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DATE: November 19, 2025

TO: All Part D Plan Sponsors

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SUBJECT: Coordination of Benefits-Other Health Insurance (COB-OHI) Companion File to Include Data on Workers' Compensation Medicare Set-Aside (WCMSA) Arrangements

The Centers for Medicare & Medicaid Services (CMS) is implementing enhanced data sharing capabilities to aid Part D sponsors' efforts in the coordination of benefits with Workers' Compensation Medicare Set-Aside (WCMSA) arrangements. Beginning in February 2026, CMS will provide sponsors with specific prescription drug information and additional data elements that sponsors may use to improve coordination accuracy and prevent improper Part D payments. This memo outlines the changes in data sharing and provides updated policy guidance for sponsors regarding the implementation of beneficiary-level prior authorization requirements based on WCMSA-related prescription drug data.

Section 1862(b) of the Social Security Act (the Act) makes workers' compensation coverage primary to Medicare. To comply with these requirements and ensure that workers' compensation settlements appropriately cover future medical services, workers' compensation plans and individuals eligible for Medicare or likely to become eligible for Medicare may establish WCMSA arrangements. The primary payer status of workers' compensation funds was made applicable to Medicare Part D through section 1860D-2(a)(4) of the Act, codified in CMS regulations at 42 CFR § 423.462(a). Since the beginning of the Part D program, CMS has required Part D sponsors to make conditional primary payment for individuals with non-group health plan coverage (such as that provided by workers' compensation) unless the sponsor has established that a certain drug is used exclusively to treat an injury related to that coverage. In the case of Part D enrollees with WCMSAs, section 50.12.1 of Chapter 14 of the Medicare Prescription Drug Benefit Manual requires sponsors to make conditional primary payment and contact the WCMSA administrator to determine which claims should not be paid under Part D.¹

To facilitate Part D sponsors' WCMSA-related Medicare Secondary Payer (MSP) adjudication efforts, CMS is implementing significant enhancements to current data sharing practices related to WCMSAs. Beginning in February 2026, CMS will provide Part D sponsors with WCMSA-related prescription drug information through the new Medicare Beneficiary Database Other

¹ For Chapter 14 of the Medicare Prescription Drug Benefit Manual, see <https://www.cms.gov/medicare/coverage/prescription-drug-coverage-contracting/prescription-drug-benefit-manual>.

Health Insurance Monthly (MBDOHIMO) file, to be transmitted as a companion file to the Coordination of Benefits-Other Health Insurance (COB-OHI) file. Sponsors can expect to begin receiving the MBDOHIMO file on the same schedule as other monthly files. The newly provided data will include the Workers' Compensation Case Control Number and up to 12 NDCs for each applicable WCMSA. The file layout for the new MBDOHIMO file can be found in the appendix to this memo.

Once Part D sponsors begin to receive prescription drug data specific to their enrollee's WCMSAs, CMS will permit sponsors to either (1) continue to follow the procedure outlined in section 50.12.1 of Chapter 14, or (2) adopt the alternative method of MSP adjudication described in this memorandum. Under the alternative method, instead of making conditional primary payments while awaiting coordination with a WCMSA administrator, for those enrollees with NDCs provided via the MBDOHIMO file sponsors may utilize the information provided to introduce prior authorization requirements and implement beneficiary-level point-of-sale edits for the drugs identified for that enrollee's WCMSA.

Part D sponsors choosing to adopt the alternative method should apply such point-of-sale edits to the drugs represented by the NDCs, and not just the exact drug products with the same NDCs provided in the MBDOHIMO file. Specifically, sponsors should identify a drug using the NDC found in the MBDOHIMO file and apply the relevant point-of-sale edits to all NDCs corresponding to that drug's RxNorm Ingredient. Part D sponsors unable to program point-of-sale edits conforming to the instructions provided in this memo—including the removal of such edits once Part D coverage has been confirmed—should continue to follow the procedure outlined in Chapter 14 of the Prescription Drug Benefit Manual by providing conditional primary payment, contacting the WCMSA administrator, and recovering funds when Part D payment has been made improperly for treatment of a workers' compensation injury.

