
42 C.F.R. § 423.520

Prompt payment by Part D sponsors.

(a) *Contract between CMS and the Part D sponsor.* (1) Effective contract year 2010, the contract between the Part D sponsor and CMS must provide that the Part D sponsor will issue, mail, or otherwise transmit payment with respect to all clean claims, as defined in paragraph (b) of this section, submitted by network pharmacies (other than mail-order and long-term care pharmacies) within—

(i) 14 days after the date on which the claim is received, as defined in paragraph (a)(2)(i) of this section, for an electronic claim; or

(ii) 30 days after the date on which the claim is received, as defined in paragraph (a)(2)(ii) of this section, for any other claim.

(2) *Date of receipt of claim.* A claim is considered to have been received—

(i) On the date on which the claim is transferred, for an electronic claim; or

(ii) On the 5th day after the postmark day of the claim or the date specified in the time stamp of the transmission, for any other claim, whichever is sooner.

(b) *Clean claim.* A clean claim means a claim that has no defect or impropriety (including any lack of any required substantiating documentation) or particular circumstance requiring special treatment that prevents timely payment of the claim from being made under this section.

(c) *Procedures involving claims—*(1) *Claims determined to be clean.* A claim is deemed to be a clean claim if the Part D sponsor receiving the claim does not provide notice to the submitting network pharmacy of any deficiency in the claim within—

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