



340B CONTRACT PHARMACY & MFP REBATES **FREQUENTLY ASKED QUESTIONS**





340B CONTRACT PHARMACY & MFP REBATES: FAQs

Understanding the Role of MTF DM, Second Sight Solutions Beacon, 340B ESP, and Cervey 340B TPA Services

Purpose: This FAQ is intended to help 340B contract pharmacies understand how multiple systems and services may impact pharmacy operations, reimbursement, inventory replenishment, compliance, reporting, and issue resolution.

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GENERAL OVERVIEW

1. Why am I hearing about MTF DM, Beacon, 340B ESP, and Cervey 340B TPA Services?

As a 340B contract pharmacy, your operations may be impacted by several related workflows. These four platforms or services each support a different part of the overall pharmacy workflow.

- 340B contract pharmacy requirements
- Manufacturer 340B validation requirements
- Medicare Drug Price Negotiation Program activity
- Manufacturer reimbursement workflows
- Duplicate discount prevention
- Inventory replenishment processes
- Financial reconciliation
- Audit and compliance obligations

2. What does each platform or service do?

Each platform or service has a distinct role in supporting 340B contract pharmacy operations, Medicare negotiated pricing activity, manufacturer validation, and financial reconciliation.

Product / Service	Primary Role	Pharmacy Impact
340B ESP	Manufacturer 340B validation platform	May impact 340B claim validation and 340B replenishment recognition.
MTF DM	Medicare negotiated pricing transaction platform	Supports MFP transaction processing and MFP manufacturer reimbursement workflows.
Beacon	Reporting, analytics, and reconciliation platform	Helps monitor MFP payments, MFP exceptions, and MFP-related financial activity.
Cervey TPA Services	340B contract pharmacy administration and support services	Helps manage 340B operations, 340B compliance, 340B reporting, 340B reconciliation, and 340B issue resolution.

340B ESP validates. MTF DM processes. Beacon reports and reconciles. Cervey helps administer, monitor, and coordinate the 340B program.



OPERATIONAL IMPACT

3. How does 340B ESP impact contract pharmacy operations?

If information is incomplete, inaccurate, or not accepted by ESP, a claim may not be recognized by the manufacturer for 340B replenishment. In these cases, 340B pricing can be removed by the manufacturers, based on their policies.

- Contract pharmacy claim validation
- Manufacturer recognition of 340B activity
- 340B replenishment eligibility
- Manufacturer policy compliance
- Claim-level reporting requirements
- Duplicate discount monitoring
- Audit and documentation support

4. How does MTF DM impact contract pharmacy operations?

MTF DM may impact pharmacy operations when a prescription involves a drug subject to Medicare negotiated pricing. It is not a standard point-of-sale claims adjudication system. Instead, it supports post-claim transaction activity related to Medicare negotiated pricing.

- Transaction reporting
- MFP eligibility review
- Claim-level data validation
- Manufacturer reimbursement workflows
- Exception resolution
- Reconciliation activities

5. How does Beacon impact contract pharmacy operations?

Beacon helps provide visibility into MFP-related activity and is useful for identifying issues that may not be obvious from the pharmacy dispensing system alone.

- MFP transaction status
- Manufacturer payment activity
- Reimbursement exceptions
- Pending payment items
- Rejected or unresolved transactions
- Financial reconciliation reports
- Audit support documentation

6. How do Cervey's 340B Contract Pharmacy TPA Services impact pharmacy operations?

Cervey does not replace 340B ESP, MTF DM, or Beacon. Instead, Cervey helps manage the operational workflows surrounding 340B ESP.

- 340B contract pharmacy program administration
- 340B claim eligibility support
- Contract pharmacy reporting
- 340B reconciliation support



- 340B manufacturer policy monitoring
- 340B audit preparation
- 340B Issue escalation
- Coordination between covered entities, pharmacies, manufacturers, and 340B ESP



HOW THE FOUR WORK TOGETHER

7. How do all four products and services work together?

Two workflows that work in parallel:

Prescription Dispensed -> 340B Eligibility Review (Cervey TPA Services) -> Manufacturer 340B Validation (340B ESP)

Prescription Dispensed -> Medicare Negotiated Pricing Transaction Processing (MTF DM) -> Reporting, Payment Monitoring, and Reconciliation (Beacon)

Cervey may play a role in the workflow by sending data to ESP on Covered Entity's behalf, as well as provide insight into wholesaler pricing.

