

Medicare Transaction Facilitator: Pharmacies and Other Dispensing Entities Frequently Asked Questions



This Frequently Asked Questions (FAQs) document contains information intended to support pharmacies, mail order services, and other dispensing entities (hereafter collectively referred to as “dispensing entities”) as they prepare to engage with the new Medicare Transaction Facilitator (MTF). To ensure the implementation of the negotiated maximum fair prices (MFPs) agreed upon by CMS and applicable manufacturers¹ for drugs selected for negotiation, CMS will establish an MTF system composed of two modules: the MTF Data Module (MTF DM) and the MTF Payment Module (MTF PM). For more information, please see the [MTF Fact Sheet](#). Guidance and other important documents about the Negotiation Program can be found on the CMS website [here](#).

These FAQs will be updated periodically and are organized by topic area. If you do not see the answer to your question within this document, guidance, or additional resources available on the [Pharmacies and Dispensing Entities Resources webpage](#), please email MFPMedicareTransactionFacilitator@cms.hhs.gov with your question and CMS will provide you with a response or point you to a relevant resource.

MTF DM Enrollment: Dispensing Entities

Getting Started with MTF DM Enrollment

Q1. What is the MTF?

CMS established the MTF to provide the operational infrastructure to facilitate the effectuation of MFPs for drugs selected for negotiation under the Medicare Drug Price Negotiation Program. MFP effectuation is the process by which manufacturers provide pharmacies, mail order services, and other

dispensing entities access to negotiated MFPs. The MTF DM is a component of the MTF that will provide the manufacturer with the information necessary to identify and provide MFP refund payments on claims for MFP-eligible individuals. For more information about the role of the MTF and its applicability to your business, please view this [short informational video](#). You can access more information about the MTF and the Medicare Drug Negotiation Program on the [Pharmacy and Dispensing Entity Resources page](#) on the Medicare Drug Price Negotiation Program website.

Q2. What are the consequences if a dispensing entity does not enroll in the MTF DM?

In the [Contract Year 2026 Part C&D Final Rule](#), CMS finalized the proposal that Part D sponsors’ network participation agreements with contracting pharmacies, including any contracts with first tier, downstream, and related entities, must require such pharmacies to be enrolled in the Medicare Drug Price Negotiation Program’s MTF DM, and that such pharmacies certify the accuracy and completeness of their enrollment information in the MTF DM.

As described in Q1 above, the MTF DM will be a critical tool for pharmacies and other dispensing entities as they continue, or begin, to dispense drugs with negotiated MFPs on or after January 1, 2026. Enrolling in the MTF DM does not put any further obligations on a dispensing entity as it relates to the Part D program; for example, there is no obligation to dispense these particular products just because you have enrolled in the MTF DM. Rather, having your MTF DM enrollment complete will simply ensure that this system is available if and when any of these selected drugs are dispensed. CMS strongly recommends that pharmacies

¹ For the purposes of this document, “Manufacturers” refers to pharmaceutical manufacturers that have been designated the manufacturers by CMS for drugs selected by CMS for the Medicare Drug Price Negotiation Program, as defined in applicable guidance or regulations adopted in accordance with section 1193 of the Act.

and other dispensing entities enroll in the MTF DM as soon as practicable.

Q3. As a dispensing entity that does not accept or bill Medicare (or, in certain cases, insurance in general) am I required to participate in the MTF DM?

At this time, we are seeking pharmacies and other dispensing entities that are part of a Medicare Part D plan sponsor's network or otherwise anticipate dispensing these selected Part D drug(s) covered under the Negotiation Program to beneficiaries to enroll in the MTF DM. We encourage you to visit our website and the resources available to pharmacies and other dispensing entities to learn more about the MTF DM.

Q4. If a pharmacy enrolls in the MTF DM after January 1, 2026, would their enrollment be retroactive and cover previous claims processed in 2026?

The MTF DM will have the capacity to process claims for pharmacies and other dispensing entities that are not yet enrolled. However, please note that late enrollment will likely result in payment delays when receiving applicable MFP refund payments. Pharmacies and other dispensing entities should enroll as soon as they are ready to ensure that they are prepared for MFP effectuation on January 1st.

