**Business Agreements and Disclosure**

**Section:** Company and Employee Standards

**Compliance:** URAC Specialty Pharmacy 2.1

**URAC Standards:** PHARM Core 11, CSCD 6, 7

**Policy ID:** 1.2

**Approved by:**

**POLICY**

For the purposes of this policy and procedure, “client” refers to payers such as insurers, health plans, Medicaid plans, pharmacy benefit managers and other similar entities with whom <insert practice name> is contracted as a Pharmacy provider or Specialty Pharmacy provider.

<insert practice name> will have signed written agreements with all clients describing the scope of the business arrangement. The terms of the business relationships will be in writing to safeguard to ensure that the services provided are not based on a verbal agreement which could have the potential of legal consequences in the future.

Upon request, if there is information that is identified in the payer contracts that could potentially create a conflict of interest affecting clinical or financial decisions, it would be disclosed to the payer. However, payer contracts are drafted by the payer, typically representing unilateral agreements to which a pharmacy has two options: participate (by the unilateral terms) or not participate. **[CSCD 6 (a)]**

<insert practice name> will allow its clients/payers upon request, to audit their records to ensure that the disclosures <insert practice name> has agreed to in their contracts regarding conflict of interest, revenue sources, pricing structure and delegation arrangements are complete and accurate. Issues such as these are stipulated by the contracts presented by payers, and subsequently accepted by <insert practice name>. **[CSCD 7]**

**PROCEDURE**

* <insert practice name> will have signed written agreements with all clients with specific details regarding the services that <insert practice name> is contracted to provide. The contract will also include any client responsibilities **[PHARM Core 11]**
* <insert practice name> Pharmacy Manager will monitor and ensure that all contracts are current and in active status **[PHARM Core 11]**
* If specified in the payer contract, <insert practice name> is obligated to disclose the following information upon request:
	+ Existence of organizational arrangements that could potentially create a conflict of interest affecting organizational decisions clinical or financial **[CSCD 6 (a)**
	+ Purchase discounts **[CSCD 6 (b)]**
	+ Pricing Structure **[CSCD 6 (c)]**
		- Rebates **[CSCD 6 (c-i)]**
		- Administrative fees **[CSCD 6 (c-ii)]**
		- Subcontracting/delegation of services to other organizations relevant to the scope of URAC accreditation **[CSCD 6 (d)]**
* <insert practice name> will ensure that the audit rights are defined and extended to the client under contract **[CSCD 7]**
* Should the client request an audit, <insert practice name> will oblige and possibly obtain a mutually acceptable auditor that would honor the right of <insert practice name> to ensure its proprietary business practices are not disclosed to its competitors while maintaining patient confidentiality. The Board of Pharmacy licenses all pharmacy benefit managers (all payers) and these pharmacy benefit managers are subject to auditing and other laws and restrictions that supersede this policy and procedure. The Pharmacy Audit Integrity Act and other laws and regulations are included. **[CSCD 7]**

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