

ForwardHealth **UPDATE**

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TRIBAL FEDERALLY QUALIFIED HEALTH CENTERS CAN RECEIVE ALL-INCLUSIVE RATE REIMBURSEMENT FOR COMPOUND DRUG CLAIMS

Tribal federally qualified health centers (FQHCs) that choose the all-inclusive rate (AIR) will receive AIR reimbursement for compound drug claims submitted to ForwardHealth on and after March 23, 2026, for BadgerCare Plus and Medicaid members. Tribal FQHC providers who choose AIR reimbursement must continue to submit pharmacy claims using existing billing submission requirements.

AIR includes the cost of all ingredients used in drug formulation and any professional or repackaging dispensing fees. ForwardHealth will not reimburse a separate dispensing or repackaging fee.

Refer to ForwardHealth Update [2026-02](#), "Tribal Federally Qualified Health Centers Can Bill Pharmacy Visits as Encounters," for more information about AIR reimbursement for qualifying encounters and the cost of covered outpatient drugs dispensed by their associated pharmacies.

AFFECTED PROGRAMS

BadgerCare Plus, Medicaid

TO

Tribal Federally Qualified Health Centers, HMOs and Other Managed Care Programs

QUICK LINKS

- Update [2026-02](#)
- Standard Pharmacy Policy for Covered and Noncovered Drugs topic [#22337](#)
- Compound Drugs topic [#1957](#)

The information provided in this ForwardHealth Update is published in accordance with Wisconsin State Plan Amendment 24-008.

All other current [pharmacy policies](#) regarding covered services and proper billing still apply. Refer to the ForwardHealth Online Handbook Compound Drugs topic [#1957](#) for more information on compound drug claims.

Documentation Retention

Providers are reminded that they must follow the documentation retention requirements per Wis. Admin. Code § [DHS 106.02\(9\)](#). Providers are required to produce or submit documentation, or both, to the Wisconsin Department of Health Services (DHS) upon request. Per Wis. Stat. § [49.45\(3\)\(f\)](#), providers of services shall maintain records as required by DHS for verification of provider claims for reimbursement. DHS may audit such records to verify the actual provision of services and the appropriateness and accuracy of claims. DHS may deny or recoup payment for services that fail to meet these requirements. Refusal to produce documentation may result in denial of submitted claims, recoupment of paid claims, application of intermediate sanctions, or termination from the Medicaid program.

Information Regarding Managed Care Organizations

This Update applies to Family Care, Family Care Partnership, BadgerCare Plus, and SSI Medicaid managed care program members because Tribal FQHCs that provide pharmacy services for members of these programs provide them on a fee-for-service basis. Pharmacy services for Medicaid members enrolled in the Program of All-Inclusive Care for the Elderly (PACE) are provided by the member's managed care organization.

REMINDER

Tribal FQHC providers who choose AIR reimbursement must continue to submit pharmacy claims using existing billing submission requirements.

THE KEY MESSAGE

Effective for claims submitted on and after March 23, 2026, Tribal FQHC providers who choose the AIR will receive AIR reimbursement when submitting compound drug claims to ForwardHealth for eligible BadgerCare Plus and Medicaid members.

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The ForwardHealth Update is the first source of program policy and billing information for providers.

Wisconsin Medicaid, BadgerCare Plus, SeniorCare, and Wisconsin Chronic Disease Program are administered by the Division of Medicaid Services within the Wisconsin Department of Health Services (DHS). The Wisconsin HIV Drug Assistance Program and the Wisconsin Well Woman Program are administered by the Division of Public Health within DHS.

For questions, call Provider Services at 800-947-9627 or visit our website at www.forwardhealth.wi.gov/.