market by their manufacturer without meeting the requirements of paragraphs (b)(5)(i) of this section. Part D sponsors must provide retrospective notice of any such formulary changes to affected enrollees, CMS, State Pharmaceutical Assistance Programs (as defined in § 423.454), entities providing other prescription drug coverage (as described in § 423.464(f)(1)), authorized prescribers, network pharmacies, and pharmacists consistent with the requirements of paragraphs (b)(5)(ii)(A), (b)(5)(ii)(B), (b)(5)(ii)(C), and (b)(5)(ii)(D) of this section.

(6) Limitation on formulary changes prior to the beginning of a contract year. Except as provided under paragraph (b)(5)(iii) of this section, a Part D sponsor may not remove a covered Part D drug from its Part D plan’s formulary, or make any change in the preferred or tiered cost-sharing status of a covered Part D drug on its plan’s formulary, between the beginning of the annual coordinated election period described in § 423.38(b) and 60 days after the beginning of the contract year associated with that annual coordinated election period.

(7) Provider and patient education. A Part D sponsor must establish policies and procedures to educate and inform health care providers and enrollees concerning its formulary.

(c) Use of standardized technology. (1) A Part D sponsor must issue and reissue, as necessary, a card or other type of technology that its enrollees may use to access negotiated prices for covered Part D drugs as provided under § 423.104(g). The card or other technology must comply with standards CMS establishes.

(2) When processing Part D claims, a Part D sponsor or its intermediary must comply with the electronic transaction standards established by 45 CFR 162.1102. CMS will issue guidance on the use of conditional fields within such standards.

(3) A Part D sponsor must require its network pharmacies to submit claims to the Part D sponsor or its intermediary whenever the card described in paragraph (c)(1) of this section is presented or on file at the pharmacy unless the enrollee expressly requests that a particular claim not be submitted to the Part D sponsor or its intermediary.

(4) Beginning January 1, 2012, a part D sponsor must assign and exclusively use a unique—

(i) Part D BIN or RxBIN and Part D processor control number (RxPCN) combination in its Medicare line of business; and

(ii) Part D cardholder identification number (RxID) to each Medicare Part D enrollee to clearly identify Medicare Part D beneficiaries.

§ 423.124 Special rules for out-of-network access to covered Part D drugs at out-of-network pharmacies.

(a) Out-of-network access to covered part D drugs. (1) Out-of-network pharmacy access. A Part D sponsor must ensure that Part D enrollees have adequate access to covered Part D drugs dispensed at out-of-network pharmacies when the enrollees—

(i) Cannot reasonably be expected to obtain such drugs at a network pharmacy; and

(ii) Do not access covered Part D drugs at an out-of-network pharmacy on a routine basis.

(2) Physician’s office access. A Part D sponsor must ensure that Part D enrollees have adequate access to vaccines and other covered Part D drugs appropriately dispensed and administered by a physician in a physician’s office.

(b) Financial responsibility for out-of-network access to covered Part D drugs. A Part D sponsor that provides its Part D enrollees with coverage other than defined standard coverage may require its Part D enrollees accessing covered Part D drugs as provided in paragraph (a) of this section to assume financial responsibility for any differential between the out-of-network pharmacy’s (or provider’s) usual and customary price and the Part D sponsor’s plan allowance, consistent with the requirements of §§ 423.104(d)(2)(i)(B) and 423.104(e).
§ 423.128 Dissemination of Part D plan information.

(a) Detailed description. A Part D sponsor must disclose the information specified in paragraph (b) of this section in the manner specified by CMS—

(1) To each enrollee of a Part D plan offered by the Part D sponsor under this part;
(2) In a clear, accurate, and standardized form; and
(3) At the time of enrollment and at least annually thereafter, 15 days before the annual coordinated election period.

(b) Content of Part D plan description. The Part D plan description must include the following information about the qualified prescription drug coverage offered under the Part D plan—

(1) Service area. The plan’s service area.

(2) Benefits. The benefits offered under the plan, including—

(i) Applicable conditions and limitations.
(ii) Premiums.

(iii) Cost-sharing (such as copayments, deductibles, and coinsurance), and cost-sharing for subsidy eligible individuals.

(iv) Any other conditions associated with receipt or use of benefits.

(3) Cost-sharing. A description of how a Part D eligible individual may obtain more information on cost-sharing requirements, including tiered or other copayment levels applicable to each drug (or class of drugs), in accordance with paragraph (d) of this section.

(4) Formulary. Information about the plan’s formulary, including—

(i) A list of drugs included on the plan’s formulary;

(ii) The manner in which the formulary (including any tiered formulary structure and utilization management procedures used) functions;

(iii) The process for obtaining an exception to a plan’s formulary or tiered cost-sharing structure; and

(iv) A description of how a Part D eligible individual may obtain additional information on the formulary, in accordance with paragraph (d) of this section.

(5) Access. The number, mix, and distribution (addresses) of network pharmacies from which enrollees may reasonably be expected to obtain covered Part D drugs and how the Part D sponsor meets the requirements of §423.120(a)(1) for access to covered Part D drugs;


(7) Grievance, coverage determinations, and appeals procedures. All grievance, reconsideration, exceptions, coverage determination, reconsideration, exceptions, and appeal rights and procedures required under §423.564 et. seq.

(8) Quality assurance policies and procedures. A description of the quality assurance policies and procedures required under §423.153(c), as well as the medication therapy management program required under §423.153(d).

(9) Disenrollment rights and responsibilities.

(10) Potential for contract termination. The fact that a Part D sponsor may terminate or refuse to renew its contract, or reduce the service area included in its contract, and the effect that any of those actions may have on individuals enrolled in a Part D plan;

(c) Disclosure upon request of general coverage information, utilization, and grievance information. Upon request of a Part D eligible individual, a Part D sponsor must provide the following information—

(1) General coverage information. General coverage information, including—

(i) Enrollment procedures. Information and instructions on how to exercise election options under this part;

(ii) Rights. A general description of procedural rights (including grievance, coverage determination, reconsideration, exceptions, and appeals procedures) under this part;

(iii) Benefits. (A) Covered services under the Part D plan;

(B) Any beneficiary cost-sharing, such as deductibles, coinsurance, and copayment amounts, including cost-sharing for subsidy eligible individuals;

(C) Any maximum limitations on out-of-pocket expenses;