benefits that are carved out (i.e., PBM or stop loss) and the vendor is not willing to submit the reporting on behalf of the plan.

Example: A self-funded group health plan with a carve-out stop loss carrier.

The TPA will submit complete P2, D1-D8 but will not include stop loss information. The employer will need to file a P2 and D1 to report stop loss information. Most stop loss carriers will not do this on behalf of the plan.

In addition, for both fully insured and self-funded plans, if the employer does not timely furnish information to the reporting entity (carrier, TPA, PBM) to support their filing efforts, the employer may need to file additional information with HIOS to submit a complete report.

How do I sign up for HIOS and submit reporting?

CMS has guidance on how to access the HIOS system for RxDC reporting. For more information, review:

- [HIOS Access Guide for RxDC Users](#) (Provides instructions to create a CMS Enterprise Portal account, access the HIOS application, and obtain RxDC Submitter user role in HIOS)
- [RxDC HIOS Module User Manuel](#) (Instructions on how to submit the RxDC reporting in the RxDC HIOS module).

To submit data access the CMS Enterprise Portal <https://portal.cms.gov/portal/>

PENALTIES

Are there penalties for non-compliance?

A \$100/per day penalty to each individual to whom a failure related.

Regulators may audit plans for compliance and bring enforcement action.

While there is no good faith relief for mistakes or other unintentional errors, USI is unaware of any penalties imposed on plans or employers for mistakes or unintentional errors.

RESOURCES

- Reporting instructions https://regtap.cms.gov/reg_librarye.php?i=3860
- CMS RxDC reporting website <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Other-Insurance-Protections/Prescription-Drug-Data-Collection>

USI [usi.com/locations](https://www.usi.com/locations)

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Appendix A

Who will generally submit the RxDC reports?

Generalizations	P2 Plan List	D1 Premium and Life Years	D2 Spending by Category	D3 – D8 Rx Files	Employer Responsibility
Fully Insured	Carrier will submit file – some carriers will require the employer to file. If the employer is responsible for any data files, the employer must submit P2 with the data file(s) to HIOS.	Carrier will generally submit file, but may be dependent on employer providing requested info by stated deadline	Carrier will submit file	Carrier will submit files	<ul style="list-style-type: none"> Verify carrier will submit a complete D1 and D2 plus D3-D8 or if employer must submit D1 to HIOS Provide information requested by carrier timely
Self-Funded w Integrated Rx (includes level funded)	Many (but not all) TPAs will submit file. Note – if employer is responsible for any data files, employer must submit P2 with the data file(s) to HIOS.	TPA may submit file, but may be dependent on employer providing requested info by stated deadline	TPA will submit file	TPA will submit files	<ul style="list-style-type: none"> Verify TPA will submit D1 and D2 or if employer must submit D1 to HIOS Verify TPA will submit D3-D8 Provide any information requested by TPA timely
Self-Funded w Rx (or other) Carve-Out	TPA will submit file. PBM (or carve-outs, like behavioral health) may submit file. Note – if the employer is responsible for any data files, the employer must submit P2 with the data file(s) to HIOS. Often, in this scenario, the employer will be responsible for filing a P2 and applicable D files.	TPA may submit file, but may be dependent on employer providing requested info by stated deadline	TPA will submit file	PBM (or other vendor) will submit files <u>or</u> provide to employer for submission PBMs may be charging for this reporting, when submitting for the employer or providing files to employer for submission	<ul style="list-style-type: none"> Verify TPA will submit a complete D1 and D2 or if employer must submit a full or partial D1 to HIOS Provide any information requested by TPA timely Verify PBM will submit D3-D8 or if employer must submit to HIOS Provide any information requested by PBM Verify whether other carve out vendors will submit P2 and D files
Self-Funded w Stop-Loss Carve-Out	TPA will submit file Note – if the employer is responsible for any data files, the employer must submit P2 with the data file(s) to HIOS – often the employer will need to file a D1 with stop loss information as TPA will not include	TPA may submit file but may be dependent on employer providing requested info by stated deadline	TPA will submit file	See above regarding self-funded with or without Rx carve-out for handling of Rx files D3-D8	<ul style="list-style-type: none"> Verify TPA will submit a complete D1 and D2 or if employer must submit a full or partial D1 to HIOS Provide any information requested by TPA timely See above regarding self-funded with or without Rx carve-out