How to Enroll in the MTF DM

Q5. Once a dispensing entity completes MTF DM enrollment, will they receive a certification or confirmation via email?

Upon successfully certifying enrollment, the dispensing entity will receive an email notification. A dispensing entity can also confirm its enrollment is complete by visiting the enrollment page and viewing the current status. Even when completed, the MTF DM will allow the dispensing entity to review and update its enrollment information when necessary.

Q6. Where is the documentation that pharmacies and other dispensing entities are required to sign to enroll in the MTF DM located?

As the dispensing entity's Authorized Signatory Official (the appointed individual of the dispensing entity with authority to legally bind that organization

in agreements, represent the organization in an official capacity, and act on behalf of an organization) navigates through the enrollment process, there will be multiple instances requiring the dispensing entity to sign documentation. This includes agreeing to the terms and conditions of the [MTF Data Module User Agreement for Dispensing Entities](#), as well certification that your enrollment is complete.

Q7. How will dispensing entities that do not contract with a centralized payment vendor enroll in the MTF DM?

The MTF DM allows dispensing entities to engage with a third-party support entity (TPSE), such as a Pharmacy Services Administrative Organization (PSAO), to facilitate payment and/or remittance collection. However, this is optional for dispensing entities. Any dispensing entity that would like to receive payment and/or remittance directly is able to do so through the MTF DM. To note, this election can be made in Section 3 of the enrollment form. Please see [the MTF User Guide](#) for more information regarding dispensing entity financial information, beginning on Page 49.

National Council on Prescription Drug Programs (NCPDP) Data

Q8. Will data be transmitted between MTF DM/PM and NCPDP Access Online on an ongoing basis? If yes, will updates made to the NCPDP Access Online automatically flow to the MTF DM/PM? How frequently will this occur, and how soon will those updates be visible in the MTF DM/PM?

There is an ongoing data feed/transmission between the MTF DM and NCPDP Access Online, and updates made in NCPDP Access Online will automatically be reflected in the MTF DM after a lag period of approximately two weeks.

Enrolling Dispensing Entities with Multiple NPI or NCPDP IDs

Q9. How should dispensing entities with multiple NPI or NCPDP IDs enroll in the MTF DM? How should pharmacies that have multiple locations but no chain code enroll in the MTF DM?

Pharmacies and other dispensing entities can access the MTF DM to begin enrollment by visiting

<https://mtf.cms.gov>. If pharmacies or other dispensing entities do not share the same NCPDP ID, they will each have to enroll with the MTF DM individually, as they appear as separate businesses in the NCPDP Pharmacy Database. For chains, each chain code will have to enroll in the MTF DM separately as the system views each as a distinct dispensing entity for data processing purposes. Additionally, every NCPDP ID for non-chain pharmacies will have to enroll in the MTF DM separately, including entering demographic and financial information. However, to the extent that each pharmacy is associated with the same user, the MTF DM user interface will provide functionality to access both pharmacies from a single login; that is, while each pharmacy will need to complete the enrollment process, a user associated with more than one pharmacy only needs one MTF DM login.

Q10. How is CMS defining “chain” and “non-chain” pharmacies for the sake of MTF DM enrollment? Specifically, which field in the NCPDP Pharmacy Database is used to make this determination?

For non-chains, such as independent or community pharmacies, CMS will refer to the Provider Information Table to determine the primary point of contact when their relationship type in the Relationship Demographics file is not 01. For chains, CMS will refer to the Relationship Demographic Information Table to determine the primary point of contact when their relationship type in Relationship Demographics file is 01. Pharmacies and other dispensing entities are encouraged to update their NCPDP profile to ensure receipt of MTF DM enrollment communications.

Q11. How should pharmacies that have separate retail and long-term care (LTC) sides (each with their own NCPDP and NPI IDs) and that bill Part D under both sides enroll in the MTF DM?

Whether pharmacies that have separate retail and LTC operations will need to register each side separately in the MTF DM depends on how they are structured in NCPDP. If the retail pharmacy side and the LTC side have different NCPDP and NPI IDs, they will be expected to enroll separately. If the primary contact in NCPDP is the same for both entities, they will create a single profile but complete enrollment two times: one for retail, one for long term care. The first user will be able to switch

between the two within the MTF DM to manage each entity under the single log in. If there are different primary contacts for each side of your business, they will create individual profiles and complete enrollment independently.

