

Minimum Performance and Service Criteria for Medicare Part D Long-term Care (LTC)

January 2013

The terms of this Exhibit C-1, Minimum Performance and Service Criteria, together with Exhibit C, for the Prime Medicare Program Network(s), apply to any Pharmacy that provides Prescription Drug Services to Enrollees of Medicare Programs or Covered Persons that are residents of long-term care facilities or receive services from long-term care pharmacies or facilities. In the event there is any conflict between this Exhibit C-1, Exhibit C, and/or the Agreement regarding long-term care services, this Exhibit C-1 shall control.

1. **Comprehensive Inventory and Inventory Capacity** – Pharmacy must provide a comprehensive inventory of Plan formulary drugs commonly used in the long-term care setting. In addition, Pharmacy must provide a secured area for physical storage of drugs, with necessary added security as required by federal and state law for controlled substances. Pharmacy does not have to maintain inventory or security measures outside of the normal business setting.
2. **Pharmacy Operations and Prescription Orders** – Pharmacy must provide services of a dispensing pharmacist to meet the requirements of pharmacy practice for dispensing prescription drugs to long-term care (LTC) residents, including but not limited to the performance of drug utilization review (DUR). Pharmacy must also comply with the requirements under 42 CFR §423.154. In addition, the pharmacist employed by Pharmacy must conduct DUR to routinely screen for allergies and drug interactions, to identify potential adverse drug reactions, to identify inappropriate drug usage in the LTC population, and to promote cost effective therapy in the LTC setting. Pharmacy must be equipped with pharmacy software and systems sufficient to meet the needs of prescription drug ordering and distribution to an LTC facility. Pharmacy must provide written copies of its pharmacy procedures manual and said manual must be available at each LTC facility nurses' unit. Pharmacy must provide ongoing in-service training to assure that LTC facility staff are proficient in Pharmacy's processes for ordering and receiving of medications. Pharmacy must be responsible for return and/or disposal of unused medications following discontinuance, transfer, discharge, or death as permitted by State Boards of Pharmacy, federal or state regulations. Pharmacy may return the unused medications for credit or reuse only where permitted by law. Controlled substances and out of date substances must be disposed of within state and federal guidelines.
3. **Low Income Subsidy (LIS)**
 - a. Subject to subsection 3(b), Pharmacy may choose to not collect the Copayment from the Subscriber and carry the debt on behalf of the Subscriber for claims during a period of LIS retroactive coverage. Pharmacy shall document whether Pharmacy collected the Copayment from the LIS-eligible Subscriber, Pharmacy carried the debt on behalf of the Subscriber, or another party paid the Copayment on behalf of the Subscriber. If Pharmacy collected the Copayment from the LIS-eligible Subscriber for a claim during the period of LIS retroactive coverage, then Pharmacy must reimburse the Subscriber for the Copayment within 10 days of receiving reimbursement from Prime. Pharmacy shall document the amount and date of reimbursement and the corresponding prescription number. If Pharmacy did not collect the Copayment from the LIS-eligible Subscriber for the claim during the period of LIS retroactive coverage and Pharmacy carried the debt on behalf of the Subscriber, Pharmacy may keep the reimbursement from Prime. Upon request, Pharmacy shall certify that the reimbursement from Prime is appropriate, owed and payable. If Pharmacy waived or reduced the Copayment consistent with the safe harbor for pharmacy waiver or reduction in Copayment, then Pharmacy must remit the waived or reduced amount to Prime within 10 days.
 - b. Prime and Benefit Sponsor have no obligation to reimburse Pharmacy under this Section 3 in the event that the LIS status change and the current Part D enrollment are both retroactive.
 - c. Prime will include any reimbursements in the standard payments, as described further in the base agreement.
4. **Special Packaging** – Pharmacy must have the capacity to provide specific drugs in Unit of Use Packaging, Bingo Cards, Cassettes, Unit Dose or other special packaging commonly required by LTC facilities. Pharmacy must have access to, or arrangements with, a vendor to furnish supplies and equipment including but not limited to labels, auxiliary labels, and packing machines for furnishing drugs in such special packaging required by the LTC setting.

5. **IV Medications** – Pharmacy must have the capacity to provide IV medications to the LTC resident as ordered by a qualified medical professional. Pharmacy must have access to specialized facilities for the preparation of IV prescriptions (clean room). Additionally, Pharmacy must have access to or arrangements with a vendor to furnish special equipment and supplies as well as IV trained pharmacists and technicians as required to safely provide IV medications.
6. **Compounding/Alternative Forms of Drug Composition** – Pharmacy must be capable of providing specialized drug delivery formulations as required for some LTC residents. Specifically, residents unable to swallow or ingest medications through normal routes may require tablets split or crushed or provided in suspensions or gel forms, to facilitate effective drug delivery.
7. **Pharmacist On-call Service** – Pharmacy must provide on-call, 24 hours a day, 7 days a week service with a qualified pharmacist available for handling calls after hours and to provide medication dispensing available for emergencies, holiday and after hours of normal operations.
8. **Delivery Service** – Pharmacy must provide for delivery of medications to the LTC facility up to 7 days each week (up to 3 times per day) and in-between regularly scheduled visits. Emergency delivery service must be available 24 hours a day, 7 days a week. Specific delivery arrangements will be determined through an agreement between Pharmacy and the LTC facility. Pharmacy must provide safe and secure exchange systems for delivery of medication to the LTC facility. In addition, Pharmacy must provide medication cassettes, or other standard delivery systems, that may be exchanged on a routine basis for automatic restocking. Pharmacy delivery of medication to carts is a part of routine “dispensing.”
9. **Emergency Boxes** – Pharmacy must provide “emergency” supply of medications as required by the facility in compliance with state requirements.
10. **Emergency Log Books** – Pharmacy must provide a system for logging and charging medication used for emergency/first dose stock. Pharmacy must maintain a comprehensive record of a resident’s medication order and drug administration.
11. **Miscellaneous Reports, Forms and Prescription Ordering Supplies** – Pharmacy must provide reports, forms and prescription ordering supplies necessary for the delivery of quality pharmacy care in the LTC setting. Such reports, forms and prescription ordering supplies may include, but will not necessarily be limited to, provider order forms, monthly management reports to assist the LTC facility in managing orders, medication administration records, treatment administration records, interim order forms for new prescription orders, and boxes/folders for order storage and reconciliation in the facility.