Consistent with 42 CFR §§ 423.128(b)(7)(iii) and 423.562(a)(3), when a Part D sponsor rejects a claim from a network pharmacy under the alternative method described in this memo, the sponsor must arrange with the pharmacy to provide a notice informing the enrollee of their right to request a coverage determination from their plan. When processing coverage determinations and appeals related to such claims, in order to minimize potential disruptions in therapy, CMS expects sponsors to accept an attestation by the WCMSA administrator or enrollee that the requested drug is not related to the workers' compensation injury as sufficient evidence for Part D to serve as the primary payer and resolve the edit.²

Once prior authorization requirements have been satisfied for a WCMSA-related drug, CMS expects Part D sponsors to remove the WCMSA-related beneficiary-level edit for that drug. Similarly, we expect sponsors to remove WCMSA-related point-of-sale edits when a fund has been exhausted. Sponsors will be able to identify that the WCMSA's funds have been exhausted when the 'Termination Date' field of the WCMSA's associated COB-OHI Primary Record is populated with a valid date. If the WCMSA is part of a structured settlement funded by an annuity (specified by the 'Funding Type' field in the MBDOHIMO file), the WCMSA may be replenished annually over a number of years. When the fund is replenished, the termination date

² Refer to the Parts C & D Enrollee Grievances, Organization/Coverage Determinations, and Appeals Guidance for more information about processing coverage determinations and appeals. See <https://www.cms.gov/medicare/appeals-grievances/prescription-drug>.

will be removed from the COB-OHI file and the Part D sponsor may reintroduce the beneficiary-level prior authorization requirements. If no termination date is indicated, but the WCMSA administrator or enrollee contacts the Part D sponsor stating that the WCMSA funds have been exhausted, the sponsor should instruct the administrator or enrollee that they must provide the appropriate attestation letter to the Benefits Coordination & Recovery Center (BCRC). The letters and instructions may be found at: <https://www.cms.gov/medicare/coordination-benefits-recovery/workers-comp-set-aside-arrangements/self-administration>.

We remind Part D sponsors that this alternative method of MSP adjudication for enrollees with WCMSAs is not applicable in all cases, and data supplementing investigation of WCMSAs will continue to be found outside of the MBDOHIMO file. CMS is not yet able to transmit NDCs or other specific data on all existing WCMSAs. In addition, while the MBDOHIMO file will contain up to 12 NDCs, more than 12 drugs may be listed on the WCMSA arrangement, and drugs that do not appear on the WCMSA may be prescribed for treatment of the workers' compensation injury. When a sponsor has reason to believe that a claim is associated with a known workers' compensation injury, but the drug on the claim does not match the drugs identified in the MBDOHIMO file, the sponsor must continue to provide conditional primary payment and contact the WCMSA administrator to confirm. Finally, CMS reminds sponsors that the daily 'COB-OHI' file will continue to be the source for data fields covering the termination date, the WCMSA administrator's name and contact information, the WCMSA indicator, the WCMSA settlement date, and the enrollee's associated diagnosis codes, among others.

Sponsors should also note that not all WCMSA records will contain NDCs. If NDCs are not included in a WCMSA record, sponsors must follow Chapter 14 requirements. Sponsors should not contact the BCRC for the purpose of requesting drug information.

If prescriptions that should have been covered by Part D are incorrectly paid by a WCMSA as a result of WCMSA-related beneficiary-level edits, the sponsor must comply with CMS' coordination of benefits and retroactive adjustment requirements at 42 CFR §§ 423.464 and 423.466.

Questions related to Medicare Part D coordination of benefits should be submitted to PartD_COB@cms.hhs.gov.

Appendix: MBDOHIMO File Layout

Header Record

Data Field	Length	Position	Format	Valid Values
Record Type	8	1 – 8	Character	A code that distinguishes this type of record from other record types in the file and that identifies the purpose of the file. The value is equal to 'MBDOHIMO' to identify this as the Header record in the Monthly OHI file.
Sending Entity	8	9 – 16	Character	The name of the entity or organization responsible for sending the file. The value is equal to 'MBD' and backfilled with spaces.
File Creation Date	8	17 – 24	Numeric	<p>The date the MBDSS MARx OHI process generates the file. The date format is 'CCYYMMDD', where:</p> <ul style="list-style-type: none"> • 'CC' represents the two-digit century (e.g., 20 for the 20th century, 19 for the 19th century, etc.), • 'YY' represents the two-digit year (i.e., values between 00 and 99), • 'MM' represents the two-digit month (i.e., values between 01 and 12), and • 'DD' represents the two-digit day of the specified month.
File Control Number	9	25 – 33	Numeric	The field contains zeroes.
Filler	1067	34 – 200	Character	The field contains spaces.