Please see the enrollment instructions for dispensing entity enrollment found on the dispensing entity enrollment form Information Collection Request (ICR) found [here](#). The MTF DM and MTF PM will use the information entered in the enrollment process to direct payment to a specific payment center. Thus, dispensing entities with LTC and retail NCPDP identifiers should enroll both separately to ensure that all payments reach the appropriate payment center.

Q12. Do pharmacy chains that are divided into multiple corporations but that have a single owner need to create a new CMS Identity Management system (IDM) user account for each pharmacy?

These users will only create one account for the MTF DM program. The MTF User Guide provides instructions on this process, which can be found [here](#). Information on adding multiple organizations begins on Page 6 of the User Guide.

Q13. Do pharmacies with multiple unique pharmacy locations (each with its own unique NCPDP ID) need to create separate MTF DM accounts for each unique location or NCPDP ID?

Pharmacies with multiple unique locations, such that they each have their own unique NCPDP ID, will need to enroll in the MTF DM individually. However, a single user associated with these pharmacies would only need to create one IDM user account to enroll these pharmacies. The MTF DM provides the functionality to allow this single user to switch between their separate pharmacies from a single account. Information on adding multiple organizations begins on Page 6 of the User Guide.

Q14. Do pharmacies that are part of a health system and that share the system’s tax ID but not its NPI need to enroll in the MTF DM separately from the health system? Or should the health system enroll first in the MTF DM and subsequently add said pharmacies to their

MTF DM profile?

Either option will work. However, we recommend that the entity that will be responsible for receiving refund payments from drug manufacturers in the Negotiation Program through the MTF DM (or, if applicable, authorized to designate a TPSE to receive funds on the entity's behalf) enroll first. This entity will be required to enter its banking information if it prefers to receive refund payments via electronic transfer of funds (EFT). Paper check is also an available method of payment, if EFT is not desired.

MTF DM Enrollment: Third-Party Support Entities (TPSEs)

TPSE Selection

Q15. Can dispensing entities select TPSEs to collect payments and/or remittances on their behalf?

As part of the MTF DM's functionality, dispensing entities may select a TPSE to support the dispensing entity in collecting payments and/or remittances. The MTF DM was designed to align with industry standards for central payment and claims reconciliation to ensure a familiar process for TPSEs and dispensing entities. If a dispensing entity wishes to select a TPSE, the MTF DM will automatically populate TPSEs in the search field. TPSEs will appear in the MTF DM provided they have a validated chain or relationship code at NCPDP. Dispensing entities must enter the TPSE they work with as part of filling out the Dispensing Entity Enrollment Questionnaire and the information they enter must exactly match what the TPSE provides the MTF DM in their Third-Party Support Entity Enrollment Questionnaire in order for the dispensing entity and TPSE to be linked in the MTF DM. Please note, dispensing entities should only select a TPSE to support their payments and/or remittance processing with which they have an existing arrangement; the MTF DM enrollment process is not designed to establish new TPSE arrangements. CMS encourages TPSEs to provide information to their associated pharmacies to facilitate consistent data entry and successful matching in the system.

Additionally, CMS released a [final 835 Companion Guide](#) on our website. The final MTF 835 Companion Guide defines how dispensing entities and their TPSEs will retrieve claim remittance advice from the MTF DM and provides technical and connectivity specifications for the 835 Health Care Claim:

Payment/Advice transaction Version 005010. This final MTF 835 Companion Guide contains instructions for electronic communications as well as supplemental information for ingesting/creating transactions while ensuring compliance with the associated Accreditation Standards Committee X12N Technical Report Type 3 and the Council for Affordable Quality Healthcare – Committee on Operating Rules for Information Exchange (CAQH CORE) companion guide operating rules. CMS intends on finalizing the guide in Summer 2025.

Q16. For dispensing entities that intend to use a TPSE to process MFP refund payments, electronic remittance advices (ERAs), or remittance advices, must their TPSE be fully enrolled in the MTF DM prior to dispensing entity enrollment in the MTF DM?

