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April 25, 2016

Dear Provider,

On January 21, 2016, the Centers for Medicare and Medicaid Services (CMS) published the federal Covered Outpatient Drugs Final Rule (CMS-2345-FC) 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.

The regulation requires state Medicaid programs to reimburse drugs at actual acquisition cost plus a professional dispensing fee by April 1, 2017. Additionally, the federal CMS regulation requires state Medicaid programs to implement drug reimbursement policies for those entities that participate in the federal Health Resources and Services Administration (HRSA) 340B Drug Pricing Program.

The Wisconsin Department of Health Services (DHS) has contracted with a company, Mercer, to conduct a pharmacy cost of dispensing survey in order to obtain information on the costs associated with dispensing covered outpatient drugs to Wisconsin ForwardHealth members.

The data collected will be used to determine the professional dispensing fee. Therefore, all Wisconsin Medicaid-enrolled pharmacies and providers who dispense drugs are required to participate in the survey process.

You have been identified as a provider that has billed a national drug code through the ForwardHealth Medicaid Management Information System in the last year. Therefore, we require your participation in the professional dispensing fee survey.

Today we are contacting you to ensure that we have your correct contact information so the dispensing fee survey is sent to the appropriate location.

**Please go to the following link and submit the requested demographic (e.g., name, address, email, phone) information by May 20, 2016.**

[https://survey.mercer.com/WI\\_Medicaid\\_RxContact.aspx](https://survey.mercer.com/WI_Medicaid_RxContact.aspx)

Providers with questions regarding the survey process are encouraged to contact Mercer via the pharmacy survey hotline at 1-844-294-9982 or by email at [CODSurvey@mercerc.com](mailto:CODSurvey@mercerc.com).

DHS understands that all non-pharmacy providers are unique and that a dispensing fee survey may not account for the value-added services they provide to ForwardHealth members. DHS will

take feedback into consideration as the new professional dispensing fee is established. It is necessary to partake in the dispensing fee survey because any dispensing fee decision must be supported by the data Mercer collects. Also, the data collected from non-pharmacy providers may help differentiate their professional dispensing fee costs from pharmacy professional dispensing fee costs.

For more information on the Covered Outpatient Drugs Final Rule, DHS has created a ForwardHealth Portal page at:

<https://www.forwardhealth.wi.gov/WIPortal/content/Provider/medicaid/pharmacy/codp/codp.htm.spage>.

This Portal page will be the repository for outpatient drug rule information. Providers are encouraged to check this page regularly for updated information. Additionally, providers are encouraged to sign up for the Outpatient Drug Rule e-mail subscription option in order to receive important updates at:

<https://www.forwardhealth.wi.gov/WIPortal/Subsystem/KW/Subscriptions.aspx>.

Thank you for your participation.

Sincerely,

Rachel Currans-Henry  
Director, Bureau of Benefits Management