Detail Record

Data Field	Length	Position	Format	Valid Values
Record Type	3	1 – 3	Character	A code that distinguishes this type of record from other record types in the file. The value is 'DTL' to identify this as the Beneficiary Detail record.
Beneficiary ID	11	4 – 14	Character	A system-generated ID used by CMS to identify each unique beneficiary internally and

Data Field	Length	Position	Format	Valid Values
				externally. The value is in the MBI format that CMS implemented in April of 2018 as part of the New Medicare Card project.
Beneficiary Social Security Number (SSN)	9	15 – 23	Character	The beneficiary's identification (ID) number that the Social Security Administration (SSA) assigns. The field contains the most recent value that CMS added to the beneficiary's Medicare record or zeroes if no value exists.
Beneficiary Date of Birth	8	24 – 31	Numeric	The beneficiary's date of birth. The date format is 'CCYYMMDD'.
Beneficiary Sex Code	1	32 – 32	Character	A code indicating the beneficiary's sex. The field contains one of the following values: ‘0’ (i.e., Unknown); ‘1’ (i.e., Male); or ‘2’ (i.e., Female).
Contract Number	5	33 – 37	Character	Most recent updated contract number
WC Case Control Number	15	38 – 52	Character	WC Case Control Number
Funding Type	1	53-53	Character	Funding Type (L – Lump Sum or S – Structured Annuity) (1 character)
National Drug Code	132	54-185	Character	This section provides 12 occurrences of National Drug Code.
National Drug Code (NDC) Occurrence 1	11	54 – 64	Character	National Drug Code
National Drug Code (NDC) Occurrence 2	11	65 – 75	Character	National Drug Code
National Drug Code (NDC) Occurrence 3	11	76 – 86	Character	National Drug Code

Data Field	Length	Position	Format	Valid Values
National Drug Code (NDC) Occurrence 4	11	87 – 97	Character	National Drug Code
National Drug Code (NDC) Occurrence 5	11	98 – 108	Character	National Drug Code
National Drug Code (NDC) Occurrence 6	11	109 – 119	Character	National Drug Code
National Drug Code (NDC) Occurrence 7	11	120 – 130	Character	National Drug Code
National Drug Code (NDC) Occurrence 8	11	131 – 141	Character	National Drug Code
National Drug Code (NDC) Occurrence 9	11	142 – 152	Character	National Drug Code
National Drug Code (NDC) Occurrence 10	11	153 – 163	Character	National Drug Code
National Drug Code (NDC) Occurrence 11	11	164 – 174	Character	National Drug Code
National Drug Code (NDC) Occurrence 12	11	175 – 185	Character	National Drug Code
FILLER	15	186 - 200	Character	The field contains spaces.

Trailer Record

Data Field	Length	Position	Format	Valid Values
Record Type	8	1 – 8	Character	A code that distinguishes this type of record from other record types in the file and that identifies the purpose of the file. The value is 'MBDOHIMO' to identify this

Data Field	Length	Position	Format	Valid Values
				as the Trailer record in the OHI monthly file.
Sending Entity	8	9 – 16	Character	The name of the entity or organization responsible for sending the file. The value will be 'MBD' and backfilled with spaces.
File Creation Date	8	17 – 24	Numeric	The date the process generates the file. The date format is 'CCYYMMDD'.
File Control Number	9	25 – 33	Numeric	The field contains zeroes.
Record Count	7	34 – 40	Numeric	The count of all records in the file, including the Header and Trailer records. The Monthly OHU process pre-fills the field with zeroes if the actual count contains less than the maximum number of digits allotted.
Filler	60	41 – 200	Character	The field contains spaces.