There is no risk if a pharmacy or dispensing entity enrolls before a selected TPSE's enrollment is complete; pharmacies and other dispensing entities are able to select a TPSE prior to that TPSE's enrollment in the MTF DM. However, the TPSE must be enrolled in order for the MTF DM to direct any MFP refund payments and/or remittances to the TPSE on behalf of the selecting pharmacy. If a pharmacy selects a TPSE within the MTF DM to receive payment or remittance on its behalf, but said TPSE does not enroll in the MTF DM, then the pharmacy will need to either select another TPSE to provide the requested service or designate itself to receive the payment and/or remittance. In the event the dispensing entity elected to receive payment on its own behalf, the payment will be sent to the bank account it entered during enrollment. CMS has released a new feature for the MTF DM that allows dispensing entities to directly edit and update enrollment forms, including TPSE selection. CMS encourages dispensing entities to work with their TPSEs both to ensure their TPSE is enrolled in the MTF DM, and to align on how they are selecting their TPSE to support their operations within the MTF DM.

Q17. For pharmacies that use separate centralized payment and reconciliation vendors: will those separate payment and reconciliation firms be allowed to enroll in the MTF DM to process MFP refund payments, ERAs, or remittance advices on behalf of dispensing entities?

The MTF DM's functionality does permit this scenario described. Each dispensing entity is permitted to select its own preferred TPSE/PSAO for payment and/or remittance services. In the course of enrollment, for example, a dispensing entity will be able to select one TPSE for processing payments and another TPSE for collecting remittance.

Q18. For pharmacies that use PSAOs for some, but not all, of their locations, is a separate MTF DM account required for those locations that use a PSAO versus those that do not?

Each non-chain dispensing entity with an NCPDP ID will be able to individually structure its selections for TPSE services. That is, dispensing entities may select TPSEs to receive payments and/or remittances on their behalf, and the MTF DM will direct those payments and/or remittances to the identified TPSE. A dispensing entity may also elect to not select a TPSE for any services.

If all of the dispensing entities exist under the same NCPDP ID, then the MTF DM's functionality will require that all of the dispensing entities share the same TPSE selection. At this time, the MTF DM does not have the ability to create an additional account for this single dispensing entity (if it already exists under an NCPDP ID) as the MTF DM uses the NCPDP as a foundational source of data for functionality.

Q19. Will PSAOs or TPSEs be able to file complaints and disputes to the MTF DM on behalf of a pharmacy?

A dispensing entity may elect an associated TPSE to file a complaint or dispute on their behalf.

TPSE Enrollment

Q20. How do TPSEs enroll in the MTF DM?

PSAOs and other similar organizations that wish to access the MTF DM to provide TPSE services can begin enrollment by visiting <https://mtf.cms.gov>. As noted in Q22 above, a TPSE must be listed in the NCPDP Pharmacy Database with a Payment Center ID or Primary Remit/Recon ID in order to establish an account with the MTF DM. This NCPDP ID will form the basis of the TPSE's ID code in the MTF DM so that any dispensing entity that wishes to work with that TPSE for remittance services can locate and select you. A TPSE must also complete the Third-Party Support Entity Enrollment Questionnaire

(Part 2 of the Drug Price Negotiation Program MTF DM Dispensing Entity and Third-Party Support Entity Form), available to view [here](#) in the MTF DM.

If selected by a dispensing entity, CMS encourages the TPSE to enroll as soon as possible and prior to January 1, 2026, when the MFPs for selected drugs go into effect; while pharmacies and other dispensing entities are able to select a TPSE prior to that TPSE's enrollment in the MTF DM, the TPSE must be enrolled in order for the MTF DM to direct any MFP refund payments and/or remittances to the TPSE on behalf of the selecting pharmacy.

Please note, a TPSE will need to enroll in the MTF DM even if they are just facilitating remittance-only functionality.

Q21. Since an NCPDP ID is required for TPSE MTF DM enrollment, how can TPSEs that currently lack an NCPDP ID acquire one?

