

# Frequently Asked Questions: Managed Care Tiered Dispensing Fee

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OHIO DEPARTMENT OF MEDICAID

OCTOBER 2020

Section 333.280 of Amended Substitute House Bill 166 of the 133rd General Assembly requires the Ohio Department of Medicaid (ODM) to provide a tiered dispensing fee under the managed care system for “high Medicaid volume” retail pharmacies in the state of Ohio. The Ohio legislature invested \$100 million for state fiscal years 2020-2021 (January 1, 2020 – June 30, 2021) for this initiative. Medicaid solicited feedback from pharmacy association stakeholders in developing the methodology for allocating these funds as described below.

## Which pharmacies are eligible for this tiered dispensing fee?

Retail pharmacy providers enrolled with ODM, physically located in Ohio and licensed as an independent, small chain, or large chain pharmacy as determined using the state of Ohio board of pharmacy license roster are eligible for this tiered dispensing fee. The tiered dispensing fee is determined at the pharmacy National Provider Identifier (NPI) level. Medicaid managed care organizations (MCO) will make payments to network retail pharmacies.

## Does this take the place of the current managed care dispensing fee?

No. Per ORC 333.280, this does not take the place of the current managed care dispensing fee<sup>1</sup>. As specified in Appendix R of the Medicaid managed care provider agreement, it will not result in a reduction in ingredient cost or dispensing fee made to retail pharmacy providers<sup>2</sup>.

## Does this change the current fee-for-service (FFS), or traditional Medicaid, professional dispensing fee?

No. This does not affect the current Fee-for-Service professional dispensing fee.

## Is the tiered dispensing fee applicable to MyCare Ohio?

No. The tiered dispensing fee is not applicable to individuals enrolled in MyCare Ohio because Medicare covers most pharmacy benefits for these individuals.

## Which prescription types are eligible for this tiered dispensing fee?

All prescriptions dispensed between January 1, 2020, and June 30, 2021, by identified retail pharmacies are eligible for this tiered dispensing fee. The prescription(s) must be dispensed to/for an eligible Medicaid recipient, and it must be a prescription covered by the managed care organizations in the pharmacy benefit.

## When can I expect to see payments for this tiered dispensing fee?

The tiered dispensing fee applies to prescriptions with dates of service beginning January 1, 2020. Medicaid managed care organizations will pay pharmacy providers via a lump-sum payment based on utilization. Utilization and tiered dispensing fee are determined at the NPI level. The lump-sum payments will be made quarterly with at least a 30-day claims run-out period. Retrospective payments may begin in

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<sup>1</sup> [http://search-prod.lis.state.oh.us/solarapi/v1/general\\_assembly\\_133/bills/hb166/EN/09?format=pdf](http://search-prod.lis.state.oh.us/solarapi/v1/general_assembly_133/bills/hb166/EN/09?format=pdf)

<sup>2</sup> [http://medicaid.ohio.gov/Portals/0/Providers/ProviderTypes/Managed%20Care/Provider%20Agreements/01\\_2020\\_MMC\\_Final\\_Rates.pdf](http://medicaid.ohio.gov/Portals/0/Providers/ProviderTypes/Managed%20Care/Provider%20Agreements/01_2020_MMC_Final_Rates.pdf)

October 2020 for claims submitted from January 1 – June 31, 2020. The payments will follow the schedule below:

- o Payment 1 – Between now and November 15, 2020 (January – June 2020 claims)
- o Payment 2 – Between December 1 – 15, 2020 (July – September 2020 claims)
- o Payment 3 – Between February 1 – 15, 2021 (October – December 2020 claims)
- o Payment 4 – Between May 1 – 15, 2021 (January – March 2021 claims)
- o Payment 5 – No later than August 15, 2021 (April – June 2021 claims)

## Will the managed care organizations be amending retail pharmacy contracts to accommodate this change?

ODM has verified with all MCOs that provider contracts will not be amended.

## How was the tiered dispensing fee determined?

The tiered dispensing fee is based on information obtained from the 2018 Cost of Dispensing Survey, Ohio Medicaid pharmacy encounter data, and Board of Pharmacy enrollment license roster.

## What are the tiered dispensing fee amounts?

Based on the criteria defined by ODM, the tiered dispensing fee amounts are as follows:

	<b>Points</b>	<b>Amount</b>
<b>Tier 3</b>	5 or 6 Points	\$2.25/Rx
<b>Tier 2</b>	4 Points	\$ 1.75/Rx
<b>Tier 1</b>	2 or 3 Points	\$ 1.25/Rx

Please note these amounts are in addition to any regular dispensing fee applied to the prescription. Tiers are determined at the individual pharmacy NPI level.

