

**Texas Health and Human Services Commission  
Children's Health Insurance Program Pharmacy Provider Agreement**

**Part 1: Provider Information**

A. Provider Name	B. DBA Name (if different than Part 1.A)	C. Physical Address
D. Mailing Address	E. Pharmacy License #	F. Tax ID #

**Part 2: Agreement and Certifications**

**In consideration of the payments authorized under this Agreement, the Provider identified in Part 1 of this Agreement agrees, certifies, and/or acknowledges:**

- A. That Provider will dispense prescription drugs authorized as a covered benefit under the Children's Health Insurance Program ("CHIP") operated by the Health and Human Services Commission ("HHSC") to persons enrolled in CHIP health plans ("CHIP Members") in accordance with this Agreement;
- B. The HHSC Medicaid/CHIP Division has designated the HHSC Vendor Drug Program to administer provider enrollment and automated claims processing functions for the delivery of outpatient drug benefits to CHIP members as described in the *Vendor Drug Program Procedure Manual* ("Manual"), the CHIP addendum to the *Texas Medicaid Pharmacy Provider Handbook* ("Handbook"), and any regulations, rules, policies, or procedures issued by HHSC for the CHIP Pharmacy program. In addition, the Provider is contracted as a Texas Medicaid Vendor Drug Provider;
- C. That this Agreement is effective from the date executed and terminates 30 calendar days following notice by Provider or the Health and Human Services Commission ("HHSC") of its intention to terminate the Agreement, unless HHSC terminates this Agreement without notice for any of the following reasons:
1. Provider is excluded from the Title XVIII ("Medicare") or Title XIX ("Medicaid") program by the Federal Government or any state or is convicted of an offense involving fraud;
  2. Provider loses its pharmacy license or certificate for any reason;
  3. Provider becomes ineligible to participate in the Medicaid program for any reason;
  4. Provider fails to comply with the terms of this Agreement;
  5. The Medicaid Fraud Control Unit of the Office of the Attorney General of Texas ("MFCU") or the HHSC Office of Investigations and Enforcement ("OIE") determines that Provider has or may be placing the health and safety of a CHIP Member or Medicaid recipient at risk; or
  6. A change in federal or state law requires a reduction or termination of CHIP, a benefit or service previously authorized under CHIP, or any part of a service or benefit authorized under CHIP.
  7. HHSC determines that Provider has had no claims activity with the CHIP program within a 6-month period;
- D. That the Provider (and any employee, associate, and agent who acts on Provider's behalf in fulfillment of Provider's responsibilities under this Agreement) is or will become familiar with the following:
1. Provisions and procedures contained in the *Manual* or issued by HHSC to regulate the CHIP Pharmacy program;
  2. Any updates or revisions to the *Manual* or any regulations, rules, policies, or procedures issued by HHSC to regulate the CHIP Pharmacy program;
  3. Any notices, bulletins, or information packages concerning CHIP pharmaceutical drug benefits issued by HHSC.
- E. That the terms of the *Manual*, any regulations, rules, policies, or procedures issued by HHSC to regulate the CHIP Pharmacy program, and updates to the *Manual* and such regulations, rules, policies, or procedures are incorporated into this Agreement.
- F. To comply with the provisions and procedures of the *Handbook* and *Manual* and any updates or revisions to the *Handbook* and *Manual* in the delivery of authorized pharmacy services to CHIP Members. The Provider further agrees to ensure that employees, associates, and agents who act on Provider's behalf in fulfillment of Provider's responsibilities under this Agreement comply with the relevant portions of the *Handbook* and *Manual* and updates to the *Handbook* and *Manual*.
- G. To provide HHSC's Vendor Drug Program an update of all information contained in Provider's Vendor Drug Program Application ("the Application")—including information regarding changes in ownership or persons convicted of a crime—at least 10 business days before any change in the information contained in the Application. Provider further agrees that the contents of the Application are true, complete and accurate as of the date of this Agreement and are incorporated into this Agreement for all purposes.

