



2025 RxDC Reporting Data (Average monthly premium paid by members/employers)

Illustrative Calculations:

To help assist our plan sponsors in calculating the reporting requirements of the 2025 Prescription Drug Data Collection (RxDC), Benecard is providing the following illustrations and descriptions. Benecard's interpretation of these two reporting requirements is based on the minimal guidance and ambiguous instructions that have been provided by the federal agencies at this point in time. Plan sponsors should also monitor this area for any last-minute changes the federal government may make. Benecard will promptly notify clients if it becomes aware of changes. **Benecard is not a law firm and cannot provide legal advice. We encourage each plan sponsor to consult their own legal counsel about how to interpret these brand-new reporting requirements.**

First Number to Calculate: Average monthly premium paid by members for your prescription program – calendar year 2025.

As the plan sponsor, you need to calculate the "average monthly premium paid by members", per the RxDC Reporting Instructions (the "[Instructions](#)").¹ The Instructions provide this formula as a guide:

$$\text{Average monthly premium paid by members} = \frac{\text{Total premium paid by members}}{12 \text{ months}}$$

The Instructions generally state that the average premium paid by members includes the "Premium paid by member". Normally this would be the amount paid by the employee (and, in a situation where there is continuation coverage elected by a spouse or child, the amount paid by that spouse or child for that continuation coverage).

Determining this amount is a two-step process, per the formula above. First, you should determine the "total premium paid by members". Second, you should divide that dollar amount by 12 months. You should divide by 12 months even if the plan coverage was not in effect for the entire calendar year. We discuss this process below.

- **Step 1: Total Premium Paid by Members.**

The total "premium" paid by members will be, in general, the amount that an employer requires an employee or other plan enrollee to pay, in order to have coverage under the plan. Note that the Instructions are unclear on whether an employer must separate out the "medical plan portion" from the "prescription drug portion" of the premium.

For example, an employer may charge \$200 per month for coverage under their health benefits plan. Twenty percent of that (*i.e.*, \$200 x .20 = \$40) may represent the "prescription drug portion" of the premium paid by the member. Eighty percent of that (*i.e.*, \$200 x .80 = \$160) may represent the "medical portion" of the premium paid by the member. The exact percentages will vary, from employer to employer. Our examples below assume that an employer is able to separate out the two portions and report the "prescription drug portion" to Benecard.



Easy Example. The ABC School District provides a medical benefit through Big Insurance Company and a prescription drug benefit through Benecard. The ABC School District requires active employees to pay \$440 per month for family coverage under the plan. Single coverage costs one-half that amount, or \$220 per month.

The ABC School District determines that eighty percent (80%) of the cost that members pay relates to the "medical portion", while twenty percent (20%) of the cost relates to the "prescription drug portion". Thus, employees with family coverage pay \$88 (*i.e.*, $\$440 \times .20 = \88) per month towards the "prescription drug portion". Employees with self-only coverage pay \$44 (*i.e.*, $\$220 \times .20 = \44) per month towards the "prescription drug portion."

Suppose the ABC School District has five employees with family coverage and six employees with single coverage in January 2025. For that month, the total premium by members equals what the employees paid for family coverage (*i.e.*, $\$88 \times 5 = \440) plus what the employees paid for single coverage (*i.e.*, $\$44 \times 6 = \264). These two amounts equal \$704 (*i.e.*, $\$440 + \$264 = \$704$). This is the total premium paid by members for January 2025.

The above is a simple example, for one month. However, employers will need to do this type of determination for all employees who were enrolled in the prescription plan for each of the twelve months in 2025.

Total Premium Paid by Members. A different school district, DEF School District, follows the above steps and determines that these are the total amounts paid, with respect to prescription drug coverage, for each month of 2025.

Month	Total Premium Paid by Members
January 2025	\$6,000
February 2025	\$5,000
March 2025	\$5,500
April 2025	\$6,000
May 2025	\$6,500
June 2025	\$6,000
July 2025	\$6,500
August 2025	\$6,000
September 2025	\$6,000
October 2025	\$6,000
November 2025	\$6,500
December 2025	\$6,000
Total for 2025	\$72,000

Note that these numbers vary from month-to-month because the "mix" of members can vary from month-to-month. Some employees may switch from family coverage to single coverage (or vice versa). Or new employees may join. And some employees may terminate employment. Thus, the numbers will vary.

Also note that the definition of a "member" is broad. A "member" seems to include active employees; retirees; dependents; and individuals on COBRA or other continuation coverage. Adding all of their costs together will provide the "total premium paid by members."



- **Step 2: Average Monthly Premium Paid by Members.**

Once you have calculated the total premium paid by members in Step 1, you should enter this information in the PDF document provided by Benecard titled (FORM D1), which will then automatically calculate the "average monthly premium paid by members". This is done by taking the "total premium paid by members" from Step 1 and dividing it by 12 months to calculate the average monthly premium.

Second Number to Calculate: Average Monthly Premium Paid by Employers.

The CMS rules also require employers to report the "average monthly premium paid by the employer". Each plan sponsor of Benecard will need to report this information to Benecard, so Benecard can report it to CMS.

Determining the "average monthly premium paid" by an employer will follow a similar process as noted above, where we determined the average monthly premium paid by members. The Instructions provide this formula:

$$\text{Average monthly premium paid by employers} = \frac{\text{Total premium paid by employers}}{12 \text{ months}}$$

As we did above, we provide an example of what this formula means. **However, we encourage clients to consult their own legal counsel for guidance in this area.**

- **Step 1: Total Premium Paid by Employers.**

To determine the total prescription premium paid by an employer, the employer determines the total amount it paid to Benecard, then subtracts what the members paid/contributed as you previously calculated in the first section of step 1 above. The Instructions allow an employer to use a COBRA rate in helping to determine what the employer paid. For some employers, that may make it easier to make this determination.

Calculating the Total Premium Paid. DEF School District determines that the following amounts represent the employer portion of the prescription drug benefit, determined on a month-by-month basis.

Month	Total Premium Paid by Employer
January 2025	\$24,000
February 2025	\$20,000
March 2025	\$22,000
April 2025	\$24,000
May 2025	\$26,000
June 2025	\$24,000
July 2025	\$26,000
August 2025	\$24,000
September 2025	\$24,000
October 2025	\$24,000
November 2025	\$26,000
December 2025	\$24,000
Total for 2025	\$288,000

Thus, the "total premium paid" by DEF School District for the prescription drug portion of the plan is \$288,000.



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- **Step 2: Divide Total Premium Paid by Employer by 12 Months.**

Now, you simply enter in FORM D1 what you calculated for the dollar amount from Step 1, and the FORM D1 will calculate the average monthly premium paid by the employer.

Using the example for DEF School District, the result is \$24,000 (*i.e.*, \$288,000 / 12). This is the "average monthly premium paid by the employer". This amount is what Benecard will report to CMS on our plan sponsors' behalf.

Once you have completed the FORM D1, you will send it back to Benecard at BCSCAA@benecard.com by no later than April 8, 2026. Benecard will submit the information to CMS by June 1, 2026.

¹ The Instructions are available here: <https://www.cms.gov/ccio/programs-and-initiatives/other-insurance-protections/prescription-drug-data-collection>.

Disclaimer: This document is not intended to provide legal, tax, or accounting advice nor a full description of all components that make up the CAA RxDC Reporting Requirements. Consult with your attorney or accountant about the impact these federal healthcare reform laws and requirements have on your health benefit plans.

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