TPSEs not currently listed in NCPDP would also need to register as a reconciliation vendor through NCPDP and enroll in the MTF DM to be properly linked with the appropriate pharmacies and other dispensing entities.

Q22. Will TPSEs be notified if dispensing entities chose them to process MFP refund payments, ERA, or remittance advices within the MTF DM?

After a pharmacy selects its TPSE, the TPSE will receive a notification from the MTF DM of this selection. TPSEs will also be able to use the MTF DM to access a report to view the dispensing entities that have selected them to provide payment and/or remittance receipt services.

Q23. Will dispensing entities still be able to work with PSAOs and Group Purchasing Organizations (GPOs) to facilitate payments and reconciliation after enrolling in the MTF DM?

The MTF DM does not affect any agreements or contracts between dispensing entities and their PSAO or GPO. We suggest reaching out to your PSAO and GPO with further questions.

Q24. Is the TPSE able to modify a dispensing entity's entry in the MTF DM? For example – if a dispensing entity selects the wrong payment center, can the TPSE correct that? If not, what is the method to correct errors?

TPSEs will not be able to modify the information in a dispensing entity account, nor will they be able to complete or make changes to a dispensing entity's enrollment. If the dispensing entity selects the wrong TPSE, they will need to access their enrollment and make the appropriate changes. Once those changes are made, the TPSE will be able to see that the dispensing entity has elected to work with them as soon as the next day.

Q25. Will TPSEs be subject to third-party or governmental audits of MTF DM information? If so, what is the scope, frequency, and timeframe of potential audits?

Under the terms of the MTF DM User Agreement, it is the responsibility of the dispensing entity to ensure its agents, including, as applicable, any TPSE, comply with the terms of the Agreement, including Exhibit A. CMS has not issued further guidance on the MTF DM Agreement; we encourage TPSEs to be familiar with the terms of the MTF DM User Agreement and their applicability to a dispensing entity's third-party agents. CMS is not positioned to provide direction on any private contractual arrangements a TPSE may or may not enter with a manufacturer or dispensing entity, including on any liability or quality control requirements.

Q26. Can a TPSE rescind its enrollment in the MTF DM either before or after January 1, 2026? If yes, what is the process for doing so and what are the requirements and timelines for notifying manufacturers, dispensing entities, CMS, and MTF DM vendors?

The MTF DM possesses functionalities that will allow a TPSE to unenroll at any time. If a TPSE did decide to leave the MTF DM, CMS encourages them to notify their dispensing entities of the TPSE's decision to allow the dispensing entity to make alternative arrangements.

MTF DM User Agreements

Q27. Is the Authorized Signatory Official (ASO) the only user to receive and be required to sign the MTF DM User Agreement? Once the ASO adds other users, are subsequent users required to sign the same or similar user agreements?

The ASO is an appointed individual with authority to legally bind that organization in agreements, represent the organization in an official capacity, and act on behalf of an organization. ASOs also have the ability to invite additional users to serve any available role in the MTF DM. The other user types (Access Manager and Staff End User) cannot sign the User Agreement on behalf of the dispensing entity.

Q28. Must the point of contact or authorized official for the MTF DM system be the same as the person who signed the MTF DM User Agreement?

No, the NCPDP Point Of Contact, also referred to as Authorized Official, does not have to be the person who signed the MTF DM User Agreement. This will be the 'first user' into the MTF DM and does not have to be the contract signer.

Q29. How does a dispensing entity submit an attestation to terminate the MTF DM User Agreement to CMS? Is it sufficient to provide notice via email, and is there specific verbiage required to meet the requirements of the attestation?

Information regarding the User Agreement can be found [here](#).

Q30. Does the MTF DM User Agreement impose any terms or requirements on TPSEs?

Under the terms of the MTF DM User Agreement, it is the responsibility of the dispensing entity to ensure its agents, including, as applicable, any TPSE, comply with the terms of the Agreement, including Exhibit A. CMS has not issued further guidance on the MTF DM User Agreement; we encourage TPSEs to be familiar with the terms of the MTF DM User Agreement and their applicability to a dispensing entity's third-party agents. CMS is not positioned to provide direction on any private contractual arrangements a TPSE may or may

not enter with a manufacturer or dispensing entity, including on any liability or quality control requirements.

Part D Claims for Selected Drugs

Q31. Do dispensing entities need to submit claims for reimbursement through the MTF DM? If not, how does the claims data enter the MTF DM, and will this reimbursement process always apply to selected drugs?

No, dispensing entities do not need to submit claims for reimbursement through the MTF DM. Instead, the MTF DM will leverage claims data that dispensing entities submit to plans. As described in section 40.4.2 of the [Medicare Drug Price Negotiation Program: Final Guidance for Initial Price Applicability Year 2027 and Manufacturer Effectuation of the Maximum Fair Price in 2026 and 2027](#) that CMS published on October 4, 2024 (hereafter referred to as “2027 final guidance”), the MTF DM will receive data about adjudicated Part D claims for selected drugs from CMS' Drug Data Processing System (DDPS). DDPS receives Part D claims data from plan sponsors.

Q32. If a dispensing entity is not enrolled in the MTF DM, will claims reject at Point of Service for a selected drug?

The Part D plan sponsor is responsible for adjudicating claims for selected drugs regardless of the enrollment status of the dispensing entity. For selected drugs under the Medicare Drug Price Negotiation Program, CMS finalized in the [Contract Year 2026 Part C&D Final Rule](#) that Part D plan sponsors must submit initial Prescription Drug Event (PDE) records within seven calendar days from the date that a Part D plan sponsor (or its contracted first tier, downstream, or related entity) receives the claim. CMS will then use the MTF DM to transmit data to the Primary Manufacturer, as described in section 40.4.2 of 2027 final guidance.

Maximum Fair Price (MFP) Refund

MFP Effectuation

Q33. How are the MFPs for selected drugs determined?

The MFPs for the selected drugs for initial price applicability year 2026 were determined through the process described in Section 60 of the [Medicare Drug Price Negotiation Program: Revised Guidance, Implementation of Sections 1191-1198 of the Social Security Act for Initial Price Applicability Year 2006](#).

Q34. How will application of the MFP affect dispensing entity reimbursement?

The obligation to calculate and pay an appropriate amount to ensure the dispensing entity has access to the MFP rests with the Primary Manufacturer. A primary manufacturer must provide access to the MFP in one of two ways: (1) prospectively ensuring that the price paid by the dispensing entity when acquiring the drug is no greater than the MFP; or (2) retrospectively providing reimbursement for the difference between the dispensing entity's acquisition cost and the MFP. Additionally, the negotiated prices used in payment by each Part D plan sponsor for each selected drug also must not exceed the applicable MFP plus any dispensing fees for such drugs. Further information is available in Section 40.4 of the 2027 final guidance.

Q35. Will dispensing entities receive reimbursement from both Medicare Part D plan sponsors and from the manufacturers of selected drugs for each selected drug dispensed to an MFP-eligible beneficiary?

Reimbursement will come both from the Part D Plan sponsor and from the manufacturer (in the event the manufacturer chooses to effectuate the MFP via retroactive refunds). As explained in section 40.4 of the 2027 final guidance, the negotiated prices used in payment by each Part D plan sponsor for each selected drug must not exceed the applicable MFP plus any dispensing fees for such drug. That is, the Part D plan sponsor will reimburse the pharmacy based on the negotiated MFP. Additional information regarding dispensing fees can be found in the Health Plan Management System (HPMS) memorandum titled “Network Adequacy Requirements and Dispensing Fees for Selected Drugs”, published August 25, 2025.

Section 40.4 of the 2027 final guidance also explains that Primary Manufacturer must provide access to the MFP for the selected drug to pharmacies, mail order services, and other dispensing entities with respect to MFP-eligible individuals who are dispensed such drugs. Manufacturers may do so by providing access to prospectively purchase the drug at the MFP, or by providing retrospective reimbursement for the

difference between the dispensing entity's acquisition cost and the MFP. Under the retrospective reimbursement approach, a pharmacy can expect an MFP refund payment from the pharmacy in addition to the reimbursement from the Part D plan sponsor. The MTF DM will help connect the drug manufacturers and the pharmacies to facilitate the data exchange and MFP refund processing (for manufacturers that opt to use the system for that purpose).

