



# Health Mart<sup>®</sup> Systems, Inc. Franchise Standards



*Health Mart's goal is to provide resources that bolster each store's ability to meet current patient expectations and attain the capabilities necessary to take advantage of future opportunities.*

*Our franchise standards define guideposts that lead to consistent engagement and performance across locations. This consistency provides the foundation to market and grow the Health Mart brand, and positions the network for inclusion in opportunities that may not be available to individual stores.*

*This document will help you understand each franchise standard in detail, why it is important, and what is required of you.*



## **McKesson Distribution Customer in Good Standing**

### **WHAT IS THE STANDARD?**

You must be a McKesson distribution customer in good standing.

### **WHY IS IT IMPORTANT?**

McKesson values its customers and through Health Mart, provides additional operational support services that allow customers to meet evolving patient expectations. In addition, McKesson, and all McKesson subsidiaries value integrity, inclusion, customer focus, accountability, and respect. These values should carry through to our franchisees as well.

### **HOW DO I MEET IT?**

Meet all obligations of your McKesson distribution agreement, and employ prudent safeguards to comply with credit, legal, regulatory and contractual requirements.



## Annual Fraud, Waste, and Abuse (FWA) Training

### WHAT IS THE STANDARD?

Each franchisee must ensure all staff members complete FWA training annually by December 15th for the current calendar year and complete the FWA attestation in your store's NCPDP profile.

### WHY IS IT IMPORTANT?

FWA training is required by most health plans, PBMs and CMS. Completing this training helps your pharmacy understand requirements related to FWA and potentially helps to mitigate risk to your business.

### HOW DO I MEET IT?

Ensure your attestation is in NCPDP by December 15th for the current calendar year.

Franchisees have the option to source FWA training content as they prefer. As a franchisee, you have access to FWA courses in Health Mart University<sup>SM</sup>. No matter which content is used, you must complete the NCPDP attestation.



## Open-Door Pharmacy (Community Accessible)

### WHAT IS THE STANDARD?

Franchisee's pharmacy must have an open-door status and be capable of serving all patient populations throughout the community.

### WHY IS IT IMPORTANT?

Health Mart is an independent retail pharmacy franchise. We must ensure our pharmacies are publicly accessible to their local community.

### HOW DO I MEET IT?

Authenticate your open-door status by ensuring your NCPDP profile reflects you are open to the public and contains your current store hours, which are also validated in your myHealthMart store profile.



## Immunizer Status

### WHAT IS THE STANDARD?

Franchisee has a qualified immunizer according to federal, state and local regulations and has the capability to provide influenza vaccinations (at a minimum) to the community.

### WHY IS IT IMPORTANT?

Patients expect to get their immunizations at their local pharmacy. As a franchise, consistency across all store locations allows for greater marketing support and contracting opportunities for our franchisees.

### HOW DO I MEET IT?

Ensure your NCPDP profile indicates you have a qualified immunizer and that you can provide influenza vaccines.



## Insurance Coverage

### WHAT IS THE STANDARD?

Franchisee maintains General and Professional Liability policies with at least \$1M/occurrence and \$3M/aggregate insurance coverages.

### WHY IS IT IMPORTANT?

The franchise limits align with most PBM requirements. Business insurance can reduce your business risks and provide coverage and solutions for situations that you can't control. Carrying sufficient insurance to avert crisis is simply a good business practice.

### HOW DO I MEET IT?

Ensure you complete the NCPDP Insurance section including all data points (carrier/issuing agency name, policy number(s), policy start/end dates, occurrence/aggregate/umbrella coverage amounts). You must also upload your Certificate of Liability Insurance in NCPDP.

[See reference chart for full coverage expectations.](#)



## Pharmacy Services Administration Organization (PSAO)

### WHAT IS THE STANDARD?

If a pharmacy participates with a PSAO, the PSAO must be approved by Health Mart.

Franchisees may be exempt from this requirement if classified as a fully self-contracting pharmacy having no affiliation with an unapproved PSAO (reviewed on a case-by-case basis).

### WHY IS IT IMPORTANT?

It is important that stores can participate in benefit plans offered through PBM contracts and provide adequate access to their patients. Leveraging an approved PSAO ensures stores have the third-party contracting and back-end pharmacy support to help gain contract access.

### HOW DO I MEET IT?

If you are enrolled in either Health Mart Atlas or EPIC Pharmacy Network you need do nothing. Health Mart receives participant lists.

If you self-contract, you must submit an attestation via the myHealthMart Franchise Standards page two times per year. The attestation is validated each month for ongoing accuracy by comparing to data Health Mart receives from NCPDP and PQS.

#### Health Mart Atlas

CoverMyMeds Building  
910 John Street  
Columbus, OH 43222  
Toll Free: 800.824.1763, ext. 2

#### EPIC Pharmacy Network

5024 Campbell Blvd. Ste. R  
Nottingham, MD 21236-5943  
Toll Free: 800.965.EPIC (3742)  
Direct: 804.559.4597  
Fax: 804.559.2038



## Maximizing Performance

### WHAT IS THE STANDARD?

Franchisee must meet **one** of the following performance criteria:

- a. Meet or exceed CMS 4-star performance in 1 of the 4 key measures.
- b. Reach 60% performance (Performance Score of 4 or 5) in Outcomes.
- c. Operate in a vulnerable location as defined by SVI, HPSA or MUA measures.

### WHY IS IT IMPORTANT?

As a franchise, demonstrating strong performance across all store locations may provide Health Mart with expanded opportunities for partnership, revenue benefits and program access.

### HOW DO I MEET IT?

Ensure your location meets at least one of the criteria above.

[See reference chart for full performance details.](#)



## Digital Presence: myHealthMart Store Profile

### WHAT IS THE STANDARD?

Franchisee must maintain their store profile on myHealthMart, updating and affirming its accuracy by December 15th of the current calendar year.

### WHY IS IT IMPORTANT?

Select information in your profile is automatically displayed to consumers via HealthMart.com. Ensuring your community knows your hours of operation and services offered may broaden your patient engagement.

Visibility into your store's capabilities allows Health Mart to identify and respond when approached with new opportunities. It also allows us to quickly target stores for engagement.

### HOW DO I MEET IT?

Ensure all sections of your myHealthMart store profile are accurate, saved and affirmed by December 15th for the current calendar year.



## Branding: Health Mart Signage and Décor

### WHAT IS THE STANDARD?

Franchisee must install the minimum elements included in the [Brand Essentials Kit](#) and submit signage photographs every two years.

### WHY IS IT IMPORTANT?

It is important that consumers recognize your pharmacy as part of Health Mart so that you can benefit from marketing initiatives and Health Mart-only offerings.

### HOW DO I MEET IT?

Appropriately display in a visible, public-facing manner the Health Mart LED sign and at least two window graphics. Submit post-installation photographs upon entry and subsequently every two years for review and approval by navigating to myHealthMart.com > Profile icon > Franchise Standards Achievement > Standards Submissions and Attestations > Please choose a standard > Health Mart Store Branding.

New stores receive the Brand Essentials Kit upon entry to the franchise. Existing stores can order needed elements by visiting [Health Mart Décor](#).



## INSURANCE REFERENCE

Certificates of Insurance Required for Franchise Participation		
INSURANCE TYPE	MINIMUM LIMITS	MINIMUM COVERAGE
Commercial General Liability (including products liability)	\$1 million per occurrence/ \$3 million annual aggregate	Coverage arising from premises, operations, products and completed operations, personal injury, advertising injury, bodily injury, and property damage, including contractual liability
Professional Liability	\$1 million per claim/ \$3 million annual aggregate	Coverage for Drugstore and its employees, as applicable, arising from performance or failure to perform any professional services, including healthcare services under the Franchise Agreement, including errors, omissions, wrongful acts, and negligent acts
<b>Note:</b> Insurance limits required for participation in the Health Mart Franchise system can be satisfied through any combination of primary and umbrella/excess insurance, provided the umbrella policy follows form with the primary policy.		
As Required by Law and Recommended for Corresponding Business Needs		
WORKERS COMPENSATION	REQUIRED BY APPLICABLE LAW	SCOPE OF COVERAGE AS REQUIRED BY APPLICABLE LAW
Commercial Property	As applicable	<b>"All Risks" coverage for inventory, fire or water damage</b> , with full replacement costs, business interruption and extra expense coverage.
Employers Liability	\$1 million each accident or disease	Coverage for liability for injury to your covered employees.
Crime Insurance	\$1 million	Coverage for losses due to fraudulent or dishonest acts committed by your employees acting alone or in collusion with others.
Business Auto	\$1 million combined single limit each accident	Coverage for any auto used in performance of duties under the Franchise Agreement for bodily injury and property damage.
Network Security/ Privacy Liability/Cyber	\$1 million per claim and \$3 million annual aggregate	Coverage arising from liability or losses due to network security, privacy liability, and cyber insurance (first and third-party liability, wrongful disclosure of data, wrongful disclosure of any business confidential information, personally identifiable information or any personal or protected health information as defined by HIPAA and HITECH Acts or other applicable law; breach of security, including extortion, unauthorized access to computer(s) or system database(s), identification theft, web hosting (if applicable), regulatory proceedings, PCI fines and costs, notification costs, and credit monitoring services.

Disclaimer: Pertains only to pharmacies that have signed a Health Mart Franchise Agreement.

## PERFORMANCE REFERENCE

	Health Mart Franchise Standard (4-Star MAPD CMS Cutpoint)
Cholesterol PDC	88%
Diabetes PDC	88%
RASA PDC	89%
Statin Use in Persons with Diabetes (SUPD)	88%

Medicare 2024 Part C & D Star Ratings Technical Notes. 9 Sept 2023, <https://www.cms.gov/files/document/2024technotes20230929.pdf>



To learn more, visit <https://my.healthmart.com/Education.htm>



## McKESSON

Health Mart is proud to be a member of the McKesson family, sharing in the collective industry knowledge and experience residing within all other McKesson corporate affiliates. Since 1833, McKesson has been committed to the success of independent pharmacies through the delivery of innovative programs and reliable distribution services. Learn more at [mckesson.com](https://mckesson.com).

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