

PROVIDER AGREEMENT FOR  
PENNSYLVANIA PHARMACEUTICAL ASSISTANCE CONTRACT FOR THE  
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND (AUTOCAT) PROGRAM

This Agreement made by and between the Pennsylvania Department of Aging, Pharmaceutical Assistance Contract for the Elderly (hereinafter "PACE"), and the Pharmaceutical Assistance Contract for the Elderly Needs Enhancement Tier (hereinafter "PACENET") or its Authorized Agent (hereinafter the "Program") and \_\_\_\_\_ (hereinafter the "Provider") sets forth the terms and conditions governing participation in the AUTOCAT Program. PACE, AUTOCAT and the Provider are also sometimes referred to as the "Parties." The Parties agree that the term "Program" includes the AUTOCAT Program. The Parties, intending to be legally bound, agree as follows:

I. PROVIDER RESPONSIBILITIES

- A. As a condition of participating in the AUTOCAT Program, the Provider must participate in the PACE and PACENET Programs and in the course of such participation, the Provider must comply with all Federal and Pennsylvania laws generally and specifically governing participation in the PACE and PACENET Programs. The Provider agrees to be knowledgeable of and to comply with applicable rules, regulations, rates and fees schedules promulgated under such laws and any amendments thereto. The Provider agrees that in the event any part of the Agreement is inconsistent with existing State or Federal statutory or regulatory authority, the statute or regulation in question governs.
- B. The submission by or on behalf of the Provider of any claim for payment under the AUTOCAT Program shall constitute certification by the Provider that:
  - 1. the services or items for which payment is claimed were actually provided by the Provider identified by the AUTOCAT Provider Number on this Agreement to the person identified as the AUTOCAT Claimant; and
  - 2. the claim does not exceed the Provider's usual charge for the same items or equivalent services provided to the cash-paying public.
- C. The Provider agrees to maintain all records necessary to disclose the extent of services the Provider furnishes to the AUTOCAT Claimant.
- D. The Provider agrees to furnish the Department of Aging or its agents with any information it may request regarding prescription records and payments claimed by the Provider. These records must be readily available for review, inspection and photocopying by the Program at the Provider's principal place of business. When evidence warrants it, the Program will obtain a Court Order to seize hardcopies of prescriptions for AUTOCAT Claimants from the principal place of business for a period not to exceed seven (7) days. The Provider further agrees to fully cooperate with the AUTOCAT Program or its agents in the conduct of its drug utilization review responsibilities. The Provider further agrees to respond in a complete manner to inquiries by the Program's Utilization Review Committees within seven (7) business days of a Committee's request. Failure to cooperate with the AUTOCAT Program or its agents in these areas constitutes a breach of this Agreement and grounds for termination.
- E. The Provider agrees to furnish the Department of Aging within seven (7) days of request, information related to business transactions which shall include full and complete information about:
  - 1. the ownership of subcontractor (lessor/lessee) with whom the Provider has had business transactions totaling more than \$25,000 during the 12-month period ending on the date of the request; and
  - 2. any significant business transactions between the Provider and any supplier wholly owned by the Provider, or between the Provider and any subcontractor of the Provider, during the four year period ending on the date of the request.
- F. The Provider represents that the information submitted in or with the application for enrollment to participate in the AUTOCAT Program is true, accurate and complete. The Provider agrees that such representation shall be a continuing one and that the Provider shall notify the Program in writing, within fifteen (15) days of its occurrence of any fact which arises or is discovered subsequent to the date of the application which affects the truth, accuracy or completeness of such representation. This requirement includes, but is not limited to, the requirement to report changes in ownership, corporate officers, or licensed pharmacists with fifteen (15) days of said change. Failure to report such changes constitutes a violation of this agreement and may result in the disallowance of claims.
- G. This Agreement is specific to the Provider and may not be assigned by the Provider without prior written approval by the AUTOCAT Program.
- H. The Provider agrees to notify the Department of Aging, Bureau of Pharmaceutical Assistance, **in writing within fifteen (15) days** of said Provider's preclusion or exclusion from participation in the Department of Public Welfare's Medical Assistance Program. The Provider further agrees that if precluded or excluded for cause, either voluntary or involuntary, from the Medical Assistance Program, enrollment in and reimbursement from the AUTOCAT Program shall be prohibited. The Provider further agrees to notify the AUTOCAT Program and the Department of Aging **in writing within fifteen (15) calendar days** of any misdemeanor or felony conviction relating to a Medicare, Medicaid or Pharmacy Practice offense of the Provider or any of its owners or employees.
- I. The Provider agrees to maintain all hard-copy prescriptions and computer documentation as required by 6 PA Code Section 22.62. Failure to comply with this section shall constitute a violation of this Agreement.
- J. The Provider agrees to dispense, as authorized by the prescriber, prescription drug products, including those sold under brand names, having the same generic name, dosage form and labeled potency.
- K. The Provider agrees to only submit claims for reimbursement that accurately report the national drug code of the product dispensed. The Provider shall be responsible for the updating of pharmacy software that contains the national drug code information to the extent that store inventory is accurately indicated among the national drug codes within the third party software used to process a claim.

