

Medicare Transaction Facilitator: Fact Sheet for Pharmacies and Other Dispensing Entities



The Medicare Drug Price Negotiation Program

This fact sheet details key information for pharmacies and other dispensing entities that will engage with the new Medicare Transaction Facilitator (MTF) system, a core component of implementing the Medicare Drug Price Negotiation Program. Specifically, the MTF will be used to facilitate the effectuation of the negotiated prices for drugs selected in this program. For more information about the Medicare Drug Price Negotiation Program broadly, including the manufacturers of the drugs selected for negotiations, the timeline for the implementation, program guidance, Information Collection Requests, and other relevant program information, visit the Medicare Drug Price Negotiation Program CMS webpage here: <https://www.cms.gov/inflation-reduction-act-and-medicare/medicare-drug-price-negotiation>.

MTF: The Basics

To facilitate the effectuation of negotiated prices (also called the “maximum fair prices” or “MFPs”) agreed upon by CMS and applicable drug manufacturers for drugs selected for negotiation, CMS is establishing an MTF. The MTF will play a central role in implementing the Medicare Drug Price Negotiation Program by providing the operational infrastructure to facilitate MFP effectuation. MFP effectuation is the process by which manufacturers provide access to the negotiated prices to pharmacies, mail order services, and other dispensing entities (hereafter collectively referred to as “dispensing entities”); manufacturers may provide dispensing entities with access to the MFP either prospectively (by making the selected drug available for purchase at the MFP) or retrospectively (by providing refunds to cover the difference between the MFP and acquisition costs). The MTF system will consist of two modules: the MTF Data Module (“MTF DM”) and the MTF Payment Module (“MTF PM”). The MTF DM will facilitate the exchange of data to help effectuate the negotiated prices in a timely and consistent manner. Meanwhile, the MTF PM will offer drug manufacturers an optional service to assist in passing through retrospective MFP refunds to the appropriate dispensing entities.

The MTF DM will provide the manufacturer with the information necessary to identify and provide MFP refund payments on claims for MFP-eligible individuals. An MFP-eligible individual is an individual who is dispensed a selected drug at a pharmacy, by a mail order service, or by another dispensing entity and is enrolled in a prescription drug plan under Medicare Part D or a Medicare Advantage Prescription Drug (“MA-PD”) plan under Medicare Part C (including an Employer Group Waiver Plan) if Part D coverage is provided under such plan for a selected drug. To support successful program operations, use of the MTF DM will be mandatory for manufacturers participating in the program. Further, on November 26, 2024, CMS issued the [Contract Year 2026 Medicare Advantage \(“MA”\) and Part D Proposed Rule](#), which proposes a requirement that Part D plan sponsors include in their pharmacy agreements provisions requiring dispensing entities to participate in the MTF DM. Participation on the part of dispensing entities in the MTF DM is also critical to successful MFP effectuation, as engagement with the system will provide access to key information and functionality necessary for dispensing entities to operationalize receiving MFP refund payments from manufacturers.

Meanwhile, the MTF PM is available to manufacturers to support the transfer of MFP refund payments to dispensing entities, by electronic means or by paper check per the stated preference of the dispensing entity. Participation in the MTF PM is optional for manufacturers; as a result, dispensing entities may receive MFP refunds via the MTF PM, or via an alternative process established by a manufacturer. When a manufacturer elects to use the MTF PM, the manufacturer can distribute MFP refunds through the MTF PM to dispensing entities, providing a centralized

solution to facilitate MFP effectuation. Manufacturers electing to use the MTF PM may also reach agreements with dispensing entities to effectuate the MFP outside the MTF PM. Through the MTF DM, dispensing entities can review the manufacturer’s MFP Effectuation Plan (with any proprietary information redacted) to ascertain if the manufacturer plans to use the MTF PM. These plans will be available for review in Fall of 2025.

