



FAQs Covered Outpatient Drug Pricing Policy and Prescription Volume Attestation

Created: 12/20/2017
Revised: 12/18/2020

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 revised its pharmacy reimbursement policy in 2017, including implementing 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 a professional dispensing fee.

Topic Category Guide

[General Information](#)

[Prescription Volume Attestation](#)

GENERAL INFORMATION

Question #1: Which ForwardHealth programs were impacted by the changes to covered outpatient drug reimbursement?

Answer: BadgerCare Plus, Medicaid, SeniorCare, Wisconsin AIDS Drug Assistance Program, and Wisconsin Chronic Disease Program 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 Reimbursement section 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, providers may refer to the [Covered Outpatient Drug Reimbursement: Professional Dispensing Fees](#) topic (#1349) in the Amounts chapter of the Reimbursement section of the Pharmacy service area of the Online Handbook.

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Question #4: To which drugs does the professional dispensing fee apply?

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 are the professional dispensing fee reimbursement rates?

Answer: The professional dispensing fee reimbursement rates, which are based on annual prescription volume, are the following:

- 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 for tribal FQHCs and for SeniorCare claims for community health centers.

Question #6: 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.

Question #7: What was the process for determining the professional dispensing fees?

Answer: The Wisconsin Department of Health Services 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.

The most significant factor that impacted the professional dispensing fees was total prescription volume. 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 in order to ensure accurate reimbursement and continued member access to covered outpatient drugs.

PRESCRIPTION VOLUME ATTESTATION

Question #8: How will ForwardHealth assign the professional dispensing fee reimbursement to providers?

Answer: In January 2021, Mercer, a health care consulting firm, will conduct a mandatory annual prescription volume attestation survey for Department of Health Services 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 2020 to assign the appropriate professional dispensing fee reimbursement rate for each provider for dates of service on and after April 1, 2021.

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Question #9: 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 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.

Question #10: 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 National Drug Codes. Providers who do not respond will automatically be assigned the lowest professional dispensing fee reimbursement rate (\$10.51) offered by ForwardHealth.

Question #11: 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 2021.

Question #12: When will providers receive their professional dispensing fee reimbursement rate assignment?

Answer: ForwardHealth will communicate professional dispensing fee reimbursement rate assignments in March 2021, effective for dates of service on and after April 1, 2021; 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 tribal FQHCs and for SeniorCare claims for community health centers. Out-of-state providers are assigned a professional dispensing fee reimbursement rate of \$10.51.

Question #13: Who is considered a newly enrolled provider?

Answer: A newly enrolled provider is a provider who:

- Enrolls in ForwardHealth from December 1 of the previous year to November 30 of the current year. For example, if a provider enrolls in ForwardHealth during the month of December 2020, they are not eligible to participate in the attestation survey sent in January 2021. They would be eligible to participate in the attestation survey the following year in January 2022.
- 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.

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Question #14: 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.

The following 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 identified as owners of the provider

Question #15: 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 #16: 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 [Covered Outpatient Drug Reimbursement: Professional Dispensing Fees](#) topic (#1349) for professional dispensing fee reimbursements rates.