- H. That all information contained in all claims data submitted by or on behalf of Provider:
1. Is true, complete and accurate;
  2. Can be verified by reference to source documentation maintained by Provider in accordance with the *Handbook and Manual*; and
  3. Is subject to audit, review, and inspection in accordance with the *Handbook and Manual* and updates to the *Handbook and Manual*.
- I. To notify HHSC, Vendor Drug Program, or its agent within 10 business days of any suspension of or placement of any restriction on the Provider's license or certificate to provide pharmacy services, including complete information regarding any such suspension or restriction.
- J. To comply with all state and federal laws that regulate fraud, abuse, and waste in the Medicaid and CHIP programs.
- K. To maintain records and to provide access to and copies of such records in accordance with the provisions of *Handbook and Manual* and updates to the *Handbook and Manual*.
- L. To assist and cooperate with HHSC, MFCU, OIE, and/or any other state and federal agency that is responsible for the identification, investigation, sanctioning, or prosecution of fraud, abuse, or waste in the Medicaid and/or CHIP program or the audit of claims submitted for payment to the CHIP program. Provider must grant any of these agencies :
1. Access to its premises, employees, contractors, and agents for purposes of investigating, sanctioning, prosecuting fraud, abuse or waste upon request; and
  2. Permission to interview Provider's employees and agents without coercion by Provider and without the presence of Provider or Provider's representative or legal counsel unless the employee or agent voluntarily agrees to such presence or representation. Provider must not retaliate against any employee who declines such presence or representation.
- M. To accept payment from CHIP (and any authorized copayment or cost-sharing) as payment in full for CHIP-covered services.
- N. That HHSC or another state or federal agency may, consistent with due process, assess a remedy, sanction, penalty, or other action authorized by law, including, but not limited to, payment hold, recoupment, administrative penalties, debarment, suspension, cancellation of contract, or exclusion from participation.
- O. That Provider will:
1. Not exclude or deny or withhold aid, care, services, or other benefits available under CHIP to any CHIP Member or otherwise discriminate against a person because of that person's race, color, national origin, gender, age, disability, political or religious beliefs;
  2. Provide services to CHIP Members in the same manner, by the same methods, and at the same level and quality provided to the general public;
  3. Not charge or pursue payment from a CHIP Member or any person who is financially responsible for a CHIP Member for anything other than a co-payment or cost-sharing amount specifically authorized under the CHIP program;
  4. Except as authorized under paragraph H of this Agreement, ensure any personal or medical information regarding a CHIP Member in Provider's custody will be maintained in a manner that protects the Member's constitutional and statutory rights of privacy and confidentiality;
  5. Ensure a CHIP Member is free to seek and obtain medical, dental, or pharmacy services from a provider of his or her choice;
  6. Ensure that a CHIP Member's acceptance of any service is voluntary; and
  7. Neither solicit, pay, nor offer inducements, remuneration, or other compensation to a CHIP Member, other than approved marketing materials, that is intended to influence the selection of Provider for medical, dental, or pharmacy services or that is intended to generate claims for CHIP or Medicaid covered services.
- P. That Provider's remedy for alleged breach of this Agreement by HHSC is the Dispute Resolution described in this paragraph, as follows:
1. General agreement of the Parties.  
  
The Parties mutually agree that the interests of fairness, efficiency, and good business practices are best served when the Parties employ all reasonable and informal means to resolve any dispute under this Agreement. The Parties express their mutual commitment to using all reasonable and informal means of resolving disputes prior to invoking a remedy provided elsewhere in this paragraph.
  2. Duty to negotiate in good faith.  
  
Any dispute that in the judgment of any Party to this Agreement may materially or substantially affect the performance of any Party will be reduced to writing and delivered to the other Party. The Parties must then negotiate in good faith and use every reasonable effort to resolve such dispute and the Parties shall not resort to any formal proceedings unless they have

reasonably determined that a negotiated resolution is not possible. The resolution of any dispute disposed of by agreement between the Parties shall be reduced to writing and delivered to all Parties within ten (10) business days.

3. Claims for breach of Agreement.

(a) *General requirement.* As required by Chapter 2260, Government Code, a claim for breach of this Agreement by Provider must be resolved in accordance with the dispute resolution process established by HHSC in accordance with Chapter 2260, Government Code.

(b) *Negotiation of claims.* A claim for breach of this Agreement by Provider that the Parties cannot resolve in the ordinary course of business or through the use of all reasonable and informal means must be submitted to the negotiation process provided in Chapter 2260, subchapter B, Government Code.

(1) To initiate the process, Provider must submit written notice that specifically states that Provider invokes the provisions of Chapter 2260, subchapter B, Government Code.

(2) Compliance by the Provider with Chapter 2260, subchapter B, Government Code, is a condition precedent to the filing of a contested case proceeding under Chapter 2260, subchapter C, of the Government Code.

(c) *Contested case proceedings.* The contested case process provided in Chapter 2260, subchapter C, Government Code, is Provider's sole and exclusive process for seeking a remedy for any and all alleged breaches of contract by HHSC if the Parties are unable to resolve their disputes under subsection (c)(2) of this paragraph.

(1) Compliance with the contested case process provided in Chapter 2260, Subchapter C, Government Code, is a condition precedent to seeking consent to sue from the Texas Legislature under Chapter 107, Civil Practices & Remedies Code.

(2) Neither the execution of this Agreement by HHSC nor any other conduct of any representative of HHSC relating to this Agreement shall be considered a waiver of the State's sovereign immunity to suit.

4. *HHSC rules.* The submission, processing and resolution of the Provider's claim is governed by rules adopted by HHSC pursuant to Chapter 2260, Government Code.

5. *Provider's duty to perform.* Neither the occurrence of an event constituting an alleged breach of contract nor the pending status of any claim for breach of contract is grounds for the suspension of performance, in whole or in part, by Provider of any duty or obligation with respect to the Services under this Agreement.

**By signing this Agreement, I confirm that I have read, understand, and will comply with the terms of this Agreement the applicable requirements of the CHIP and Vendor Drug Programs.**

\_\_\_\_\_  
Signature of Provider/Applicant

\_\_\_\_\_  
Printed name and Title

\_\_\_\_\_  
Date

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