8. Does Cervey replace 340B ESP, MTF DM, or Beacon?

No. Cervey's 340B Contract Pharmacy TPA services are not intended to replace those systems. 340B ESP supports manufacturer 340B validation. MTF DM supports Medicare negotiated pricing transaction processing. Beacon supports MTF reporting, analytics, and reconciliation. Cervey supports administration, monitoring, reconciliation, compliance, and issue management across the 340B contract pharmacy program.



FINANCIAL IMPACT

9. Can these systems affect pharmacy revenue?

Yes. These systems and workflows may impact revenue visibility, payment timing, inventory replenishment, and reconciliation.

10. How could a pharmacy lose money if these workflows are not properly managed, and how can Cervey help?

How can a pharmacy lose money?

- 340B ESP validation failures are not corrected.
- MTF transaction failures are not monitored.
- Beacon exception reports are not reviewed.
- Manufacturer payment discrepancies are not reconciled.
- Eligible 340B claims are not recognized for replenishment.
- Unknown reasons for MFP rebate rejection. Manufacturers do not publish detailed MFP rebate eligibility criteria or methodology, and as such any number of unknown variables can affect MFP rebate eligibility
- Teams do not know who owns issue resolution

How can Cervey help?

Cervey's 340B Contract Pharmacy TPA services may help reduce these risks by supporting 340B claims monitoring, and sending of data to 340B ESP.

MFP rebates fall outside the responsibility of TPA's such as Cervey, however we are in early stages of evaluating how we can help in this area, which includes evaluating the development of MFP reconciliation tools.



340B ESP AND CONTRACT PHARMACY IMPACT

11. Why is 340B ESP important to contract pharmacies?

340B ESP is important because manufacturers may use it to validate whether contract pharmacy claims meet manufacturer requirements for 340B recognition. If 340B ESP determines that a Covered Entity's claims aren't meeting manufacturer requirements, 340B pricing is subject to removal at the wholesaler level.

- Whether 340B claims are accepted by the manufacturer
- Whether 340B replenishment is available
- Whether 340B exceptions need to be resolved
- Whether 340B documentation is required
- Whether the claim may be included in a manufacturer dispute or audit review

12. What kind of issues may appear in 340B ESP?

Cervey may help research and support resolution of these issues depending on the contracted service arrangement.

- Missing 340B claim data
- Invalid or incomplete identifiers
- Manufacturer 340B policy restrictions
- 340B Contract pharmacy eligibility concerns
- Prescriber or patient eligibility questions
- Timing issues with 340B claim submission
- Duplicate 340B discount concerns
- Rejected or excluded 340B claims



MTF DM AND MEDICARE NEGOTIATED PRICING IMPACT

13. What is the Medicare Drug Price Negotiation Program?

The Medicare Drug Price Negotiation Program establishes negotiated prices for selected Medicare drugs. For certain claims, additional downstream reporting, manufacturer reimbursement, and reconciliation activity may be required after the pharmacy claim is processed.

14. What does MTF DM do in that process?

MTF DM supports transaction processing and data exchange related to Medicare negotiated pricing activity.

- MFP transaction collection
- Transaction routing
- Data validation
- Manufacturer reimbursement support
- Status tracking
- Reconciliation activity

15. What does this mean for contract pharmacies?

- Whether a dispensed drug is subject to negotiated pricing
- Whether additional transaction activity occurs after adjudication
- Whether payment or reimbursement activity needs to be reconciled
- Whether exceptions require research
- Whether pharmacy data is needed to support issue resolution



BEACON REPORTING AND RECONCILIATION IMPACT

16. What role does Beacon play?

Beacon provides visibility into MFP-related activity and is generally used to help identify and manage issues that require operational or financial follow-up.

- Processed transactions
- Pending items
- Rejected transactions
- Manufacturer payment activity
- Outstanding balances
- Exception reports
- Reconciliation activity
- Audit support reports

17. Does Beacon replace MTF DM or 340B ESP?

No. Beacon is primarily a reporting, analytics, and reconciliation tool. It does not replace 340B ESP for manufacturer 340B validation, MTF DM for Medicare negotiated pricing transaction processing, or Cervey's TPA services for 340B contract pharmacy administration and operational support.



CERVEY TPA SERVICES

18. What role does Cervey play for 340B contract pharmacies?

Cervey may serve as a 340B Contract Pharmacy TPA partner that helps covered entities and contract pharmacies manage the operational workload associated with 340B contract pharmacy programs.

