

The CVS Caremark Pharmacy Audit Department is providing its network pharmacies with reminder information regarding contractual and Medicare Part D requirements for copay collections. This information will assist your pharmacy in the maintaining appropriate compliance with the Caremark Provider Manual and Centers for Medicare and Medicaid Services (CMS) requirements.

## Copays required to be collected

Providers contracted with Caremark are required to collect member copays. The Copay amount is the amount as determined by each health plan and is messaged to the pharmacy on the adjudicated claim transaction. Providers must collect the copay or Patient Pay Amounts as indicated by the claims system unless otherwise directed by Caremark or otherwise permitted under applicable law.

## Copays should not be discounted, waived, reduced or increased unless otherwise directed by Caremark or permitted under applicable law

- **Discounts** - Pharmacies cannot discount the Patient Pay Amount or copay and should not discount the copay in an attempt to gain business.
- **Waive** - Waiving copays is prohibited, even if the copays are low dollars. Pharmacies have been found to waive all copays <\$10 in an attempt to steer members to use their pharmacy. Pharmacies should also not pay copays on member's behalf.
- **Reduce** - Pharmacies should not provide coupons to discount copays.
- **Increase** - Pharmacies cannot increase the copay collected amount from the adjudicated claim amount. Items not considered part of the copay amount that may be charged to the member include cost to add flavoring to a child's medicine or charges for delivering the prescription.
- Pharmacies that alter copays can be cited for failure to comply with the Caremark Provider Manual and applicable federal requirements and run the risk of actions including of corrective actions plans, fines and/or termination.

## Medicare Part D requires collecting copays

Pharmacies are required to collect all copays for Medicare Part D members ensuring member's True-Out-Of-Pocket (TrOOP) is accurate and proper cost sharing of the member and the Medicare Part D plans. Also, manufacturer coupons that offer free drug products, E-vouchers, or coupons that discounts the final copay are prohibited for use with Medicare Part D claims. If member has claims coverage through multiple health plans, pharmacy should continue to submit the primary claim to Medicare Part D and a secondary claim to the secondary plan. Pharmacies who fail to collect accurate copays from Part D members may be cited for failure to comply with the Caremark Provider Manual, risk termination from the network, and eligible to be referred to MEDIC for potential investigation.

## Usual and Customary amount (U&C)

Pharmacies shall provide the member with the pharmacy's Usual and Customary amount (U&C) in the event the U&C is less than member's copay amount. Pharmacies should continue to submit the claim to Caremark even if the member chooses to pay the U&C amount. Many health plans also require submitting an accurate U&C on all claims transactions.

This communication and any attachments may contain confidential information. If you are not the intended recipient, you are hereby notified that you have received this communication in error and that any review, disclosure, dissemination, distribution, or copying of it or its contents, is prohibited. If you have received this communication in error, please notify the sender immediately by telephone and destroy all copies of this communication and any attachments. This communication is a Caremark Document within the meaning of the Provider Manual.