FAQs
Covered Outpatient Drug Pricing Policy and Prescription Volume Attestation

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BACKGROUND

The Centers for Medicare & Medicaid Services published the federal Covered Outpatient Drugs Final Rule (CMS-2345-FC) in January 2016 to address the rise in prescription drug costs by ensuring that Medicaid programs reformed payment methodologies for prescription drugs to accurately reflect actual cost.

In accordance with the federal rule, ForwardHealth implemented a professional dispensing fee reimbursement rate structure based on a provider's annual prescription volume, effective for dates of service on and after April 1, 2017. Providers are required to participate in an annual prescription volume attestation survey to determine their annual prescription volume and assign each of them a professional dispensing fee.

Topic Category Guide

GENERAL INFORMATION

Question #1: Which ForwardHealth programs were impacted by the changes to covered outpatient drug reimbursement?
Answer: BadgerCare Plus, Wisconsin Medicaid, SeniorCare, Wisconsin HIV Drug Assistance Program (HDAP), and Wisconsin Chronic Disease Program (WCDP) were impacted by the changes to covered outpatient drug reimbursement.

Question #2: Where can I find ForwardHealth's covered outpatient drug reimbursement policy?
Answer: For information about covered outpatient drug reimbursement policy, providers may refer to the Amounts chapter of the Pharmacy service area of the ForwardHealth Online Handbook.

Question #3: What is a professional dispensing fee?
Answer: Per 42 C.F.R. § 447.502, the professional dispensing fee is designed to reflect professional services and costs associated with delivering a covered outpatient drug to a ForwardHealth member. Services covered under the professional dispensing fee include record keeping, patient profile preparation, prospective Drug Utilization Review, and counseling.

For more information about professional dispensing fees, refer to the Online Handbook Covered Outpatient Drug Reimbursement: Professional Dispensing Fees topic #1349.

Question #4: Which drugs do the professional dispensing fees apply to?
Answer: Professional dispensing fee reimbursement applies to covered outpatient drugs, including drugs purchased through the 340B Drug Pricing Program and specialty drugs.

Question #5: What counts in the claim volume attestation? Is that per company? Location? What will the total claim volume be reported by?
Answer: The total claim volume attestation is based on each National Provider Identifier (NPI) approved as a Wisconsin Department of Health Services (DHS) pharmacy provider.

Question #6: What should be included in my total number of prescriptions dispensed?
Answer: Report all prescriptions dispensed, including the ones paid by cash, Medicaid, Medicare, and third-party payers. Prescriptions dispensed includes all products dispensed by the pharmacy during the course of business and verifiable through the pharmacy's prescription records. This may include drugs, supplies, enteral nutrition, and equipment.

Question #7: What are the professional dispensing fee reimbursement rates?
Answer: The professional dispensing fee reimbursement rates, which are based on annual prescription volume, are:

- 1–34,999 prescriptions/year: $15.69
- 35,000+ prescriptions/year: $10.51

Note: A federally qualified health center (FQHC)-specific professional dispensing fee reimbursement rate of $24.92 applies to eligible claims.

Question #8: For chain pharmacies, is total prescription volume based on the chain collectively or on individual locations?
Answer: Prescription volume is based on the individual pharmacy location, not the pharmacy chain as a whole. The total claim volume attestation should be based on each NPI approved as a Medicaid-enrolled pharmacy provider.

Question #9: What was the process for determining the professional dispensing fees?
Answer: DHS contracted with Mercer, a health care consulting firm, to conduct the Professional Dispensing Fee Survey in 2016 to obtain information about the costs associated with dispensing covered outpatient drugs to ForwardHealth members. The collected data was used to determine the professional dispensing fees.

Total prescription volume was the most significant factor that impacted the professional dispensing fees. This is because total prescription volume is the most accurate indicator of a pharmacy’s costs. For example, a pharmacy with a low total prescription volume will have higher per-prescription costs associated with dispensing covered outpatient drugs. The proposed dispensing fees vary based on a pharmacy’s total annual prescription volume to ensure accurate reimbursement and continued member access to covered outpatient drugs.

PRESCRIPTION VOLUME ATTESTATION

Question #10: How will ForwardHealth assign the professional dispensing fee reimbursement to providers?
Answer: In January 2026, Mercer, a health care consulting firm, will conduct the mandatory annual prescription volume attestation survey. DHS uses the survey responses to determine each dispensing provider's annual prescription volume (for all prescriptions dispensed, not just Medicaid prescriptions). ForwardHealth will use the reported annual prescription volume for calendar year 2025 to assign the appropriate professional dispensing fee reimbursement rate for each provider for dates of service (DOS) on and after April 1, 2026.

Question #11: Who will be required to complete the prescription volume attestation survey?
Answer: Providers who submit noncompound or compound drug claims to ForwardHealth with National Drug Codes (NDCs) will be required to attest to their annual prescription volume, with the exception of FQHC providers and out-of-state providers. FQHC providers and out-of-state providers are automatically assigned a provider-specific professional dispensing fee reimbursement rate for eligible claims.

Question #12: Is participation in the prescription volume attestation survey mandatory?
Answer: Yes, participation in the survey is mandatory for providers who submit noncompound or compound drug claims to ForwardHealth with NDCs. Providers who do not respond will automatically be assigned the lowest professional dispensing fee reimbursement rate ($10.51) offered by ForwardHealth.

Question #13: When will providers receive the prescription volume attestation survey?
Answer: The prescription volume attestation survey and completion instructions will be sent to providers in January 2026.

Question #14: When will providers receive their professional dispensing fee reimbursement rate assignment?
Answer: ForwardHealth will communicate professional dispensing fee reimbursement rate assignments in March 2026, effective for DOS on and after April 1, 2026; however, providers should already know what their assigned professional dispensing fee reimbursement rate will be because it is based on the prescription volume they have reported:

- 1–34,999 prescriptions/year: $15.69
- 35,000+ prescriptions/year: $10.51

Providers who do not respond will automatically be assigned the lowest professional dispensing fee reimbursement rate ($10.51) offered by ForwardHealth.

Note: An FQHC-specific professional dispensing fee reimbursement rate of $24.92 applies for eligible claims for Tribal and non-Tribal FQHCs. Out-of-state providers are assigned a professional dispensing fee reimbursement rate of $10.51.

Question #15: Who is considered a newly enrolled provider?
Answer: A newly enrolled provider is a provider who:

- Enrolls with Wisconsin Medicaid from December 1 of the previous year to November 30 of the current year. For example, if a provider enrolls with Wisconsin Medicaid during December 2025, they are not eligible to participate in the attestation survey sent in January 2026. They would be eligible to participate in the attestation survey the following year in January 2027.
- Has not completed a prescription volume attestation survey.
- Has not billed ForwardHealth for a covered outpatient drug.

Note: ForwardHealth assigns the lowest professional dispensing fee reimbursement rate of $10.51 to newly enrolled providers.

Question #16: Is a change in ownership considered a new location?
Answer: Yes. If a pharmacy location experiences a change of ownership during the year, the location is considered a new location and will be assigned a professional dispensing fee reimbursement rate of $10.51, regardless of the previous dispensing fee.

These events are considered a change of ownership and require the completion of a new provider enrollment application:

- Change from one type of business structure to another type of business structure
- Change of name and tax ID number associated with the provider's submitted enrollment application
- Change (addition or removal) of names identifying the ownership associated with the provider location

Question #17: How do providers report changes to prescription volume after initially reporting? When are providers eligible for a professional dispensing fee reimbursement rate reassignment?
Answer: Providers are only eligible for professional dispensing fee reimbursement rate reassignments during the annual attestation process. Professional dispensing fee reimbursement rates will not be adjusted to account for prescription volume changes.

Question #18: Can providers dispute their professional dispensing fee reimbursement rate assignment?
Answer: There will be no dispute process for providers who do not agree with their rate assignment because the assignment is based on the prescription volume they have reported.

Providers can refer to the Online Handbook Covered Outpatient Drug Reimbursement: Professional Dispensing Fees topic #1349 for professional dispensing fee reimbursement rates.