

## 2023 MEDICARE PART D RETAIL PERFORMANCE NETWORK PROGRAM™

Measurement, Calculation and Collection Periods																		
Month	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Year	2022		2023												2024			
1st Trimester			Applicable Claims				Calculation		Collection									
	Performance Measurement				*													
2nd Trimester							Applicable Claims				Calculation		Collection					
	Performance Measurement				*													
3rd Trimester											Applicable Claims				Calculation		Collection	
	Performance Measurement				*													

**Performance Measurement:** A time period consisting of 6 months' retrospective view for trimester 1, and year-to-date retrospective view for trimesters 2 and 3 (i.e., 8 and 12 months respectively) from which claims are provided to PQS (Pharmacy Quality Solutions) to include in its measurement.

**Applicable Claims:** The eligible claims within a given trimester in which the network variable rate will be applied. **Pharmacies should accrue in preparation for the collection period.**

**Calculation:** Time period immediately following a given trimester where performance scores are calculated, pharmacies are ranked among all participating pharmacies to derive each pharmacy's network variable rate by plan within each network, and applicable claims are multiplied by each network variable rate achieved by the pharmacy to determine the final amount to be collected for a trimester. \*Indicates the approximate time pharmacies will be able to view the PQS performance measures in EQUIPP (Electronic Quality Improvement Platform for Plans and Pharmacies) that are used in the calculation.

**Collection:** The approximate time period following the calculation period during which the total amount due for a trimester will be collected. Collection of fees will be proportional by date of fill over an 8-week period. Detail will be provided for each applicable claim contributing to the total amount collected.

### ACCRUING FOR RETROSPECTIVE COLLECTION PERIODS

- 1. Use** the Part D plan listing RXBIN/RXPCN/RXGRP information to pull appropriate Part D plan data for January 2023. Please note that network variable rates may have changed from 2022 to 2023. **Refer to your 2023 Network Enrollment Form(s) for network variable rates.**
- 2. Approximate** total Ingredient Cost Paid by Part D plan in each network your pharmacy participates.
- 3. Annualize** your amounts including known variables/trends for your pharmacy (e.g., multiply total Ingredient Cost Paid across all participating plans by 4 months for a trimester amount, or by 12 months for an overall annual amount).
- 4. Research** your variable rate ranges based on each network in which your pharmacy participates, and multiply total annualized plan amounts (**Total amount from Step 3**) by low/mid/high variable rate range within each network to approximate amounts by plan in which your pharmacy should begin accounting/accruing funds.

Note: **Accruing for Retrospective Collection** is based on historical data using standard approximation methods typically used for estimating for a particular frequency (e.g., trimester, annual). CVS Caremark has no prior knowledge of how pharmacies will perform and what network variable rates pharmacies will achieve for each Part D plan within each network until **after** each trimester and calculation periods occur.

As a reminder with all Performance Network Programs: Your pharmacy shall disclose to enrollees and prescribers that your pharmacy is working with the Part D Plan Sponsor to improve enrollee adherence and compliance with current clinical guidelines, and that your pharmacy is receiving a payment from the Plan Sponsor for your pharmacy's performance under this program. Your pharmacy shall advise Part D Enrollees and prescribers that participation is voluntary; that this program is not intended to substitute for the judgment of the prescriber; prescribers are not obligated to prescribe any medications for enrollees; and that enrollees are not obligated to obtain any new medication.

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