- L. The Provider agrees to verify claimant eligibility prior to submission of any claim for reimbursement. The Provider also agrees that no recourse against the AUTOCAT Claimant shall exist if this requirement is not met and reimbursement by the AUTOCAT Program is denied. The Provider further agrees to accept as payment-in-full reimbursement made by the AUTOCAT Program.
- M. The Provider agrees to all terms and conditions of the PACE On-Line Claims Adjudication System and Electronic Funds Transfer. Failure to utilize the on-line claims adjudication system at the time of presentation of a prescription and prior to dispensing of the prescription drugs will lead to termination of this Agreement for Cause.
- N. The Provider agrees that claims submitted to the AUTOCAT Program are subject to the Program's annual maximum cardholder benefit. Claims submitted when the cardholder is within twenty percent (20%) of the annual maximum limit will be denied at the point of sale pending determination of the remainder of the annual benefit with the NCPDP Error 75, Prior Authorization required.
- O. Providers agree to contact the Program when claims require this "Prior Authorization" (identified in paragraph N,) prior to dispensing the medication to the cardholder. Providers failing to comply agree that no recourse against the AUTOCAT claimant shall exist if the claim is denied by the Program.
- P. The Provider agrees to comply with the privacy and security standards provision of the Health Insurance Portability Act of 1996 (HIPPA), and its regulations as well as the Health Information Technology for Economics and Clinical Health Act of 2009 (HITECH). Provider agrees that any violation of this provision is a breach of this Agreement and grounds for termination. See 45 C.F.R. Parts 160 and 164.
- Q. The Provider agrees, whether located exclusively within a nursing facility or servicing nursing home patients in the retail environment, to abide by AUTOCAT rules and regulations particularly in respect to billing for chronic maintenance medication for thirty (30) day supplies. Providers servicing nursing home residents and who are contractually obligated to deliver weekly supplies of medications and whose software can not accommodate the 30 day billing requirement prior to medication dispensing should submit these nursing home resident claims by identifying these cardholders as being in "Long Term Care" (number "4" in the Patient Location field) contained in the Patient Segment thereby permitting the Program to reimburse one dispensing (1) fee.
- R. The Provider agrees that in no case shall the AUTOCAT Program be charged more than the price of the drug at the Provider's place of business on the date of sale.
- S. The Provider agrees, notwithstanding any other statute or regulation, if an A-rated generic therapeutically equivalent drug is available for dispensing to a claimant, the Provider shall not be reimbursed for more than the A-rated generically equivalent drug to the claimant unless otherwise directed by the Program.
- T. In no case shall any claim submitted to the AUTOCAT Program exceed the pharmacy's usual and customary charge. To submit a claim that exceeds the usual and customary charge is a violation of this Agreement and may result in the termination of this Agreement. .
- U. Certified Registered Nurse Practitioners desiring to enroll as a AUTOCAT Provider agree to include a copy of the collaborative agreement identified in section 21.285 Collaborative agreement, Chapter 21 State Board of Nursing with the submission of their AUTOCAT Provider Agreement.
- V. The parties agree that the term "Program" refers to the AUTOCAT Program.
- W. The Provider and the Program recognize that in actual economic practice, overcharges by its suppliers, manufacturers and suppliers to manufacturers resulting from violation of state or federal antitrust laws are in fact borne by the Commonwealth of Pennsylvania. The Provider assigns and shall require its suppliers, manufacturers and suppliers to manufacturers to assign to the Commonwealth of Pennsylvania all rights, titles, and interest in any claims the Provider, its suppliers, manufacturers or suppliers to manufacturers now have or may hereafter acquire under state of federal antitrust laws relating to products which are subject to this contract.

