ConnectedHealthInitiative

November 23, 2026

Submitted via regulations.gov, Docket No. CMS-2026-3037

Mehmet Oz, M.D.
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Re: Request for Information, Medicare Part D Reasonable and Relevant Pharmacy Contracting Standards (CMS-4217-NC)

Dear Administrator Oz:

The Connected Health Initiative (CHI) is submitting these comments in response to CMS's request for information regarding the standards that will govern Medicare Part D pharmacy contract terms.[1] Section 6223(a) of the Consolidated Appropriations Act, 2026 requires Part D plan sponsors to let any pharmacy that meets their standard terms and conditions participate in the network. Those terms must be reasonable and relevant for plan years beginning on or after January 1, 2029, according to standards the Secretary will establish.[2] Our comments focus only on the portions of the RFI that address digital health technologies in Part D, specifically how the standards should treat pharmacies that serve enrollees with digital tools and home delivery, electronic communications and workflows, pharmacy quality and performance measures, and artificial intelligence (AI).

CHI is the leading multistakeholder advocacy group for the connected health community. Our goal is an environment in which Americans can use connected health technologies to achieve better outcomes at lower cost. More information is atwww.connectedhi.org.

I. Standard Terms Should Reflect How Digitally Enabled Pharmacies Serve Enrollees

Many Medicare beneficiaries now fill prescriptions at pharmacies that accept orders online, communicate with patients electronically, and ship medications to the home. These pharmacies particularly help enrollees who cannot easily travel to a retail store, such as people in rural areas and those with mobility limitations, and they also give every beneficiary a convenient choice for maintenance medications. Applying identical operational requirements to every pharmacy type

[1] Centers for Medicare & Medicaid Services, Request for Information; Medicare Part D Reasonable and Relevant Pharmacy Contracting Standards, 91 Fed. Reg. 60568 (Sept. 24, 2026), https://www.federalregister.gov/documents/2026/09/24/2026-19535/request-for-information-medicare-part-d-reasonable-and-relevant-pharmacy-contracting-standards.

[2] Consolidated Appropriations Act, 2026, § 6223(a).

unnecessarily constrains these digitally enabled pharmacies without improving care for beneficiaries.[3]

The RFI asks how sponsors determine which pharmacies are "similarly situated" under 42 C.F.R. § 423.505(b)(18) and seeks input on how the standards should apply to different pharmacy subsets, including mail-order pharmacies. CHI recommends that CMS define a term as reasonable and relevant only when it relates to the actual services a pharmacy provides and the method by which it provides them. CMS should not allow a sponsor to impose a requirement that presupposes a physical storefront, such as an in-person counseling mandate or an in-store pickup process, on a pharmacy that achieves the same patient-safety and service goals through electronic means. CMS should also state clearly that the method a pharmacy uses to deliver medications and communicate with enrollees (in person, by mail, or via a digital platform) cannot, by itself, justify less favorable standard terms. Criteria for treating pharmacies as similarly situated should rest on objective factors such as the services offered and the capabilities of each pharmacy.

II. Contract Terms Should Accommodate Electronic Processes

The RFI asks how sponsors and pharmacy benefit managers (PBMs) use provider manuals, policy bulletins, and similar communications to alter standard terms outside of formal contract amendments, and how much time sponsors give pharmacies to review proposed changes. These documents frequently establish operational requirements, such as how a pharmacy must contact an enrollee, document an interaction, or maintain records. When an electronic method fulfills the underlying purpose of a requirement, CMS should not treat a term that insists on a telephone call, a paper notice, or an in-person step as reasonable and relevant. The standards should expressly permit electronic notices, records, and signatures wherever Part D rules already allow them.

Operational or technical changes can also require a pharmacy to reprogram its ordering, dispensing, and claims systems. The standards should therefore require sponsors to provide reasonable advance notice of such changes, with sufficient lead time for pharmacies to implement and test system updates before the change becomes effective. Digitally enabled pharmacies further depend on near real-time exchange of claim information with sponsors so that an enrollee can see accurate cost-sharing information before completing an order. The standards should support the existing standard electronic transactions that supply pharmacies with accurate claim-level data both at the time of adjudication and in the remittance advice, so that pharmacies and sponsors do not have to adjudicate the same claim more than once.

III. Quality and Performance Measures Should Account for Different Pharmacy Models

The RFI asks whether sponsors apply quality and performance measures uniformly across pharmacy types, whether pharmacies receive their performance data and how frequently, and whether certain measures disproportionately affect particular pharmacy types or settings. A measure written for a traditional retail setting can disadvantage a pharmacy that serves enrollees remotely, for instance by awarding credit only for in-person counseling. CHI asks that the

[3] See Connected Health Initiative, Comments on CMS Draft Part Two Guidance for the Medicare Prescription Payment Plan (Mar. 16, 2024).

standards require sponsors to design the measures in their network contracts so that any pharmacy can meet them, regardless of the care-delivery model it uses, and to give credit for counseling and other pharmacist services provided through telepharmacy or other electronic means where state law permits. Sponsors should also provide performance data to pharmacies electronically, in a usable format, and with enough frequency that pharmacies can act on the information before it affects reimbursement or network placement.

IV. Standards Should Be Technology Neutral With Respect to AI

The RFI asks how sponsors might use machine learning to estimate acquisition costs and where AI could assist with Part D pharmacy reimbursement. AI tools can help sponsors, PBMs, and pharmacies process claims and identify errors, and CHI supports their responsible use in Part D. CMS should keep the standards technology-neutral, which means they should neither prohibit nor single out AI-enabled methods, and they should apply the same reasonable-and-relevant test to a contract term whether or not the sponsor used AI to develop or apply it. Under CHI's Health AI Roles and Interdependency Framework, which assigns responsibilities across the health AI value chain according to each stakeholder's role,[4] a sponsor or PBM that uses an AI tool to set or apply a term affecting pharmacy payment remains responsible for how it uses the tool's outputs and must be able to explain the basis for that term to the pharmacy, just as it would for any other term.

CHI appreciates CMS's consideration of these comments and would be glad to help as CMS develops the standards.

Sincerely,



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[4] Connected Health Initiative, Health AI Roles and Interdependency Framework (rev. Sept. 2026), https://connectedhi.com/chi-health-ai-roles-interdependency-framework/.