

Medicare Transaction Facilitator (MTF) Overview for Dispensing Entities



CENTERS FOR MEDICARE & MEDICAID SERVICES

The Medicare Drug Price Negotiation Program

This fact sheet details key information for pharmacies and other dispensing entities that will engage with the new Medicare Transaction Facilitator (MTF) system, a core component of implementing the Medicare Drug Price Negotiation Program. Specifically, the MTF will be used to facilitate the effectuation of the negotiated maximum fair prices (MFPs) for drugs selected in this program. For more information about the Medicare Drug Price Negotiation Program broadly, including the Manufacturers of the drugs selected for negotiations, the timeline for the implementation, program guidance, Information Collection Requests, and other relevant program information, visit the Medicare Drug Price Negotiation Program CMS webpage here: <https://www.cms.gov/inflation-reduction-act-and-medicare/medicare-drug-price-negotiation>.

MTF: The Basics

To facilitate the effectuation of MFPs agreed upon by CMS and applicable drug Manufacturers for drugs selected for negotiation, CMS is establishing an MTF. The MTF will play a central role in implementing the Medicare Drug Price Negotiation Program by providing the operational infrastructure to facilitate MFP effectuation. MFP effectuation is the process by which Manufacturers¹ provide access to the MFPs to pharmacies, mail order services, and other dispensing entities (hereafter collectively referred to as “dispensing entities”); Manufacturers may provide dispensing entities with access to the MFP either prospectively (by making the selected drug available for purchase at the MFP) or retrospectively (by providing refunds to cover the difference between the MFP and acquisition costs). The MTF system will consist of two modules: the MTF Data Module (“MTF DM”) and the MTF Payment Module (“MTF PM”). The MTF DM will facilitate the exchange of data to help effectuate the MFPs in a timely and consistent manner. Meanwhile, the MTF PM will offer drug Manufacturers an optional service to assist in passing through retrospective MFP refunds to the appropriate dispensing entities.

The MTF DM will provide the Manufacturer with the information necessary to identify and provide MFP refund payments on claims for MFP-eligible individuals. An MFP-eligible individual is an individual who is dispensed a selected drug at a pharmacy, by a mail order service, or by another dispensing entity and is enrolled in a prescription drug plan under Medicare Part D or a Medicare Advantage Prescription Drug (“MA-PD”) plan under Medicare Part C (including an Employer Group Waiver Plan) if Part D coverage is provided under such plan for a selected drug. To support successful program operations, use of the MTF DM will be mandatory for Manufacturers participating in the program. In the Contract Year 2026 Medicare Advantage (MA) and Part D Final Rule, CMS finalized the proposal that Part D sponsors’ network participation agreements with contracting pharmacies, including any contracts with first tier, downstream, and related entities, must require such pharmacies to be enrolled in the Medicare Drug Price Negotiation Program’s Medicare Transaction Facilitator Data Module (“MTF DM”) and that such pharmacies certify the accuracy and completeness of their enrollment information in the MTF DM. CMS believes the inclusion of the requirement for Part D sponsors’ network pharmacies to be enrolled in the MTF DM that will be added to Part D sponsors’ network contracts with pharmacies will facilitate continued beneficiary access to selected drugs, promote access to negotiated maximum fair prices under the Negotiation Program for both beneficiaries and dispensing entities, and help ensure accurate Part D claims information and payment.

¹ For the purposes of this document, “Manufacturers” refers to pharmaceutical manufacturers that have been designated the Primary manufacturers by CMS for drugs selected by CMS for the Medicare Drug Price Negotiation Program, as defined in applicable guidance or regulations adopted in accordance with section 1193 of the Act.”

Meanwhile, the MTF PM is available to Manufacturers to support the transfer of MFP refund payments to dispensing entities, by electronic funds transfer (EFT) or by paper check per the stated preference of the dispensing entity. Participation in the MTF PM is optional for Manufacturers; as a result, dispensing entities may receive MFP refunds via the MTF PM, or via an alternative process established by a Manufacturer. When a Manufacturer elects to use the MTF PM, the Manufacturer can distribute MFP refund payments through the MTF PM to dispensing entities, providing a centralized solution to facilitate MFP effectuation. Manufacturers electing to use the MTF PM may also reach agreements with dispensing entities to effectuate the MFP outside the MTF PM. Through the MTF DM, dispensing entities can review the Manufacturer's MFP Effectuation Plan (with any proprietary information redacted) to ascertain if the Manufacturer plans to use the MTF PM. These plans will be available for review in Fall of 2025. However, as described in recent guidance, dispensing entities could be liable to Manufacturers for releasing proprietary information if plans are disclosed or distributed without the Manufacturer's approval.

Benefits of the MTF DM for Dispensing Entities

The MTF DM's user interface will serve as a single point of access to assist dispensing entities in the MFP effectuation process. CMS anticipates many benefits for dispensing entities using the MTF DM, some of which are described in section 40.4 of the [Medicare Drug Price Negotiation Program Final Guidance for 2027 and Manufacturer Effectuation of the MFP in 2026 and 2027](#) ("final guidance"). Among other functionalities, using the MTF DM will allow dispensing entities to:

During Enrollment and Prior to January 2026

- Self-identify as anticipating material cash flow issues as defined in section 40.4.2.2 of final guidance as applicable;
- Access helpful information on using the MTF and assign system roles;
- Experience a streamlined enrollment procedure if enrolling dispensing entity chooses to rely on up to date NCPDP data;
- Instruct the MTF DM where MFP refund payments and remittance advice should be sent, including to a linked third-party support entity (TPSE) as applicable;
- Review Manufacturer MFP Effectuation Plans, including plans for dispensing entities self-identifying with cash flow issues (expected this Fall);
- Review and sign MTF Agreements with CMS and their MTF contractors that will be responsible for operating the MTF.

During Implementation

- Receive MFP refund payments from Manufacturers who have opted in to the MTF Payment Module;
- Receive remittance for payment made by paper check or Electronic Remittance Advice that uses the X12 835 standard adopted under the Health Insurance Portability and Accountability Act (HIPAA) for electronic payments;
- Submit complaints or disputes;
- View reports on the status of PDE data processing through the MTF DM to aid in financial planning.

Enrolling in the MTF DM

The MTF DM will be a web-based platform with functionality that will include enrollment and account setup, the ability to review and sign user agreements, and ultimately access to various features available in the centralized MTF DM user interface. CMS anticipates that the enrollment process may include an initial outreach from CMS with detailed instructions, identity verification processes, the collection of enrollment information, and the ability to review and sign user agreements. During enrollment, dispensing entities will provide information that is key to implementing MFP refunds, such as designating a preferred method of payment receipt and account information to direct MFP refund payments. To reduce burden on pharmacies, and to the extent possible, the MTF DM may be pre-populated

with NCPDP data—please see the [Dispensing Entity Enrollment Questionnaire](#) for more information. Additionally, CMS understands that each dispensing entity will have their own unique circumstances and business relationships. To account for that, CMS has begun building functionality to accommodate this variation:

- Chain pharmacies will be able to complete one centralized enrollment for all aligned stores.
- Independent pharmacies will be able to enroll individually.
- Functionality to allow dispensing entities to continue leveraging the services of third-party support entities like Pharmacy Services Administrative Organizations (“PSAOs”).

MTF DM Enrollment Timing

CMS is planning for the MTF DM to begin enrolling dispensing entities in June 2025 and will make technical assistance available during enrollment. CMS will continue to refine this timing and will keep dispensing entities informed.

CMS encourages dispensing entities and their third-party support entities to review all information CMS releases in advance of enrolling, and sign up to receive e-mails by clicking [this link](#), entering your email address, and selecting “Medicare Transaction Facilitator” under the Center for Medicare. Once enrolled, dispensing entities can familiarize themselves with the MTF environment and can expect to participate in user trainings and webinars. The MFPs resulting from the first cycle of negotiations will take effect on January 1, 2026. For additional information on enrolling in the MTF DM, please visit this page regularly and see our Frequently Asked Questions: <https://www.cms.gov/files/document/pharmacy-and-dispensing-entity-mtf-faq.pdf>.