- Supporting contract pharmacy administration
- Helping identify eligible 340B activity
- Supporting reporting and reconciliation
- Reviewing 340B claim exceptions
- Coordinating with covered entities and pharmacies
- Supporting audit readiness
- Assisting with manufacturer 340B policy changes

19. How does Cervey help with 340B ESP-related activity?

- Review of ESP validation issues
- Research of rejected or excluded claims
- Manufacturer policy interpretation
- Claim-level investigation
- Coordination between the covered entity and pharmacy
- Reconciliation of ESP activity against pharmacy or 340B program records
- Documentation support for audit or dispute purposes

20. How does Cervey help with MTF DM-related activity?

- Monitoring claim populations that may overlap with MFP activity
- Supporting reconciliation of impacted claims
- Helping investigate transaction exceptions
- Coordinating with stakeholders when claim-level research is needed

21. How does Cervey help with Beacon-related activity?

- Provide 340B operational reporting to covered entities or pharmacy stakeholders



ACCESS AND RESPONSIBILITIES

22. Who may need access to each system?

Access should be based on each organization's policies, contractual responsibilities, and job duties.

Role	340B ESP	MTF DM	Beacon	Cervey TPA Services
Pharmacy Manager	May need	May need	Recommended	Yes, for communication and issue support
340B Administrator	Yes	Recommended	Recommended	Yes
Staff Pharmacist	Typically no	Typically no	Typically no	Usually limited
Billing / Reimbursement Team	As needed	Yes	Yes	Yes
Compliance Team	Yes	Yes	Yes	Yes
Covered Entity Program Manager	Yes	Recommended	Recommended	Yes
Finance Team	Limited	Recommended	Yes	Yes

23. Who should own day-to-day monitoring?

A practical ownership model should assign responsibility by workflow area so exceptions do not fall between teams.

Area	Typical Owner	Primary Focus
340B ESP	340B Program Team, Covered Entity 340B Administrator, Contract Pharmacy Administrator, Cervey TPA support team if applicable	ESP validation, manufacturer 340B requirements, 340B replenishment eligibility, 340B duplicate discount monitoring
MTF DM	Government Programs, Revenue Cycle, Pharmacy Operations, Reimbursement Team	MFP transactions, MFP submission status, MFP processing errors, manufacturer MFP reimbursement activity



Beacon	Finance, Reimbursement, Analytics, Compliance, Cervey TPA support team if applicable	Reporting, payment monitoring, reconciliation, exception management
Cervey TPA Services	Cervey support team in coordination with the covered entity and contract pharmacy	340B administration, 340B operational oversight, 340B issue management, 340B reporting, 340B reconciliation, compliance support



ISSUE RESOLUTION

24. Which system or service should I check first when an issue is identified?

Use the nature of the issue to determine where to start.

Issue	Start With	Then Review	Cervey's Potential Role
Missing 340B Pricing	340B ESP	340B program records	Research and reconciliation support
ESP validation failure	340B ESP	Covered entity and pharmacy claim data	Claim investigation and issue escalation
Missing MFP reimbursement	Beacon	MTF DM transaction records	
MTF transaction failure	MTF DM	Beacon exception reporting	
MFP Payment discrepancy	Beacon	MTF DM and pharmacy records	
Manufacturer dispute	340B ESP / Beacon / MTF DM	Supporting claim documentation	Documentation and stakeholder coordination
Audit request	All applicable systems	Covered entity and pharmacy records	Audit support and documentation assistance

25. What should pharmacies do when an exception is found?

Cervey provides tools and assistance to pharmacy staff engaged in 340B-related investigation, tracking, coordination, and reconciliation.

- Identify the affected claim or transaction.
- Determine whether the issue is related to 340B, MFP, MFP reimbursement, or reporting.
- Check the appropriate system first.
- Gather supporting documentation.
- Notify the responsible party.
- Track the issue until it is resolved.
- Confirm whether payment, replenishment, or reporting was corrected.
- Retain documentation for audit support.



