

20.6 - *Negotiated Prices*

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Part D sponsors must provide enrollees with access to negotiated prices for covered Part D drugs as part of their qualified prescription drug coverage. This access to negotiated prices must be provided even when no benefits are otherwise payable on behalf of an enrollee due to the application of a deductible or other cost-sharing. Negotiated prices will take into account negotiated price concessions for covered Part D drugs that are passed through to enrollees at the point of sale, such as:

- Discounts;
- Direct or indirect subsidies;
- Rebates; and
- Other direct or indirect remunerations

In addition, negotiated prices must include any applicable dispensing fees (discussed in section 20.7).

Although negotiated prices do not have to be made available for drugs that are not covered Part D drugs, they must be made available throughout the benefit – including in any phase of the benefit, such as the deductible, in which an enrollee is responsible for 100 percent cost-sharing – for all covered Part D drugs. Part D sponsors must ensure that their payment systems are set up to charge beneficiaries the lesser of a drug’s negotiated price or applicable copayment amount *in all phases of the benefit*.

Example: A beneficiary’s drug is on a \$10 cost-sharing tier. However, the negotiated price of the drug is \$4. The beneficiary never pays more than \$4.

In addition, uniform negotiated prices must be available to plan enrollees for a particular covered Part D drug when purchased from the same pharmacy. In other words, the negotiated price for a particular covered Part D drug purchased at a particular pharmacy must always be the same regardless of what phase of the Part D benefit an enrollee is in. (To the extent that the negotiated price fluctuates based on fluctuations in Average Wholesale Price (AWP), the actual cost to the beneficiary may vary from purchase to purchase; however the negotiated rate, absent any contractual changes in the reimbursement rate between the pharmacy and the Part D sponsor, will remain constant for that drug.)