



## 2025 RxDC Reporting Deadline

March 11, 2025

Since the passage of Section 204 of the Consolidated Appropriations Act, 2021 (CAA), referred to as the No Surprises Act (NSA), employers have been required to submit annual prescription drug and health care spending data with the Prescription Drug Data Collection (RxDC) report. The RxDC report collects information about prescription drugs, spending on health care services, and premiums paid by members and employers. In 2024, the Department of Health and Human Services (HHS) announced the end to the non-enforcement period for the disaggregated reporting requirement, meaning some group health plans may need to report data at the employer level rather than relying on aggregated reporting by pharmacy benefit managers (PBMs), third party administrators (TPAs), and administrative services only providers (ASOs) as was permitted in prior years.

In January 2025, CMS released [instructions for 2024 reporting](#) due by June 1, 2025.

### Background

The RxDC requirement applies to all employer-sponsored health plans and health insurance providers in both the individual and group markets. RxDC reporting requirements do not apply to retiree-only plans, account-based plans such as health reimbursement arrangements (HRAs), and excepted benefit plans such as limited-scope dental and vision plans, hospital or other fixed indemnity insurance, and disease-specific insurance.

The RxDC data is reported annually to the U.S. Department of Labor (DOL), the Department of the Treasury (Treasury), and HHS (collectively, the “federal agencies”). The RxDC report is intended to aid the federal agencies in monitoring prescription drug and healthcare spending trends for possible regulatory approaches to control costs and for a biannual, publicly available report. The ongoing deadline for the annual report is June 1 for the “reference year,” which is the calendar year immediately preceding the calendar year in which the RxDC is due.

## Updates for 2024 Reporting

Each year, HHS releases updated instructions for submitting the RxDC report. In 2024, HHS made significant changes that carry over into the 2025 reporting year. The most significant change in 2024 was the introduction of enforcement of the “aggregation restriction.” which requires that pharmacy benefit data (Files D3-D8) be reported at the same level of detail as medical data (File D2). Additionally, employers with robust group health plans may have multiple vendors reporting medical data in File D2, such as for carve-out services like surgery or wellness programs. These employers must be mindful of how the aggregation restriction applies. If any vendor reports medical data at the employer level, all other RxDC files (D1 and D3-D8) must also be reported at the employer level. If all medical data is reported at the vendor level, other files may remain aggregated at that level.

This enforcement means that pharmacy benefit data must be reported at the most granular level at which the employer’s medical data is reported on File D2. Accordingly, the data submitted in File D1 and Files D3 through D8 cannot be aggregated at a less granular level than the data submitted in File D2. For example, if the medical data in File D2 is aggregated according to the plan sponsor Employer Identification Number (EIN), then data in Files D1 and D3 through D8 must also be aggregated according to plan sponsor EIN.

Other significant changes that remain in effect for the 2024 reference year (2025 deadline) reporting include:

- Medical devices, nutritional supplements, and over-the-counter (OTC) drugs are generally excluded from prescription drug lists with exceptions for products on the CMS Drug and Therapeutic Class Crosswalk (Section 8.1)
- A simplified calculation of the average monthly premium is provided using the total annual premium divided by 12 instead of the average monthly premium on a per-member basis (Section 6.1)
- A simplified calculation of premium equivalents is allowed by removing restrictions on reporting on a cash basis and using paid claims rather than incurred claims (Section 6.1)
- Additional details are provided about amounts that should be included or excluded from premium equivalents (Section 6.1)
- Instructions are provided to reporting entities to report information on retained rebates when exact amounts are unknown (Section 9.1)

Failure to comply with the RxDC reporting requirements falls under Internal Revenue Code Section 4980D penalties, resulting in a \$100 per day fine for each day of non-compliance.

## Employer Action Items

- Complete the next annual RxDC reporting by June 1, reporting data from calendar year 2024.
- Verify that TPAs, PBMs, ASOs (for self-insured plans) or insurance carriers (for fully insured plans) are prepared to submit the RxDC report on time and request documentation for records.
- Respond promptly to information requests from vendors assisting with RxDC reporting.
- Determine whether reporting must be done at the employer level or can remain aggregated with vendors and consider whether to request that the pharmacy data on Files D3 through D8 be reported on a plan level basis to access additional details on the pharmacy benefit spend for the reference year.

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