## **II. PROHIBITED ACTS AND CRIMINAL PENALTIES**

It shall be unlawful for any person to submit a false or fraudulent claim; to aid or abet another in the submission of a false or fraudulent claim or application; to receive benefits or reimbursement under a private, state or federal program for prescription drug assistance and claim or receive duplicative benefits hereunder; to solicit, receive, offer or pay any kickback, bribe or rebate, in cash or in-kind, form or to any person in connection with furnishing of services under the Act; to engage in a pattern of submitting claims that repeatedly uses incorrect National Drug Code numbers for the purpose of obtaining wrongful enhanced reimbursement; or otherwise violating any provision of the Act. Any person who commits a prohibited act may be charged with a criminal offense, pursuant to the provision of Title 18 of the Pennsylvania Consolidated Statutes (relating to Crimes and Offenses). A provider who violates this section may be liable for a civil penalty in an amount not less than \$500.00 and not more than \$10,000.00 for each violation under the Act, which shall be collected by the Department. Each violation constitutes a separate offense. If the Department collects three or more civil penalties against the same Provider, the Provider shall be ineligible to participate in the AUTOCAT Program for a period of one year. If more than three civil penalties are collected for any Provider, the Department may determine that the Provider is permanently ineligible to participate in the AUTOCAT Program. The license of any Provider who has been found guilty under the Act shall be suspended for a period of one year. The license of any Provider who has committed three or more violations under the Act may be suspended for a period of one year.

## **III. PROGRAM RESPONSIBILITIES**

- A. The Program agrees to reimburse the Provider in accordance with the rules and policies governing the AUTOCAT Program.
- B. The Program will adjust payment to the Provider for the amount of any disapproved cost or expenditure in connection with this Agreement.
- C. The Program shall make a good faith effort to mail all Providers, no less than five (5) days before implementation, all final regulations and bulletins in connection with this Agreement.

- D. The Program agrees to pay to pharmacy providers a dispensing fee of \$4.00 or the amount set forth by AUTOCAT for approval, reimbursable AUTOCAT claims.
- E. Provider reimbursement is determined as the lesser of usual and customary charge or AWP minus 12% plus a dispensing fee or Federal Upper Limits (FUL) plus a dispensing fee. Providers shall be reimbursed based upon the most current listing of Federal Upper Limits established in the Medicaid Program under 42 CFR § 447.332 (relating to Upper Limits for multiple source drugs).
- F. The Department shall update the Average Wholesale Costs and the Federal Upper Limits on a regular basis, at least every 30 days.

**IV. EFFECTIVE DATE AND TERM OF AGREEMENT**

The Provider must sign and submit this Agreement to the AUTOCAT Program. The effective date of this Agreement shall be the date on which it is signed by the AUTOCAT Program’s Authorized Agent unless directed otherwise by the Pennsylvania Department of Aging.. This Agreement shall remain in effect until terminated by either party. Termination of this Agreement shall not relieve the Provider of his/her obligation to retain records and make restitution of overpayments for services or items furnished prior to termination.

**V. TERMINATION OF AGREEMENT**

- A. This Agreement may be terminated by either party upon thirty (30) days advance written notice or upon such notice as permitted by law or regulation to the other party.
- B. Termination or suspension of a provider shall be in accordance with the regulations governing the PACE and PACENET Programs. If the Department of Aging determines that such termination or suspension was without just cause, the Department of Aging may order the immediate reinstatement of the Provider.

**VI. DISPUTES**

All questions or disputes arising between the parties hereto respecting payment pursuant to this Agreement shall be referred to the Department of Aging after a good faith effort on the part of Provider and AUTOCAT fails to resolve the disputes. Settlement of disputes under this provision must occur prior to any final payment of Provider.

\_\_\_\_\_  
Provider Name

\_\_\_\_\_  
PACE/PACENET Provider Number

\_\_\_\_\_  
DEA Number

\_\_\_\_\_  
AUTOCAT Provider Number (Entered by the Program)

\_\_\_\_\_  
Owner or Authorized Agent Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Program Signature

\_\_\_\_\_  
Effective Date