

NCPA: 22% Of Pharmacies Going 28+ Days Without MFP Drug Refunds

Mar 9, 2026, 7:42 PM EDT
(Inside Health Policy)

Most community pharmacies are not receiving the refund payments drug companies owe them for dispensing products that had their prices lowered this year due to Medicare drug price negotiations several days past the statutory deadline, the National Community Pharmacists Association (NCPA) tells CMS in a letter sent at the end of February.

The pharmacy group is urging CMS to press drug companies for speedier claims processing, provide clearer instruction regarding the calculation of refund payments in manufacturers' effectuation plans for the new "maximum fair price" of select drugs, and demand more of the cash flow mitigation strategies manufacturers were required to implement.

"Our analysis of these mitigation plans suggests that there are not many specifics, and, as evidenced by the current long turnaround time for some manufacturers to authorize MFP refund claims, they are falling short. The mitigation plans were supposed to be put in place to help certain pharmacies with cash flow issues resulting from delayed MFP refunds," the Feb. 27 letter says.

The letter adds, "Pharmacies cannot continue to dispense these manufacturers' drugs with delayed payments unless the cash flow issues significantly improve for the IPAY [Initial Price Applicability Year] 2026 drugs and better mitigation strategies are in place for the IPAY 2027 drugs."

NCPA conducted a survey of its members about the first two months after MFPs for the inaugural group of Part D drugs selected for price negotiation became effective on Jan. 1. Upon receipt of 500 responses, the pharmacy group found that 67% of pharmacies are waiting more than 22 days for their MFP refunds from the prescription date of service, and about 22% of pharmacies are waiting more than 28 days.

NCPA says this is unacceptable considering that the standard Part D electronic clean claim pharmacy payment timeframe is 14 days, and while some drug companies have been good at turning around MFP refund claims on time, it characterizes others as having been "laggards."

Under the Inflation Reduction Act, following the Jan. 1 effectiveness date for 2026 MFP drugs, Part D plans and PBMs are to reimburse pharmacies no more than the lower negotiated price up front for MFP drugs. While reimbursement cannot exceed the MFP, there is no minimum reimbursement amount.

Drug companies have 14 days to make separate refund payments to pharmacies to make up the difference between the MFP and the pharmacy's acquisition cost.

But before a drug company can refund a pharmacy, a Part D plan or pharmacy benefit manager must approve the claim for the patient and then remit the negotiated payment to the pharmacy within 14 days of approving the claim. CMS must then be notified of the claim's approval and relay that information to the Medicare Transaction Facilitator (MTF) and to the drug manufacturer, and it's once the company receives that notification that a refund must be made to the pharmacy within 14 days.

The NCPA survey found that as a result of these MFP refund payment delays, 60% of pharmacies had to tap into their savings to make ends meet and continue business operations, while over 70% are now minimizing their inventory of expensive drugs, including several of the 2026 MFP drugs with MFPs. This type of financial stress on small pharmacy businesses that operate on slim margins is unsustainable, NCPA says, and the issue will be further exacerbated as the MFPs for an additional 15 high-volume, high-cost Part D drugs go into effect in January 2027.

NCPA also highlights how the lack of detail in manufacturers' effectuation plans regarding the MFP refund calculation, when it differs from the Standard Default Refund Amount (SDRA), creates major financial planning issues for pharmacies. The group tells CMS that pharmacies didn't know which MFP refund calculation methodology manufacturers were using until the first MFP refund payments were made in late January.

"In addition, there is significant confusion regarding the MFP refund payment for the MFP drug that has an authorized generic. This will continue to be an issue in 2027 as several MFP drugs are expected to have authorized generics. We ask CMS to suggest to manufacturers the use of the SDRA, which is a reliable and known refund amount, and that SDRA apply to all versions of a manufacturer's drug for the purposes of the MFP refund," the letter says.

Another emerging issue NCPA notes is the 90-day Prescription Drug Event (PDE) resubmission window, which the group says saddles pharmacies with financial liability for the PDEs that CMS rejects from Part D plans. NCPA is urging CMS to direct manufacturers to quickly process and pay these claims.

Since the IRA's enactment in 2022, pharmacies have been warning policymakers that because the law lacked clear requirements to ensure pharmacies are fairly reimbursed in a timely manner for stocking and dispensing MFP drugs, businesses would struggle to operate.

A survey NCPA conducted last year found that 93% of independent pharmacists were debating whether to not stock one or more of the 10 MFP drugs; about 60% of the

group's members said they are still considering whether to pull out from supplying the selected drugs, and roughly 33% already decided they will not sell them.

Another group, the Senior Care Pharmacy Coalition, conducted its own analysis later in the year and found that without a fix to IRA provisions for the Medicare drug price negotiation program, 60% of its long-term care (LTC) pharmacy members would likely be forced to close pharmacies in 2026, while 90% would lay off staff and 80% would have to reduce services and increase charges to facilities and residents -- which could lead to in higher hospital utilization and admissions to nursing homes that will continue to raise the cost of care.

In August, House lawmakers introduced the bipartisan Preserving Patient Access to Long-Term Care Pharmacies Act, which aims to set up a \$30 supply fee for plan year 2026 and a slightly higher fee amount for plan year 2027 to ensure there's continued access to the government-mandated LTC pharmacy services once the MFP for certain drugs go into effect. A companion bill was introduced in the Senate in November, and the bill was sent to the Congressional Budget Office for scoring but didn't pass before the year ended.

SCPC Executive Director Alan Rosenbloom says lawmakers will have to update the bill to ensure the intended relief is retroactive to Jan. 1. Meanwhile, Rosenbloom has also called on CMS to rein in the cash flow issues pharmacies have been experiencing since the year started.