Q36. Is the MFP based on a flat rate for a 30-day supply of a selected drug, or is it based on the unit quantity dispensed?

As explained in Section 60.1 of the 2027 final guidance, CMS will identify a single price for use at each step in the negotiation process, meaning each offer and counteroffer will include a single price, even for a selected drug with multiple dosage forms and strengths. Once the MFP has been agreed upon, CMS establishes procedures to compute and apply the MFP across different dosage forms and strengths of a selected drug. CMS has published the single negotiated price for a 30-day equivalent supply of each selected drug, NDC-9 per unit price, and NDC-11 per package price, which can be found [here](#).

Q37. Do the MFPs for Initial Price Applicability Year 2026 change over time?

As explained in section 70 of the 2027 final guidance, a selected drug will no longer be subject to the negotiation process and will cease to be a selected drug if CMS determines: (1) the U.S. Food and Drug Administration (FDA) has approved a generic drug under section 505(j) of the FD&C Act that identifies as its reference-listed drug a product that is included in the selected drug, or the FDA has licensed a biosimilar under section 351(k) of the Public Health Service (PHS) Act that identifies as its reference product a product that is included in the selected drug; and (2) the generic drug or biosimilar, as applicable, is marketed pursuant to such approval or licensure.

For each year after the first initial price applicability year, CMS will publish an updated negotiated price for each selected drug. The updated price will be equal to the negotiated price that was published for such drug for the previous year, increased by the annual percentage increase in the CPI-U. Also, beginning with initial price applicability year 2028,

CMS and a Primary Manufacturer may renegotiate the MFP for a selected drug. Additional information regarding the MFP renegotiation process can be found in the [Medicare Drug Price Negotiation Program: Draft Guidance, Implementation of Sections 1191 – 1198 of the Social Security Act for Initial Price Applicability Year 2028 and Manufacturer Effectuation of the Maximum Fair Price in 2026, 2027, and 2028](#).

340B

Q38. How does enrollment in the MTF DM impact how dispensing entities handle 340B claims?

Enrollment in the MTF DM does not affect how dispensing entities handle 340B claims. For more information concerning MFP and 340B interaction and nonduplication, please see section 40.4.5 of the 2027 [final guidance](#), which explains that CMS does not assume responsibility for nonduplication of discounts between the 340B ceiling price and MFP. Nonduplication remains the responsibility of the Primary Manufacturers participating in the program.

Q39. Are dispensing entities required to participate in the 340B Drug Pricing Program in order to enroll in the MTF DM?

Dispensing entities are not required to participate in the 340B Drug Pricing Program in order to enroll in the MTF DM. The MTF is a core component of implementing the Medicare Drug Price Negotiation Program, which is distinct from the 340B Drug Pricing Program.

Q40. What is the MTF payment process for pharmacies participating in the 340B program who already receive discounts for medications listed under Medicare Part D? Will these pharmacies receive MFP refunds if they do not enroll in the MTF DM?

The Primary Manufacturer of a selected drug is not required to provide access to the MFP for a selected drug to MFP-eligible individuals who are (1) eligible to be furnished, administered, or dispensed such selected drug at a covered entity described in section 340B(a)(4) of the PHS Act if the selected drug is subject to an agreement described in section 340B(a)(1) of the PHS Act; and (2) the 340B ceiling price is lower than the MFP for such selected drug. That is, the Primary

Manufacturer is required to provide access to the MFP to 340B covered entities in a nonduplicated amount to the 340B ceiling price if the MFP for the selected drug is lower than the 340B ceiling price for the selected drug. Additional information concerning interaction between the MFP and 340B Ceiling Price can be found in section 40.4.5 of the 2027 final guidance.

In the **Contract Year 2026 Part C&D Final Rule**, published April 15, 2025, CMS finalized the proposal that Part D plan sponsors' network participation agreements with contracting pharmacies, including any contracts with first tier, downstream, and related entities, must require such pharmacies to be enrolled in the Medicare Drug Price Negotiation Program's MTF DM, and that such pharmacies certify the accuracy and completeness of their enrollment information in the MTF DM. You can access more information about the MTF DM and the Medicare Drug Negotiation Program on the Pharmacy and Dispensing Entity Resources page on the **Medicare Drug Price Negotiation Program website**.

