



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.

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## **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

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## 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, PSOs, and associations.

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## 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

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## **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.

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## 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.