

(d) *Ending LI NET enrollment.* An individual's enrollment in the LI NET program ends when:

(1) The individual is auto-enrolled into a standalone Part D plan in accordance with the guidelines at § 423.34(d) and that coverage has taken effect.

(2) The individual elects another Part D plan and that coverage has taken effect.

(3) The individual voluntarily disenrolls from the LI NET program.

(4) The individual is involuntarily disenrolled under § 423.44(b).

(5) LIS eligibility for an individual in LI NET due to an immediate need cannot be confirmed within the period of LI NET coverage.

**§ 423.2508 LI NET benefits and beneficiary protections.**

(a) *Formulary.* The LI NET program provides access to all Part D drugs under an open formulary.

(b) *Network.* The LI NET sponsor must allow its network and out-of-network pharmacies that are in good standing to process claims under the program. Licensed pharmacies are considered to be in good standing for the LI NET program so long as they: are not revoked from Medicare under § 424.535; do not appear on the Office of Inspector General's list of entities excluded from Federally funded health care programs pursuant to section 1128 of the Act or from Medicare and State health care programs under section 1156 of the Act (unless waived by the OIG); do not appear on the preclusion list as defined at § 423.100; and do not have a determination by the LI NET sponsor of a credible allegation of fraud as defined at § 423.4.

(c) *Safety.* The following provisions necessary to improve patient safety and ensure appropriate dispensing of medication apply to the LI NET program and LI NET sponsor, as applicable:

(1) Sections 423.153(b) and (c) for dispensing and point-of-sale safety edits;

(2) Section 423.154 for appropriate dispensing of prescription drugs in long-term care facilities;

(3) Sections 423.159 and 423.160 for electronic prescribing, excepting the

requirements pertaining to formulary standards in § 423.160(b)(5);

(4) Section 423.162 for QIO activities; and

(5) Section 423.165 for compliance deemed on the basis of accreditation.

(d) *Cost sharing.* (1) LI NET beneficiaries under § 423.2504(a)(1) will pay the applicable cost sharing for their low-income category as established for each year in the Rate Announcement publication specified in § 422.312 of this chapter.

(2) LI NET beneficiaries under § 423.2504(a)(2) will pay the cost sharing associated with the category of non-institutionalized full-benefit dual eligible individuals with incomes above 100% of the Federal poverty level and full-subsidy-non-FBDE individuals. If the beneficiary is later confirmed to belong to a different LIS category, the LI NET sponsor must reimburse the beneficiary for the difference between the cost sharing they paid versus what they would have paid in their LIS category.

(e) *Appeals.* LI NET enrollees have rights with respect to Part D grievances, coverage determinations, and appeals processes set out in subpart M of this part.

**§ 423.2512 LI NET sponsor requirements.**

The LI NET program is administered by one or more Part D sponsor(s) that meet all of the requirements in paragraphs (a) through (c) of this section.

(a) *Pharmacies and access to Part D drugs.* (1) The LI NET sponsor must be a PDP sponsor that has an established contracted pharmacy network in all geographic areas of the United States in which low-income subsidies are available.

(2) The LI NET sponsor must meet the requirements for providing access to Part D drugs under § 423.120(a), (c), and (d).

(b) *Experience.* The LI NET sponsor must have a minimum of two consecutive years contracting with CMS as a Part D sponsor.

(c) *Other LI NET sponsor requirements.* The LI NET sponsor must:

(1) Have the technical capability and the infrastructure to provide immediate, current, and retroactive coverage for LI NET enrollees;