

APPENDIX XII – Crosswalk for Mail Order Pharmacy Access Contracts

INSTRUCTIONS: Applicants must complete and upload in HPMS the following chart (which contains applicable Section 3.1.1D requirements AND additional requirements specific to Pharmacy Access) for each Mail Order pharmacy contract template submitted under Section 3.8. Applicants must identify where (specifically (i.e., the .pdf page number) in each contract template the following elements are found.

The provisions listed below must be in all pharmacy contracts. If contracts reference policies and procedures with which the pharmacy must comply, provide the relevant documentation as evidence and cite this documentation accordingly.

Requirement	Citation
The functions to be performed by the first tier, downstream, or related entity, and describes the reporting requirements the first tier, downstream, or related entity identified in Section 3.1.1C of the application has to the Applicant. 42 CFR § 423.505(i)(4)(i)	
Language obligating the first tier, downstream, or related entity to abide by all applicable Federal laws and regulations and CMS instructions. 42 CFR § 423.505(i)(4)(iv)	
Language obligating the first tier, downstream, or related entity to abide by State and Federal privacy and security requirements, including the confidentiality and security provisions stated in the regulations for the program at 42 CFR § 423.136.	
Language ensuring that the first tier, downstream, or related entity will make its books and other records available in accordance with 42 CFR §§ 423.505(e)(2) and 423.505(i)(2). Generally stated these regulations give HHS, the Comptroller General, or their designees the right to audit, evaluate and inspect any books, contracts, records, including medical records and documentation involving transactions related to CMS' contract with the Part D sponsor and that these rights continue for a period of 10 years from the final date of the contract period or the date of audit completion, whichever is later. 42 CFR § 423.505	
Language stating that the first tier, downstream, or related entity will ensure that beneficiaries are not held liable for fees that are the responsibility of the Applicant. 42 CFR § 423.505(i)(3)(i)	

Requirement	Citation
Language ensuring that if the Applicant, upon becoming a Part D sponsor, delegates an activity or responsibility to the first tier, downstream, or related entity, that such activity or responsibility may be revoked if CMS or the Part D sponsor determines the first tier, downstream, or related entity has not performed satisfactorily. Note: The contract may include remedies in lieu of revocation to address this requirement. 42 CFR § 423.505(i)(4)(ii)	
Language specifying that the Applicant, upon becoming a Part D sponsor, will monitor the performance of the first tier, downstream, or related entity on an ongoing basis. 42 CFR § 423.505(i)(4)(iii)	
For those contracts that use a prescription drug pricing standard for reimbursement, a provision indicating the source used by the Part D sponsor for the prescription drug pricing standard of reimbursement. 42 CFR § 423.505(b)(21) and 423.520(i)(3)(vii)	
If the source for any prescription drug pricing standard is not publicly available, a provision for disclosing all individual drug prices to be updated to the applicable pharmacies in advance of their use for reimbursement of claims. 42 CFR § 423.505(i)(3)(vii).	
For those contracts that use a prescription drug pricing standard for reimbursement, a provision that updates to such a standard occur not less frequently than once every 7 days beginning with an initial update on January 1 of each year, to accurately reflect the market price of acquiring the drug. 42 CFR § 423.505(b)(21) and 423.505(i)(3)(vii)	
Language requiring the network pharmacy to submit claims to the Part D sponsor or first tier, downstream or related entity whenever the membership ID card is presented or on file at the pharmacy unless the enrollee expressly requests that a particular claim not be submitted. 42 CFR § 423.120(c)(3)	
Provisions governing submitting claims to a real-time claims adjudication system. 42 CFR §§ 423.505(j) and 423.505(b)(17) Note: Applicant may indicate for I/T/U pharmacies and for certain pharmacies that are allowed to submit claims in the X 12 format that these may be batch processed.	
Provisions governing providing Part D enrollees access to negotiated prices as defined in 42 CFR § 423.100. 42 CFR § 423.104(g)	
Provisions regarding charging/applying the correct cost-sharing amount. 42 CFR § 423.104	

Requirement	Citation
Provisions governing informing the Part D enrollee at the point of sale (or at the point of delivery for mail order drugs) of the lowest-priced, generically equivalent drug, if one exists for the beneficiary's prescription, as well as any associated differential in price. 42 CFR § 423.132	