

HHS Issues Final Rule Regarding Payments to Sponsors of Retiree Prescription Drug Programs

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The Department of Health and Human Services recently issued its final rule which implements provisions regarding the reporting of gross covered retiree plan-related prescription drug costs and retained rebates by retiree drug subsidy (RDS) sponsors. The RDS program allows subsidy payments to sponsors of qualified retiree prescription drug plans for Medicare Part D drug costs for individuals who are eligible for, but not enrolled in, a Medicare Part D plan. After consideration, HHS decided against requiring RDS sponsors to report the drug costs and retained rebates because it believed that requiring such reporting would cause RDS sponsors to not participate in the RDS program. The final rule is effective on March 12, 2012. A copy of the final rule can be found [here](#).