REPORTING AND RECONCILIATION

26. What should contract pharmacies review daily?

- 340B ESP validation failures
- MTF transaction failures
- Beacon exception reports
- Missing payment alerts
- High-dollar unresolved claims
- Manufacturer communications
- Urgent covered entity inquiries

27. What should contract pharmacies review weekly?

- Open ESP exceptions
- Open Beacon exceptions
- Outstanding MFP reimbursement items
- Rejected or failed MTF transactions
- Unreconciled claims
- Manufacturer policy updates
- High-value replenishment issues
- Issues requiring Cervey or covered entity follow-up

28. What should contract pharmacies review monthly?

- Financial reconciliation reports
- 340B replenishment activity
- MFP reimbursement activity
- Manufacturer payment summaries
- Contract pharmacy performance reports
- Compliance exception trends
- Audit documentation
- Variance reports across ESP, MTF DM, Beacon, and pharmacy records

29. What is a three-way or four-way reconciliation?

A three-way reconciliation may compare pharmacy dispensing records, 340B ESP validation or 340B program records, and Beacon or MTF-related reimbursement records. A four-way reconciliation may also include Cervey's TPA reporting or operational records to help validate the full lifecycle of a claim.

- What was dispensed
- What was eligible for 340B
- What was validated or excluded by ESP
- What was processed through MTF DM
- What was reported or reconciled in Beacon
- What follow-up or corrective action was managed through Cervey



COMPLIANCE AND AUDIT READINESS

30. What is the biggest compliance risk?

The biggest compliance risk is inconsistent claim classification or incomplete documentation across systems.

- Duplicate discount risk
- Manufacturer disputes
- Missed replenishment
- Incorrect reimbursement assumptions
- Incomplete audit support
- Unresolved exceptions
- Inconsistent reporting between stakeholders

31. How can Cervey help reduce compliance risk?

Cervey's role is especially helpful when multiple systems and stakeholders are involved.

- Consistent 340B program administration
- 340B Claim eligibility workflows
- Documentation retention
- 340B Exception monitoring
- 340B Reconciliation data support
- 340B Pricing Transparency
- Covered entity and pharmacy coordination
- 340B Audit preparation



BEST PRACTICES FOR CONTRACT PHARMACIES

32. What are the best practices for managing all four?

Contract pharmacies should consider the following best practices.

Assign Clear Ownership

- 340B ESP monitoring
- MTF DM transaction review
- Beacon reporting review
- Cervey issue coordination
- Financial reconciliation
- Audit documentation

Create a Weekly Review Process

- Include pharmacy operations, the 340B administrator, reimbursement or billing, compliance, Cervey support if applicable, and covered entity contacts if applicable.

Monitor Exceptions Aggressively

- Do not allow ESP validation failures, MTF transaction failures, Beacon payment discrepancies, missing replenishment, manufacturer disputes, unmatched claims, or high-dollar open items to remain unresolved.

Perform Monthly Reconciliation

- Compare dispensed prescriptions, 340B eligible claims, ESP validation results, MTF transaction activity, Beacon payment and exception reporting, and Cervey TPA reporting or issue logs.

Document Everything

- Claim-level research
- Manufacturer inquiries
- ESP failures
- MTF exceptions
- Beacon reconciliation items
- Cervey support tickets or issue notes
- Audit responses
- Corrective actions taken



QUICK REFERENCE SUMMARY

33. What should contract pharmacies remember?

The four-part framework works best when each platform or service is understood based on its role in the operational lifecycle.

Product / Service	Main Purpose	What Pharmacies Should Watch
340B ESP	Manufacturer 340B validation	340B validation failures, 340B excluded claims, 340B manufacturer restrictions, 340B replenishment impact
MTF DM	Medicare negotiated pricing transactions	MFP Transaction failures, MFP activity, MFP reimbursement support, missing records
Beacon	Reporting and reconciliation	MFP Payment status, MFP open exceptions, MFP unmatched claims, MFP financial variances
Cervey TPA Services	340B program administration and operational support	340B claim eligibility, 340B claim reconciliation, 340B compliance support, 340B issue resolution, stakeholder coordination

34. What is the bottom line?

The combination of 340B ESP, MTF DM, Beacon, and Cervey's 340B Contract Pharmacy TPA Services creates a broader operational framework for managing 340B contract pharmacy activity and Medicare negotiated pricing impacts. The most successful contract pharmacies will not treat these as isolated systems. Instead, they should manage them through a coordinated workflow that connects dispensing activity, 340B eligibility, manufacturer validation, MFP transaction processing, payment reconciliation, and compliance documentation.

Bottom line: 340B ESP helps manufacturers validate 340B contract pharmacy claims. MTF DM supports Medicare negotiated pricing transaction processing. Beacon provides reporting, analytics, payment visibility, and reconciliation support. Cervey's TPA Services help administer the 340B contract pharmacy program, support reconciliation, investigate 340B claim exceptions, coordinate stakeholders, and assist with 340B claim compliance oversight.