



BACKGROUND

The Centers for Medicare and 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 market prices.

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 (DOS) on and after April 1, 2017.

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 (topic #1349) in the Amounts chapter of the Reimbursement section of the Pharmacy service area of the Online Handbook.

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.

FAQs

**Covered Outpatient Drug Pricing Policy
and Prescription Volume Attestation**

Created: 12/21/2018

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:

- 0–34,999 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 (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.

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 2019, Mercer, a health care consulting firm, will conduct a mandatory annual prescription volume attestation survey for DHS 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 2018 to assign the appropriate professional dispensing fee reimbursement rate for each provider for DOS on and after April 1, 2019.

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 (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.

FAQs

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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 NDCs. 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 2019.

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 2019, effective for DOS on and after April 1, 2019; 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:

- 0–34,999 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.

Question #13: 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.