## How will I know which tiered dispensing fee amount my pharmacy will receive?

To determine your tiered dispensing fee amount, please visit

[https://analytics.das.ohio.gov/t/ODMPUB/views/TierDispensingFeeDashboard/TierDispensingFee?:showAppBanner=false&:display\\_count=n&:showVizHome=n&:origin=viz\\_share\\_link](https://analytics.das.ohio.gov/t/ODMPUB/views/TierDispensingFeeDashboard/TierDispensingFee?:showAppBanner=false&:display_count=n&:showVizHome=n&:origin=viz_share_link).

## Can I still fill out a Cost of Dispensing Survey?

ODM is no longer accepting 2020 Cost of Dispensing Survey submissions which were due on September 24, 2020. Any eligible retail pharmacy who has not completed a Cost of Dispensing Survey will receive the Tier 1 dispensing fee.

## How can I enroll as a pharmacy provider with the Ohio Department of Medicaid?

To get started with the provider enrollment process please visit

<https://medicaid.ohio.gov/Portals/0/Providers/Enrollment%20and%20Support/NewProviderEnrollment-FAQs.pdf>. If you have questions about provider enrollment, or need help call 800-686-1516. Any retail pharmacy enrolled by January 1, 2021, will be eligible for the tiered dispensing fee no sooner than February 1, 2021.

## Who can I contact if I have questions about my tiered dispensing fee amount?

If you have questions about your tiered dispensing fee amount you may contact

[MEDICAID\\_PHARMACY@medicaid.ohio.gov](mailto:MEDICAID_PHARMACY@medicaid.ohio.gov). Please include your pharmacy NPI and contact information.

## How will I know the tiered dispensing fee payment amounts?

<b>Buckeye</b>	Currently, Envolve will send the quarterly dispensing fee payments by automated clearing house (ACH) for providers that Envolve has an ACH agreement with. For providers that do not have an ACH agreement with Envolve, checks will be sent. Envolve will be paying the chain, the pharmacies directly within the PSAOs, and non-PASO intendents directly.
<b>CareSource</b>	Express Scripts will be remitting the payment to the pharmacy via lump sum electronically. The pharmacy can request detail to support the payment they receive by emailing <a href="mailto:remittance@express-scripts.com">remittance@express-scripts.com</a> .
<b>Molina</b>	Quarterly supplemental dispensing fee payments will have a unique issue ID that will identify the payment. Payment will be processed in the same form as existing payments (i.e. electronic vs check, direct pay or central pay).
<b>United</b>	The pharmacies will be paid by electronic transfer or check; however the pharmacy has previously elected to be reimbursed. The payments will be calculated by NPI so the pharmacy can be paid directly or by a larger corporate entity (e.g. PSAO or chain).
<b>Paramount</b>	The Adjustment Services payment will contain a unique issue ID used for the supplemental fee so pharmacies can use that as an indication that the payment is related to the supplemental dispensing fee.

## Who do I contact if I did not receive a payment, or if I believe the amount is incorrect?

If your pharmacy did not receive any payment for the tiered dispensing fee, please contact the appropriate MCO.

<b>Buckeye</b>	Questions or to obtain quarterly payment support contact <a href="mailto:EnvolveRxAP@EnvolveHealth.com">EnvolveRxAP@EnvolveHealth.com</a> or call (559) 244-3748.
<b>CareSource</b>	Inquiries can be sent to <a href="mailto:remittance@express-scripts.com">remittance@express-scripts.com</a> .
<b>Molina</b>	Pharmacies can contact CVS Caremark if no payment is received through the Caremark.com website: <ul style="list-style-type: none"> <li>• Click the link: For Pharmacists and Medical Professionals at the bottom of the page;</li> <li>• Then select: Pharmacy Enrollment Self Service and then;</li> <li>• Select Pharmacy Provider Question Form</li> </ul>
<b>United</b>	Provider Relations via one of the following: <ul style="list-style-type: none"> <li>• Telephone: 1-877-633-4701</li> <li>• Fax: 1-877-339-0784</li> <li>• Address: 1600 McConnor Parkway, Schaumburg, IL 60173</li> <li>• Email: <a href="mailto:pharmacyprovidercommunications@optum.com">pharmacyprovidercommunications@optum.com</a></li> </ul>
<b>Paramount</b>	Pharmacies can contact CVS Caremark if no payment is received through the Caremark.com website: <ul style="list-style-type: none"> <li>• Click the link: For Pharmacists and Medical Professionals at the bottom of the page;</li> <li>• Then select: Pharmacy Enrollment Self Service and then;</li> <li>• Select Pharmacy Provider Question Form</li> </ul>

If you believe the amount you received is incorrect, please contact the Ohio Department of Medicaid at [Medicaid\\_Pharmacy@medicaid.ohio.gov](mailto:Medicaid_Pharmacy@medicaid.ohio.gov). Please include your pharmacy NPI and contact information.

## Will this money be recurring for pharmacies in the future?

The tiered dispensing fee is a one-time appropriation by the Ohio Legislature that will be paid out by MCOs quarterly through the end of state fiscal year (SFY) 2021 (June 30, 2021). This one-time appropriation is set to expire on June 30, 2021.