

CMS Seeks Stakeholder Feedback About Medicare Transaction Facilitator Services for the Medicare Drug Price Negotiation Program by November 13: Inflation Reduction Act Updates

Article By:

Alexis Boaz

Constance A. Wilkinson

On October 18, 2023, the Centers for Medicare & Medicaid Services (CMS) issued a Request for Information (RFI) to conduct market research regarding the “availability and potential technical ability of health-care related organizations” to provide Medicare Transaction Facilitator (MTF) services under the Inflation Reduction Act’s Medicare Drug Price Negotiation Program (the “Negotiation Program”).

As discussed by CMS in the Revised Guidance for the Negotiation Program, CMS intends to contract with MTF entities to ensure beneficiaries’ access to the selected drugs for the maximum fair price (MFP). As summarized from the RFI below, CMS is considering several potential services, high-level functions, data flows, and processes to include in its contracts with MTFs in the future, presumably after a formal solicitation process for such MTF service providers.

Key MTF Functions Considered by CMS

1. Provide information and documentation necessary to support CMS with administration of the Negotiation Program and to monitor selected drug manufacturers’ compliance
2. Furnish transaction and customer support services to facilitate the exchange of data between pharmaceutical supply chain entities when dispensing selected drugs
3. Facilitate retrospective payment exchange between manufacturers and dispensing entities

Examples of Other Potential Services and Functionalities Considered by CMS

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- Collect prescription claims-level data from Part D plan sponsors and/or other entities
 - Validate claim information for claims for a selected drug with an MFP (including checking for duplicates and 340B status)
 - Calculate pharmacy reimbursement owed by manufacturers (e.g., wholesale acquisition cost minus MFP)
 - Send aggregated data to dispensers and manufacturers on a regular basis
 - Facilitate the payment of retrospective refunds from manufacturers to dispensers by:
 - managing manufacturer-to-dispenser fund balances,
 - sending HIPAA electronic remittance advices to pharmacies and dispensers,
 - overseeing electronic funds transfer automated clearing house payments to pharmacies and dispensers, and
 - invoicing and collecting payment from manufacturers for distribution to dispensers

CMS Seeks Input From

- Health care claims management
- Patient advocacy organizations
- Pharmaceutical companies
- Firms with experience with accounting/ledger systems, payment reconciliation, and/or rebate/coupon drug products
- Entities that route claims between pharmacies and payers (ex. prescription drug claims switches)
- Pharmacies and dispensing entities
- 340B third-party administrators (TPAs)
- Health plans
- Purchasers
- Providers and suppliers
- Employers
- Professional associations
- Consumers and other members of the public

Key Considerations

- Key questions solicit design input regarding interoperability, security, and single or dual MTFs, as well as experience communicating with pharmacy switches and 340B covered entity TPAs.
- CMS seeks stakeholder feedback regarding both the immediate functionality needs to implement the MFP for the 10 Part D drugs selected for price applicability year 2026 and the ability to later implement the MFP for Part B drugs and biologicals.

Next Steps for Stakeholders

- Stakeholders must submit responses by 11:00 a.m. ET on November 13, 2023, to

Benjamin Stidham at IRAREbateandNegotiation@cms.hhs.gov with “MTF RFI” in the response email's subject line, in a format readable in Microsoft Word or Adobe PDF, and containing the information in the format specified in the RFI to be considered by CMS.

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