Benefits of the MTF DM for Dispensing Entities

The MTF DM’s user interface provides a one-stop shop to assist dispensing entities in the MFP effectuation process. From monitoring payment status for MFP refunds from manufacturers, receiving electronic remittances, reviewing redacted manufacturer MFP effectuation plans, and accessing the Medicare Drug Price Negotiation Program’s complaints and disputes submission portal, the MTF DM will provide a user-friendly environment to dispensing entities delivering selected drugs to people with Medicare. CMS anticipates many benefits for dispensing entities using the MTF DM, some of which are described in section 40.4 of the [Medicare Drug Price Negotiation Program Final Guidance for 2027 and Manufacturer Effectuation of the MFP in 2026 and 2027](#) (“final guidance”). Among other functionalities, the MTF DM will:

- Provide a free service, as described in section 40.4.2 of the final guidance, and dispensing entities will receive no-cost user support via a staffed help desk.
- Provide the ability to access relevant and timely information about the Medicare Drug Price Negotiation Program.
- Provide the ability to review each manufacturer’s redacted MFP Effectuation Plan, as described in section 90.2.1 of the final guidance, and obtain access to each manufacturer’s contact information.
- Provide enrolled dispensing entities with remittances or electronic remittance advice (“ERA”) (standard format X12 835) to reconcile MFP refund payments when a manufacturer elects to pass payment to the dispensing entity through the MTF PM, as described in sections 40.4.2.2 and 40.4.3.1 of the final guidance.
- Provide streamlined access for dispensing entities enrolled in the MTF DM to submit complaints and disputes, as described in sections 40.4.2 and 90.2.2 of the final guidance.
- Communicate key information to manufacturers about dispensing entities enrolled in the MTF DM, such as a list of pharmacies that self-identify as anticipating material cashflow concerns due to the transition to retrospective MFP refunds within the 14-day prompt MFP payment window, as described in section 40.4.2.2 of the final guidance.
- Collect and share bank account information belonging to dispensing entities enrolled in the MTF DM with manufacturers that pay MFP refunds to dispensing entities when a manufacturer chooses to make the MFP refund available outside the MTF PM, as described in section 40.4.4.1 of the final guidance.
- Provide an ability to view the status of MFP refunds from manufacturers through reporting functionality. The ability to track MFP refunds could also help dispensing entities better manage cash flow or aid their financial planning to meet other administrative burdens or operational costs, as described in section 40.4.3.2 of the final guidance.

Enrolling in the MTF DM

The MTF DM will be a web-based platform with functionality that will include enrollment and account setup, the ability to review and sign user agreements, and ultimately access to various features available in the centralized MTF DM user interface. CMS anticipates that the enrollment process may include an initial outreach from CMS with detailed instructions, identity verification processes, the collection of enrollment information, and the ability to review and sign user agreements. During enrollment, dispensing entities will provide information that is key to implementing MFP refunds, such as designating a preferred method of payment receipt and account information to direct MFP refund payments. Additionally, CMS understands that each dispensing entity will have their own unique

circumstances and business relationships. To account for that, CMS has begun building functionality to accommodate this variation:

- Chain pharmacies will be able to complete one centralized enrollment for all aligned stores.
- Independent pharmacies will be able to enroll individually.
- Functionality to allow dispensing entities to continue leveraging the services of third-party support entities like Pharmacy Services Administrative Organizations (“PSAOs”).

CMS encourages dispensing entities to review and provide comment on a draft of the dispensing entity enrollment form that CMS released for public comment in an Information Collection Request package here: [CMS’ 60-day Information Collection Request Package](#). Comments are due December 27, 2024, and can be submitted [here](#). CMS will provide detailed instructions on the MTF DM enrollment process to dispensing entities prior to beginning enrollment.

MTF DM Enrollment Timing

CMS is planning for the MTF DM to begin enrolling dispensing entities in late Spring of 2025 and will make technical assistance available during enrollment. CMS will continue to refine this timing and will keep dispensing entities informed. CMS encourages dispensing entities and their third-party support entities to review all information CMS releases in advance of enrolling. Once enrolled, dispensing entities can familiarize themselves with the MTF environment and can expect to participate in user trainings and webinars. The Medicare negotiated prices resulting from the first cycle of negotiations will take effect on January 1, 2026. For additional information on enrolling in the MTF DM, please visit this page regularly and see our Frequently Asked Questions: <https://www.cms.gov/files/document/pharmacy-and-dispensing-entity-mtf-faq.pdf>.