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42 C.F.R. § 423.153

Drug utilization management, quality assurance, medication therapy management programs (MTMPs), drug management programs, and access to Medicare Parts A and B claims data extracts.

(a) *General rule.* Each Part D sponsor must have established, for covered Part D drugs furnished through a Part D plan, a drug utilization management program, quality assurance measures and systems, and an MTMP as described in paragraphs (b), (c), and (d) of this section. No later than January 1, 2022, a Part D plan sponsor must have established a drug management program for at-risk beneficiaries enrolled in their prescription drug benefit plans to address overutilization of frequently abused drugs, as described in paragraph (f) of this section.

(b) *Drug utilization management.* A Part D sponsor must have established a reasonable and appropriate drug utilization management program that address all of the following:

(1) Includes incentives to reduce costs when medically appropriate.

(2) Maintains policies and systems to assist in preventing over-utilization and under-utilization of prescribed medications.

(3) Provides CMS with information concerning the procedures and performance of its drug utilization management program, according to guidelines specified by CMS.

(4)

(i) *Daily cost sharing rate.* Subject to paragraph (b)(4)(ii) of this section, establishes a daily cost-sharing rate (as defined in § 423.100) and applies it to a prescription presented to a network pharmacy for a covered Part D drug that is dispensed for a supply less than the approved month's supply, if the drug is in the form of a solid oral dose and may be dispensed for less than the approved month's supply under applicable law.

(ii) *Exceptions.* The requirements of paragraph (b)(4)(i) of this section do not apply to either of the following:

(A) Solid oral doses of antibiotics.

(B) Solid oral doses that are dispensed in their original container as indicated in the Food and Drug Administration Prescribing Information or are customarily dispensed in their original packaging to assist patients with compliance.

(iii) *Cost-sharing*—(A) *Copayments.* In the case of a drug that would incur a copayment, the Part D sponsor must apply cost-sharing as calculated by multiplying the applicable daily cost-sharing rate by the days' supply actually dispensed when the beneficiary receives less than the approved month's supply.

(B) *Coinsurance.* In the case of a drug that would incur a coinsurance percentage, the Part D sponsor must apply

the coinsurance percentage for the drug to the days' supply actually dispensed.

(c) *Quality assurance.* A Part D sponsor must have established quality assurance measures and systems to reduce medication errors and adverse drug interactions and improve medication use that include all of the following—

(1) Representation that network providers are required to comply with minimum standards for pharmacy practice as established by the States.

(2) Concurrent drug utilization review systems, policies, and procedures designed to ensure that a review of the prescribed drug therapy is performed before each prescription is dispensed to an enrollee in a sponsor's Part D plan, typically at the point-of-sale or point of distribution. The review must include, but not be limited to,

(i) Screening for potential drug therapy problems due to therapeutic duplication.

(ii) Age/gender-related contraindications.

(iii) Over-utilization and under-utilization.

(iv) Drug-drug interactions.

(v) Incorrect drug dosage or duration of drug therapy. (vi) Drug-allergy contraindications.

(vii) Clinical abuse/misuse.

(3) Retrospective drug utilization review systems, policies, and procedures designed to ensure ongoing periodic examination of claims data and other records, through computerized drug claims processing and information retrieval systems, in order to identify patterns of inappropriate or medically unnecessary care among enrollees in a sponsor's Part D plan, or associated with specific drugs or groups of drugs.

(4) Internal medication error identification and reduction systems.

(5) Provision of information to CMS regarding its quality assurance measures and systems, according to guidelines specified by CMS.

(d)

(1) *General rule.* A Part D sponsor must have established a MTM program that—

(i) Is designed to ensure that covered Part D drugs prescribed to targeted beneficiaries described in paragraph (d)(2) of this section are appropriately used to optimize therapeutic outcomes through improved medication use;

(ii) Is designed to reduce the risk of adverse events, including adverse drug interactions, for targeted beneficiaries described in paragraph (d)(2) of this section;

(iii) May be furnished by a pharmacist or other qualified provider; and

(iv) May distinguish between services in ambulatory and institutional settings.

(v) Must enroll targeted beneficiaries using an opt-out method of enrollment only.

(vi) Must target beneficiaries for enrollment in the MTMP at least quarterly during each plan year.

(vii) Must offer a minimum level of medication therapy management services for each beneficiary enrolled in the MTMP that includes all of the following:

(A) Interventions for both beneficiaries and prescribers.

(B) *Annual comprehensive medication review with written summaries.* (*1*) The beneficiary's comprehensive medication review—

(*i*) Must include an interactive consultation, performed by a pharmacist or other qualified provider, that is either in person or performed via synchronous telehealth; and

(*ii*) May result in a recommended medication action plan.

(*2*) If a beneficiary is offered the annual comprehensive medication review and is unable to accept the offer to participate due to cognitive impairment, the pharmacist or other qualified provider may perform the comprehensive medication review with the beneficiary's prescriber, caregiver, or other authorized individual.

(C) Quarterly targeted medication reviews with follow-up interventions when necessary.

(D) Standardized action plans and summaries that comply with requirements as specified by CMS for the standardized format.

(E) Beginning January 1, 2022, for enrollees targeted in paragraph (d)(2) of this section, provide at least annually as part of the comprehensive medication review, a targeted medication review, or other MTM correspondence or service, information about safe disposal of prescription drugs that are controlled substances, drug take back programs, in-home disposal and cost-effective means to safely dispose of such drugs.

(F) The information to be provided under paragraph (d)(1)(vii)(E) of this section must comply with all requirements of § 422.111(j) of this chapter.

(2) *Targeted beneficiaries.* Targeted beneficiaries for the MTM program described in paragraph (d)(1) of this section are enrollees in the sponsor's Part D plan who meet the characteristics of at least one of the following two groups:

(i)

(A) Have multiple chronic diseases, with three chronic diseases being the maximum number a Part D plan sponsor may require for targeted enrollment;

(B) Are taking multiple Part D drugs, with eight Part D drugs being the maximum number of drugs a Part D plan sponsor may require for targeted enrollment; and

(C) Are likely to incur annual covered Part D drug costs greater than or equal to the MTM cost threshold determined by CMS, as specified in this paragraph (d)(2)(i)(C) of this section.

(*1*) For 2011, the MTM cost threshold is set at $3,000.

(2) For 2012 through 2024, the MTM cost threshold is set at $3,000 increased by the annual percentage specified in § 423.104(d)(5)(iv).

(3) For 2025, the MTM cost threshold is set at the average annual cost of eight generic drugs, as defined at § 423.4, as determined using the PDE data specified at § 423.104(d)(2)(iv)(C).

(ii) Beginning January 1, 2022, are at-risk beneficiaries as defined in § 423.100.

(iii) Beginning January 1, 2025, in identifying beneficiaries who have multiple chronic diseases under paragraph (d)(2)(i)(A) of this section, Part D plan sponsors must include all of the following diseases, and may include additional chronic diseases: