PHARMACY AGREEMENT/MEDICAL ASSISTANCE PROGRAM

NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES/MEDICAL SERVICES

SFN 1169 (1-2013)

Provider Number

This agreement between the North Dakota (ND) Department of Human Services (hereinafter referred to as "Department"), State Capitol, Bismarck, North Dakota and:

Full Name of Pharmacy			
Address	City	State	ZIP Code

A pharmacy operating under an effective permit issued by the North Dakota Board of Pharmacy (hereinafter "Pharmacy"), agrees:

1. **WHEN EFFECTIVE** - This agreement is effective when signed on behalf of Pharmacy and acknowledged on behalf of the North Dakota Department of Human Services ("Department"). It supersedes all prior agreements.

2. **BILLING** - Pharmacy will bill the Department no more than that charged to the general public for prescription drugs and prescribed over-the-counter items.

3. **DISCOUNTS** - When Pharmacy offers a discount to any group, Pharmacy will also give that discount to any recipient of Medical Assistance who would otherwise be a member of that group. The Department will receive all discounts for "cash payment." Pharmacy will pass onto the Department any senior citizen discount for recipients meeting the age requirement for that discount.

4. **AUDIT** - Pharmacy will make available, without prior notice, all prescription files (whether those of Medical Assistance recipients or others) and all other records or information required by the Department to assure Pharmacy's compliance with this agreement. Pharmacy will retain all files, records, and information for so long as may be required by applicable state and federal laws and regulations. Pharmacy agrees the Department may conduct onsite audits to ascertain that the price charged to the Department is no more than that charged by the Pharmacy to the general public.

5. **DISCRIMINATION** - As a condition of participation in the North Dakota Medical Assistance program, Pharmacy will comply with 42 U.S.C. 2000d, et seq., and all requirements imposed thereunder by regulation of the Department of Health and Human Services (45 C.F.R. Part 80) to the end that no person shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which Pharmacy receives federal financial participation from the Department and hereby gives assurance that it will immediately take any measures necessary to effectuate this agreement. Pharmacy will comply with 29 U.S.C. 794 to the end that no otherwise qualified handicapped individual shall, solely by reason of that handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial participation.

6. **OWNER DISCLOSURE** - Pharmacy will comply with the provisions of Sections 3, 8, 9, and 15 of the Medicare-Medicaid Anti-Fraud and Abuse Amendments of 1977 and all implementing regulations of the Department of Health and Human Services (42 C.F.R. Parts 431 and 455),including the maintenance and disclosure of records identifying those persons holding an ownership or controlling interest in Pharmacy.

7. **AMOUNT OF PAYMENT** - Pharmacy will accept, in payment for prescription drugs and prescribed over-the-counter items, the lesser of the Pharmacy's usual and customary retail charge (after subtracting any applicable discounts) to the general public or:
   a. For prescription drugs, the least of:
      1) The Estimated Acquisition Cost (EAC) as determined by the Department plus the current dispensing fee as determined by the Department.
      2) Maximum Allowable Cost (MAC/FUL) as determined by relevant federal or state regulations plus the current dispensing fee as determined by the Department.
      3) Estimated Acquisition Cost (EAC) plus the current dispensing fee when the Estimated Acquisition Cost (EAC) exceeds the Maximum Allowable Cost (MAC) and the prescribing physician has certified in his own handwriting and in a manner required by the Department as "brand necessary."
   b. For the over-the-counter items, the EAC plus the lesser of 50 percent of EAC or the current dispensing fee as described by the Department.

8. **PAYMENT - WHEN MADE** - Pharmacy will receive payment by the Department only:
   a. When a proper authorization has been duly issued or, in the case of computer billing, when eligibility has been certified.
   b. When every authorization so issued is fully completed and signed on behalf of Pharmacy by the registered pharmacist in charge.
   c. When all information supplied by Pharmacy for computer billing purposes is true, accurate, and complete. Pharmacy understands that payment of any claim made by computer billing will be from federal and state funds, and agrees to accept, as payment in full, the amounts paid. Pharmacy will submit no computer billing except for services actually rendered under the conditions specified. Pharmacy will submit no computer billing for any part of a claim, account, or demand that has been paid or for services that do not qualify for payment under 42 U.S.C. 1396, et. seq., and rules and regulations adopted thereunder. Pharmacy understands that any computer billing that contains any falsification or concealment of a material fact may be prosecuted under state and federal laws.
   d. When all other resources of the recipient, including excess income (recipient liability), insurance, and Medicare have been exhausted.

9. **DRUG USE REVIEW PROGRAM** - Pharmacy will comply with the requirements of any drug use review program established by the Department pursuant to 42 U.S.C. 1396r-8(g).

10. **PDMP** - Pharmacy must submit their controlled substance data to the North Dakota Board of Pharmacy for inclusion in the Prescription Drug Monitoring Program database.

11. **VIOLATION OF AGREEMENT** - This agreement is governed by the provisions of N.D. Administrative Code Chapter 75-02-05, Provider Integrity. A violation of this agreement may subject Pharmacy to sanctions imposed thereunder.

12. **TERMINATION OF AGREEMENT** - This agreement is subject to cancellation by Pharmacy or the Department by written notice given by one to the other. Termination without notice may be done by the Department if no service has been provided by pharmacy within two calendar years.

13. **AUTHORITY** - The person signing this agreement on behalf of Pharmacy warrants that he or she:
    a. Is the ☐ owner/manager ☐ pharmacist in charge (check one or both as applicable) of Pharmacy;
    b. Understands that this agreement terminates automatically on the date of ownership change; and
    c. Will make the provisions of this agreement known to all persons dispensing drugs on behalf of Pharmacy; and
    d. Agrees that any violations of the terms and conditions of this agreement by any person employed by Pharmacy may be considered by the Department as actionable grounds under paragraph 12 of this agreement or as a basis for termination under paragraph 13 of this agreement.

Acknowledged on behalf of the ND Department of Human Services by its Director of Medical Services.

Name of Department of Human Services, Medical Services Director or Designee	
Medical Services Director or Designee Signature	Date

Name of Pharmacy Owner/Manager or Pharmacist in Charge	
Pharmacy Owner/Manager or Pharmacist in Charge Signature	Date

INSTRUCTION FOR COMPLETING PHARMACY AGEEMENT

Federal law (42 U.S.C. 1396a(a)(27) requires that anyone who seeks payment for providing medical services to eligible recipients of the North Dakota Medical Assistance (Medicaid) program have a completed and signed provider agreement on file with the state agency. It is necessary for each pharmacy provider to execute a pharmacy agreement before payments can be authorized under the claims processing system.

An enrolling pharmacy should complete, sign, and date the pharmacy agreement and mail it to the North Dakota Department of Human Services. Upon receipt, it will be acknowledged and a copy will be returned to the pharmacy for its records.

After the pharmacy agreement is fully executed, the pharmacy will be assigned a provider number and so notified. This number must be used on all authorization forms submitted for payment. Pharmacies billing via computer must enter the provider number in the designated field on all transmissions.