

June 24, 2016

ATTN: Pharmacy Owner / Manager

Re: Amendment to Humana's Pharmacy Provider Agreement

Last week we provided you with information concerning Humana's recent amendment to their pharmacy provider agreement. Earlier this week, NCPA had a follow up call with Humana that provided additional clarifications. **Humana will be measuring your pharmacy's performance on each quality measure based on your Humana Part D EQuIPP performance scores AS COMPARED TO other pharmacies in Humana's Rx Quality Network.** In other words, your pharmacy is being graded on a curve, and you must be in the top 20 percent of pharmacy performers (in the 80th percentile or higher) in a quality measure to qualify for the full Pharmacy Performance Payment.

Below are additional responses from Humana to our questions.

NCPA QUESTIONS AND HUMANA ANSWERS

- **Question:** How many pharmacies have received the amendment? What happens to pharmacies that have not received the amendment? Are the quality measure performance terms of the amendment (quality network) the same for all pharmacies including independents and chains?
Answer: All Humana contracted pharmacies have received the Rx Quality Network Amendment. Any new pharmacies requesting participation in Humana Networks will also receive the Rx Quality Network terms and conditions. Terms and Conditions for participation in Humana's Rx Quality Network are the same for **all** pharmacies.
- **Question:** When are responses from pharmacies due given that the cover letter is dated May 23, but pharmacies have received the amendment throughout the past few weeks?
Answer: Pharmacies are given a 30 day contestation period that begins on the date they received their notice. Notices were sent to contracted pharmacies via certified mail and are tracked for receipt.
- **Question:** What are terms for MA-PD plans? If a pharmacy opts out of the amendment, will they be out of network on non-preferred MA-PD plans?
Answer: For MAPD-Pharmacies that participate in the Humana Rx Quality Network will be preferred cost sharing pharmacies. Pharmacies not participating in Humana's Rx Quality Network will be standard cost sharing pharmacies.
- **Question:** If these are the terms and conditions for participating in the standard cost share network, what are the terms and conditions for participating in the preferred/limited network?
Answer: For Humana, for 2017 Medicare Plan Year, terms and conditions were provided via the Humana Rx Quality Amendment that, with participation, will position pharmacies as Preferred in MAPD Network and Participating in PDP Network.
- **Question:** Where does the \$ go that is not paid back to pharmacies?
Answer: The program includes a \$5.00 per prescription discount that will be used to buy-down the drug costs for beneficiaries as well as payback and potentially reward the most successful pharmacy programs.
- **Question:** Where will Humana hold the withheld funds (escrow)? Who is accruing interest?
Answer: CMS guidelines will be followed for all CMS Medicare DIR reporting and financial accounting.
- **Question:** Are LTC pharmacies included or is this contract only for pure retail?
Answer: LTC pharmacies are not included.