Q41. How will the 340B nonduplication process work for contract pharmacies?

As addressed in Section 40.4.5 of the 2027 final guidance, CMS will not, at this time, assume responsibility for nonduplication of discounts between the 340B ceiling price and MFP. CMS is not charged with verifying or otherwise reviewing whether a particular drug claim is 340B-eligible.

CMS intends to provide Primary Manufacturers a process to identify applicable 340B-eligible claims through the reporting of claim-level payment elements to the MTF, as described in sections 40.4.3.1 and 40.4.4.1 of the 2027 final guidance. CMS will rely on such indications when determining the extent to which the obligation to provide access to the MFP has been discharged. CMS is exploring the feasibility of incorporating 340B-related transactional data from 340B covered entities or their Third-Party Administrators identifying claims eligible under section 1193(d)(1) of the Act into MTF processes in the future.

Further information may be found in Section 40.4.5 of the 2027 final guidance.

Remittance and ERAs

Transmitting ERAs to TPSEs

Q42. Where can I find more information on how dispensing entities and their TPSEs will receive claim remittance advice from the MTF DM?

CMS has released a final 835 Companion Guide on MTF Help Desk **website**. The final MTF 835 Companion Guide clarifies and specifies the data content when exchanging transactions electronically with the MTF DM. This final MTF 835 Companion Guide contains instructions for electronic communications as well as supplemental information for ingesting/creating transactions while ensuring compliance with the associated Accreditation Standards Committee X12N Technical Report Type 3 and the CAQH CORE companion guide operating rules. CMS intends on finalizing the guide this Summer.

Q43. If a dispensing entity chooses to have their MFP refund, ERA, or EFT information sent to a third party listed on NCPDP, such as their PSAO, will all refunds, ERAs, and EFT payments be directed to that PSAO, even if the dispensing entity has a direct Pharmacy Benefit Manager (PBM) contract with a payer outside of their PSAO?

Dispensing entities may select a TPSE (such as a PSAO) to provide payment and/or remittance services, or they may elect to handle such services internally without the assistance of a third-party; the dispensing entity can elect for payment and remittance to go to separate destinations as well, either separate TPSEs for each, or to a combinations of a TPSE and direct receipt. The MTF DM is designed to provide flexibility for the dispensing entity to elect how to receive any MFP refund payments and associated remittances. The MTF will direct all payments and remittances for claims processed through the MTF DM to the destination selected by the dispensing entity; that is, the MTF DM cannot direct some payments to one TPSEs and some to another, for example. It is ultimately the choice of each dispensing entity to decide which TPSE they wish to work with, or if they even wish to work with a TPSE.

MTF 835 Claim Adjustment Reason Codes (CARCs) and Remittance Advice Remark Codes (RARCs)

Claim Adjustment Reason Code	307	Medicare Maximum Fair Price Standard Default Refund Amount Adjustment. At least one Remark Code must be provided (may be comprised of either the NCPDP Reject Reason Code, or Remittance Advice Remark Code that is not an ALERT). Usage: To be used only for the Medicare Drug Price Negotiation Program.
Remittance Advice Remark Codes	N907	No refund because this claim has been identified as 340B-eligible with a ceiling price lower than the maximum fair price.
	N908	No refund because this drug has been prospectively purchased at the maximum fair price.
	N909	Refund amount has been calculated using a methodology that differs from the Standard Default Refund Amount calculation (Wholesale Acquisition Cost minus Maximum Fair Price times Quantity)
	N910	A refund cannot be provided for this claim at this time. Contact the Manufacturer directly regarding your eligibility.
	N911	This claim cannot be reimbursed by the Manufacturer until the Part D plan sponsor submits a corrected prescription drug event data to CMS for maximum fair price validation.

Getting Help

Q44. Is there a contingency plan in place in the event that the MTF system is unavailable or returns an error?

CMS has established safeguards and contingency plans for the MTF. CMS also encourages users to reach out to the MTF Help Desk if they experience issues when navigating or using the MTF.