



Think of the MFP program as adding a **new payer, new claim flag, and a new receivable stream** into your Pharmacy Management System (PMS).

Here's what needs to change, in practical terms.

1. Flagging MFP drugs & claims

Your PMS must be able to:

1. Maintain an MFP drug file

- Import and update a list of **MFP-eligible NDCs** (from your vendor or wholesaler).
- Store: NDC, manufacturer, MFP effective dates, and any special notes.

2. Auto-flag MFP claims at adjudication

- When you bill a claim, the PMS should:
 - Check the NDC against the MFP table.
 - Mark the claim with an **"MFP Eligible" flag** and manufacturer ID.
- This flag needs to follow the claim through all reports and receivables.

3. Warn staff when filling

- Optional but helpful:

- **On-screen alert:** “MFP drug – multi-part reimbursement – check inventory & cash-flow impact.”
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2. Handling manufacturer refunds as a real payment stream

Today your PMS usually has payers like: **Primary, Secondary, Tertiary, Patient.**

You now need “**Manufacturer / MFP**” as an actual payment source.

Your PMS should:

1. Create a new payer class: Manufacturer/MFP

- So refunds are not lumped into “misc credits” or “other income”.
- Each manufacturer should exist as its own “payer” for AR purposes.

2. Apply refunds at the claim level

- Allow posting of **MFP payments to specific claims**, not just to an account:
 - Claim ID
 - NDC
 - Qty
 - Amount paid
- This is essential for seeing **true margin per claim.**

3. Support 835/ERA and EFT/check imports for MFP

- Ability to import remittance files from:
 - The CMS payment hub and/or
 - Direct manufacturer remittances
- Map them to the correct claims just like PBM ERAs:
 - Payment
 - Adjustments
 - Reversals/recoupments

4. **Handle reversals & corrections**

- When a claim is reversed or adjusted after a refund:
 - PMS must allow **negative payments / debit memos** from the manufacturer payer.
 - Keep a clear audit trail: original payment, reversal, net.

3. **Tracking acquisition cost vs net reimbursement**

To know if MFP claims are hurting you, your PMS must track **true cost vs total reimbursement**.

Add or confirm these capabilities:

1. **Store actual acquisition cost per claim**

- When you fill, the PMS should:
 - Pull the **current invoice cost** from inventory (not just AWP/WAC).
 - Lock that cost into the claim record.

2. Calculate net margin with MFP

Per claim, the PMS should display:

Net Reimbursement =

PBM Paid + Manufacturer MFP Refund – Acquisition Cost

And ideally also:

- Net profit \$
- Net profit %

3. Highlight underwater claims

- Reporting or dashboards that:
 - Flag claims where **Net Reimbursement < Cost**.
 - Show trends by:
 - Manufacturer
 - PBM
 - NDC

4. New AR & reporting tools for MFP

You'll have a **new receivable bucket**: "MFP manufacturer payments not yet received."

Ask your vendor to support:

1. MFP receivables aging

- Reports that show:
 - All MFP-eligible claims
 - Manufacturer expected

- Date of service
- Days outstanding
- Filter by:
 - Manufacturer
 - NDC
 - Date range

2. **MFP cash-flow reports**

- Monthly summary:
 - **of MFP scripts**
 - Total acquisition cost
 - Total PBM payments
 - Total manufacturer refunds
 - Average days from dispense to MFP payment

3. **Manufacturer performance comparison**

- Which manufacturers:
 - Pay on time or late
 - Short-pay vs expected amounts
- This supports discussions with wholesalers, PSAOs, and associations.

5. **Workflow & user interface changes**

Small UI tweaks will save you a lot of pain:

1. Claim screen

- Clearly show:
 - “MFP Eligible: Yes/No”
 - Expected manufacturer: [Name]
 - Expected refund (if your PMS can estimate from WAC – MFP or cost – MFP)
 - Amount actually received and date

2. Payment posting screen

- Separate tabs or filters for:
 - PBM payments
 - Patient payments
 - Manufacturer/MFP payments

3. End-of-day / end-of-month reports

- Add a section summarizing:
 - MFP receivables
 - MFP payments received
 - Net margin on MFP claims

6. Accounting and GL mapping

Your PMS (and related accounting setup) should:

1. Map manufacturer MFP payments correctly

- Decide with your accountant:

- Do MFP refunds reduce **COGS**?
- Or increase **Rx revenue**?
- Configure GL posting rules so:
 - Manufacturer payments hit the right accounts automatically.

2. **Separate MFP money from other rebates**

- Don't blend MFP refunds with:
 - Wholesaler rebates
 - Generic price concessions
- You'll want a clean line item: "**MFP manufacturer refunds**" for financial and advocacy purposes.

7. **What to tell your PMS vendor (copy/paste)**

Here's a concise block you can send to your vendor:

We need our Pharmacy Management System updated for the Medicare Maximum Fair Price (MFP) program. Specifically:

1. Maintain and update an MFP drug list and auto-flag MFP-eligible claims at adjudication.
2. Add "Manufacturer/MFP" as a payer type and allow claim-level posting of manufacturer refunds (including 835/ERA imports, reversals, and debit/credit adjustments).
3. Store actual acquisition cost per claim and calculate net reimbursement = PBM payment + manufacturer MFP refund – acquisition cost, with reports showing margins by drug, PBM, and manufacturer.

4. Provide MFP receivables aging reports and cash-flow reports (days to payment, outstanding amounts by manufacturer).
5. Enhance claim and payment screens to clearly show MFP status, expected/refunded amounts, and payment dates.
6. Support separate GL mapping for MFP refunds so they can be tracked distinctly from other rebates or incentives.