

(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;

(2) Have the technical capability to develop the infrastructure necessary for verifying Medicaid dual eligibility status for presumed eligible LI NET enrollees.

(3) Identify, develop, and conduct outreach plans in consultation with CMS targeting key stakeholders to inform them about the LI NET program.

(4) Establish and manage a toll-free customer call center per § 423.128(d)(1) and fax line that can be accessed by pharmacy providers and beneficiaries, or others acting on their behalf, for purposes that include but are not limited to: handling inquiries about services under the LI NET program, providing the status of eligibility or claims, and having the ability to accept supporting documentation.

(5) Timely respond to beneficiary requests for reimbursement of claims by issuing reimbursement for eligible claims submitted by beneficiaries no later than 30 days after receipt, or, if the drug is not covered, the LI NET sponsor has 14 days to send communication to the beneficiary with a reason for the denial.

(6) Adjudicate claims from out-of-network pharmacies that are in good standing (as defined in § 423.2508(b)) according to the LI NET sponsor's standard reimbursement for their network pharmacies.

#### **§ 423.2516 Selection of LI NET sponsor and contracting provisions.**

(a) *Appointment by CMS.* CMS appoints a Part D sponsor that meets the requirements at § 423.2512 to serve as the LI NET sponsor.

(b) *Selection criteria.* In appointing a LI NET sponsor, CMS evaluates the following: