Frequently Asked Questions (FAQs) About ForwardHealth's Professional Dispensing Fee Survey

Revised June 17, 2016

On January 21, 2016, the Centers for Medicare and Medicaid Services (CMS) published the federal Covered Outpatient Drugs Final Rule (CMS-2345-FC). The intent of the federal regulation is to address the rise in prescription drug costs by ensuring that Medicaid programs reform payment methodologies for prescription drugs and to ensure drug rebates accurately account for market prices. As a result of the federal rule, ForwardHealth is required to update its pharmacy reimbursement policy.

ForwardHealth has contracted with a company, Mercer, to conduct a Professional Dispensing Fee Survey in order to obtain information from Medicaid-enrolled providers on the costs associated with dispensing covered outpatient drugs to members. ForwardHealth and Mercer hosted a technical webinar to assist providers with navigating the Professional Dispensing Fee Survey and to answer questions. This document provides frequently asked questions and answers about the survey.

Topic Category Guide

SURVEY FORMATS AND ACCESSIBILITY

Question #1: How can I access the Professional Dispensing Fee Survey?

Answer: Providers are able to access the Professional Dispensing Fee Survey via a web-based tool or a Microsoft® Excel template. The Professional Dispensing Fee Survey is accessible until June 24, 2016.

The web-based survey is secure and requires a username and password. Providers are able to access the web-based survey using the individual login information provided to them by ForwardHealth in the Professional Dispensing Fee Survey letter.

The Microsoft® Excel survey may be downloaded from the ForwardHealth Portal.

Providers may also request a copy of the Microsoft® Excel template by emailing CODSurvey@mercer.com.

Completed Excel surveys should be emailed back to CODSurvey@mercer.com by June 24, 2016.

Question #2: I did not receive a username and password from ForwardHealth [or my login information doesn't work]. Who should I contact?

Answer: For all username, password, and survey accessibility questions, providers should call the Mercer survey hotline at 844-294-9982 (available Monday through Friday between 9:00 a.m. and 5:00 p.m., Central Standard Time) or send an email to CODSurvey@mercer.com. Providers should include the

provider name, address, and telephone number in the email and allow one full business day for a response.

Question #3: I won't be able to complete the web-based survey in one session. Can I come back to it and complete it later?

Answer: If a survey cannot be completed in one session, the provider may save the partially completed web-based survey without losing entered data. When the web-based survey is completed, the provider must click Submit in order to send the survey to Mercer.

Question #4: What is the deadline for survey completion?

Answer: Providers are required to submit their completed Professional Dispensing Fee Survey by June 24, 2016.

SURVEY COMPLETION GUIDANCE

Question #5: Are there instructions for completing the survey?

Answer: Yes, providers should refer to the Professional Dispensing Fee Survey Completion Instructions for guidance on how to complete the survey. Additionally, ForwardHealth and Mercer hosted and recorded a technical webinar that is posted on the ForwardHealth Portal to assist providers with navigating the survey. The Professional Dispensing Fee Survey presentation used in the webinar is also posted to the ForwardHealth Portal.

Providers with specific questions about their areas of business that may not be addressed in the completion instructions or webinar resources should call the Mercer survey hotline at 844-294-9982.

Question #6: Which ForwardHealth programs do I need to report on the Professional Dispensing Fee Survey?

Answer: Providers should supply information pertaining to services provided to BadgerCare Plus, Medicaid, and SeniorCare members. Providers should **not** include the Wisconsin AIDS Drug Assistance Program (ADAP) or the Wisconsin Chronic Disease Program (WCDP) in their responses, as applicable.

Note: Responses for form elements that request "umbrella" totals may be all-encompassing. For example, reported costs for facility expenses.

Question #7: My organization has multiple locations used for dispensing. How do I submit information in the survey for all of the locations?

Answer: Providers who use the Microsoft® Excel survey may enter individual information for multiple locations. Providers who use the web-based survey will need to submit a separate survey for each location. Providers should use the same username and password that was assigned to them from ForwardHealth for each web-based survey.

Question #8: Do all of the elements in the survey need to be completed?

Answer: As indicated in Element 17a of the Professional Dispensing Fee Survey Completion Instructions, providers whose locations have been open less than 12 months are not required to respond to all of the elements in the survey. ForwardHealth requests that all providers fill out the survey to the best of their ability, as not all questions will be relevant to every provider type. The information provided to ForwardHealth will be a factor in the future professional dispensing fee.

Question #9: What if I don't know my Wisconsin Medicaid Identification Number?

Answer: Providers may use the Switch Organization function from their secure Portal account home page to view their eight- or nine-digit Wisconsin Medicaid identification number, listed as the Wisconsin Provider ID on the panel. Refer to the ForwardHealth Provider Portal Account User Guide for more information on the Switch Organization function.

If necessary, providers may also contact the Provider Services Call Center at 800-947-9627 to obtain their Wisconsin Provider ID.

Question #10: What is the reporting period?

Answer: As indicated in Element 38 of the Professional Dispensing Fee Survey Completion Instructions, the reporting period is the last complete fiscal year and should correspond to the report dates on financial statements or tax returns.

Question #11: How do I count the number of prescriptions filled?

Answer: The number of prescriptions filled is equal to the number of refills, regardless of how the prescriptions were billed or the quantity or duration of the prescriptions.

For example, four refills paid on one bill count as four prescriptions filled. If a three-month supply of a drug constitutes one refill, it should be counted as one prescription filled.

Question #12: What should I indicate if I am unable to determine the number of Medicare prescriptions separately from other prescriptions for Element 25b of the survey?

Answer: If it is not possible to indicate the number of Medicare prescriptions separately in Element 25b of the survey, providers may include Medicare prescriptions in the total prescriptions in Element 25d. In this situation, providers should indicate "0" in Element 25b.

Question #13: What if my organization has not completed its current fiscal year?

Answer: As indicated in Element 38 of the Professional Dispensing Fee Survey Completion Instructions, providers should complete the survey using information from the last complete fiscal year. For example, if an organization's fiscal year is July 1 through June 30, data from July 1, 2014, through June 30, 2015, (fiscal year 2015) should be provided on the survey.

Question #14: My organization's pharmacy is part of a retail setting. How do I categorize costs?

Answer: Support directly related to the pharmacy services should be allocated as direct costs. Support not directly related to the pharmacy services — for example, IT support — should be allocated as an indirect cost.

Question #15: What is the definition of a professional dispensing fee?

Answer: As defined in 42 CFR 447.502, a professional dispensing fee is the professional fee which:

> (1) Is incurred at the point of sale or service and pays for costs in excess of the ingredient cost of a covered outpatient drug each time a covered outpatient drug is dispensed;
>
> (2) Includes only pharmacy costs associated with ensuring that possession of the appropriate covered outpatient drug is transferred to a Medicaid beneficiary. Pharmacy costs include, but are not limited to, reasonable costs associated with a pharmacist's time in checking the computer for information about an individual's coverage, performing drug utilization review and preferred drug list review activities, measurement or mixing of the covered outpatient drug, filling the container, beneficiary counseling, physically providing the completed prescription to the Medicaid beneficiary, delivery, special packaging, and overhead associated with maintaining the facility and equipment necessary to operate the pharmacy; and
>
> (3) Does not include administrative costs incurred by the State in the operation of the covered outpatient drug benefit including systems costs for interfacing with pharmacies.

SURVEY PARTICIPATION

Question #16: Under what authority is ForwardHealth mandating that Medicaid-enrolled providers participate in the survey?

Answer: Centers for Medicare and Medicaid Services is requiring ForwardHealth — in setting professional dispensing fee reimbursement — to submit to the federal government adequate data supporting the amount of the fee "such as a State or national survey of retail pharmacy providers or other reliable data." This is in accordance with federal regulations at 42 CFR § 447.518.

To ensure that the data obtained through the Professional Dispensing Fee Survey is reliable and adequate to support the amount of the professional dispensing fee that ForwardHealth will eventually submit to the federal government, ForwardHealth is requiring participation in the survey by Medicaid-enrolled dispensing providers.

Medicaid-enrolled dispensing providers are required to maintain records in accordance with Wis.Stat. § 49.45(3)(f)(1). Providers are reimbursed by Wisconsin Medicaid only if they comply with applicable State and federal procedural requirements, including maintaining and granting access to pertinent accounting and financial records in accordance with Wis. Admin. Code § DHS 106.02(4) and (9). Otherwise coverable Medicaid items or services are non-reimbursable if the provider fails or refuses to prepare or

maintain records or to permit authorized DHS personnel access to those records. This is in accordance with Wis. Admin. Code §§ DHS 106.02(9)(g) and DHS 107.02(2). Under the Provider Agreement signed by all Medicaid-enrolled providers, each provider agrees to "furnish to the Department of Health Services any information regarding services provided." This is in accordance with federal regulations at 42 CFR § 431.107(b)(2).

Question #17: Will I be required to supply my financial statements?

Answer: Mercer will request financial statements from a random sample of providers for survey validation purposes, as well as from providers whose survey results yield reporting anomalies. ForwardHealth requests that providers be prepared to supply financial statements in the event that they are asked to do so.

Question #18: How will my survey information be used?

Answer: Survey information will be analyzed and used to identify categories of dispensing costs in the future, including non-traditional dispensing costs, such as those for medication therapy management (MTM).

NON-PHARMACY SURVEY PARTICIPANTS

Question #19: I am not a pharmacy provider, but I did receive a Professional Dispensing Fee Survey notification. Do I need to participate in the survey?

Answer: Yes, all Wisconsin Medicaid-enrolled providers who dispense drugs are required to participate in the survey. In addition to pharmacies, this includes:

- Family planning clinics.
- Federally qualified health centers.
- Independent labs.
- Narcotic treatment services providers.
- Physician clinics.

Non-pharmacy providers who dispense, distribute, or deliver covered outpatient drugs to BadgerCare Plus, Medicaid, and SeniorCare members and bill a National Drug Code (NDC) through the ForwardHealth Medicaid Management Information System (MMIS) are required to participate in the Professional Dispensing Fee Survey.

Question #20: What is a dispensing provider?

Answer: Wis. Admin. Code § DHS 101.03(45) defines "dispensary providers," in part, as providers who dispense drugs, medical supplies, or equipment upon a prescription or order from a prescriber.

SURVEY RESULTS

Question #21: When will the results of the survey be available?

Answer: ForwardHealth will hold stakeholder meetings in the fall of 2016 to discuss its recommendations based on the survey results. A future *ForwardHealth Update* will be published with the new professional dispensing fee.

Question #22: Where can I find more ForwardHealth-covered outpatient drug information?

Answer: ForwardHealth has created a Covered Outpatient Drug Pricing page on the ForwardHealth Portal that is the repository for covered outpatient drug pricing information, including future *Updates* and other resources. Providers are encouraged to check the page regularly for new information.

Additionally, providers who are not already ForwardHealth email subscribers are encouraged to sign up for the Outpatient Drug Rule email subscription in order to receive important updates.

340B DRUG PRICING PROGRAM

Question #23: What is the 340B prime vendor program?

Answer: The 340B prime vendor program is a program that enables hospitals, community health centers, clinics, and other safety-net providers to purchase outpatient drugs at discounted pricing, thereby expanding access to care to low-income and vulnerable segments of the population. Apexus is the Health Resources and Services Administration-designated prime vendor for the 340B Drug Pricing Program and helps 340B entities access the lowest 340B prices on covered outpatient drugs. Covered entities are required to register with Apexus for this free federal benefit to have access to the sub-ceiling pricing.

Question #24: What is a 340B administrator?

Answer: A 340B administrator is a third party that handles administration and inventory of the 340B Drug Pricing Program for a covered entity.

MEDICATION THERAPY MANAGEMENT SERVICES

Question #25: What are medication therapy management services?

Answer: Medication therapy management services are value-added services that assist members in managing their medications. ForwardHealth's MTM benefit reimburses pharmacists for these services. The MTM benefit includes two types of services — intervention-based services and Comprehensive Medication Review and Assessment (CMR/A) services.

Intervention-based services are traditional pharmaceutical services, such as adherence counseling, dosage adjustments, education on proper medication administration, and potential addition or deletion of medications.

Comprehensive Medication Review and Assessment services are in-depth analyses of members' health statuses by a pharmacist. This includes the formulation of treatment plans, documentation and communication with primary care providers, referrals to other health care providers, and coordination and integration of medication management services with the broader health care system. For more information about ForwardHealth's MTM benefit, refer to the Pharmacy service area of the Online Handbook.

Question #26: What costs should be reported for MTM?

Answer: Payments received from ForwardHealth for all MTM services (intervention-based services and CMR/A services) should be reported on the survey.

Question #27: Do I need to list MTM claims separately for each modifier?

Answer: No, providers should indicate the total of all MTM claims for the requested modifiers. For example, MTM claims for intervention-based services billed with modifiers U1–U8 should be totaled and entered in Element 41a of the survey.

Question #28: Is there a way that I can identify the MTM claims from other claims for my organization on the ForwardHealth Portal?

Answer: Although there is not a way to query and isolate MTM claims from other claims, the claim search function available from the secure Provider area of the Portal allows providers to search for and view the details of their submitted claims based on various criteria. Because MTM services are billed on a professional claim, a provider may select Professional as the claim type as part of the search criteria. Additionally, if the organization typically bills the same amount for MTM services, users may search by amount billed. The rendering provider ID, dates of service, member ID, as well as other criteria, are also claim search options that may be helpful in identifying MTM claims submitted to ForwardHealth. Refer to the ForwardHealth Portal Claim Search Instruction Sheet for more information.