

## April 1<sup>st</sup> Frequently Asked Questions

### 1. What changes are occurring to provider reimbursement?

#### a. Provider Dispensing Fees

Provider dispensing fees will move from a flat rate of \$1.80 with exceptions to a tiered dispensing fee with exceptions. The pharmacy tier is based upon the total number of prescriptions filled by the provider during the provider's last completed fiscal year and based upon the provider's responses to the dispensing fee survey required by OAC 5160-9-01. The pharmacy tiers are as follows:

Pharmacy Volume	Dispense Fee
0-49,999 prescriptions	\$13.64
50,000-74,999 prescriptions	\$10.80
75,000-99,999 prescriptions	\$9.51
100,000 or more prescriptions	\$8.30

Providers that fail to submit a complete response to the cost of dispensing survey required by OAC 5160-9-01 will receive a dispensing fee of \$8.30. Exceptions to the dispensing fee structure are as follows:

Exception Category	Dispense Fee
Total Parenteral Nutrition (TPN)	\$15.00 per day, capped at \$150.00
Sterile Compounds	\$10 per day, minimum of \$20, capped at \$70.00
Influenza vaccine administered at the pharmacy	\$19.35 administration fee

To qualify for payment of the sterile compound, the compound must be mixed by the pharmacy to the final form under sterile conditions. Products that are mixed or activated at the point of administration by connecting components or breaking seals without the need for sterile conditions are not eligible for the sterile compound dispensing fee.

#### b. Provider Dispensing Fees for Newly Enrolled Providers with the Ohio Department of Medicaid (ODM)

For providers who become newly enrolled with the Ohio Department of Medicaid, who were not previously enrolled and therefore did not have the opportunity to complete a cost of dispensing survey, will receive a default dispensing fee based upon the provider's location. Providers located in Ohio will be assigned a dispensing

fee of \$13.64 and those located outside of Ohio will be assigned a dispensing fee of \$8.30.

**c. Provider Dispensing Fees for Providers who did not complete their Cost of Dispensing Survey for 2016**

Providers who did not submit a response to the Cost of Dispensing Survey in 2016, as required by OAC 5160-9-01, will be provided a one-time opportunity in advance of April 1<sup>st</sup>, 2017 to provide their responses for the purposes of assigning them a dispensing fee tier. Providers should complete the **Provider Dispensing Fee Survey Response Form** available at <http://pharmacy.medicaid.ohio.gov/pharmacy-billinginformation>.

→Responses should be emailed to [Medicaid\\_Pharmacy@medicaid.ohio.gov](mailto:Medicaid_Pharmacy@medicaid.ohio.gov) no later than March 29<sup>th</sup>, 2017.

**d. Ingredient Cost Payment**

Ingredient cost payment will change from estimated acquisition cost (EAC) to actual acquisition cost (ACC). Payment for the drug ingredient cost shall be the lesser of the submitted charge (which may be no more than the usual and customary amount charged other patients for the same service) or the calculated allowable, in accordance with OAC 5160-9-05. The following details the logic for various products:

- No ingredient cost shall be allowed for pandemic vaccine that is provided by the Ohio Department of Health or other government agency at no cost to the provider.
  - For any drug purchased under the 340B program, the ingredient cost will be the 340B ceiling price. If 340B ceiling price is not available, the ingredient cost shall be fifty percent of wholesale acquisition cost (WAC).
  - For a clotting factor, the ingredient cost shall be the payment limit shown in the current Medicare Part B drug pricing file, minus the furnishing fee assigned by Medicare Part B. the Medicare part B pricing file is available at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-BDrugs/McrPartBDrugAvgSalesPrice/index.html>.
  - For all other ingredients, the ingredient cost shall be the National Average Drug Acquisition Cost (NADAC) published by CMS at <https://www.medicaid.gov/medicaid/prescription-drugs/pharmacypricing/index.html>. If no NADAC has been published, the ingredient cost shall be an estimate of AAC as the lesser of wholesale acquisition cost WAC or maximum allowable cost (MAC).

**e. Influenza Vaccines**

Influenza vaccine administration fees will be increased from \$10.00 to \$19.35. Longterm care providers will be eligible to receive the full dispensing fee for influenza vaccines in place of the previous \$0.50 dispensing fee.

## 2. What changes are occurring to drug coverage?

### a. Refill Tolerance

The refill tolerance will be changing from a seventy-five percent (75%) of days' supply elapsed to a rate based upon the product's schedule as defined by the federal drug enforcement administration (DEA). Non-scheduled drugs will have a refill tolerance of eighty percent (80%) and scheduled drugs have a refill tolerance of ninety percent (90%).

### b. Continuous Glucose Monitoring (CGM)

Providers will be eligible to bill for products for continuous glucose monitoring (CGM) products through the pharmacy point-of-sale system. All products will require prior authorization before being covered and criteria for authorization can be found at <http://pharmacy.medicaid.ohio.gov/drug-coverage>.

## 3. What changes are occurring to 340B?

Claims for drugs purchased through the 340B drug discount program shall be submitted with the provider's actual acquisition cost plus cost of dispensing. In order to identify drugs purchased through the 340B program, providers should utilize a Submission Clarification Code = 20 (NCPDP field #42Ø-DK) and a Basis of Cost Determination = 08 (NCPDP field #423DN). Payment for the claim will be as described in Administrative Code rule 5160-9-05, no higher than the 340B ceiling price plus any applicable professional dispensing fee.

## 4. What changes are occurring to medical equipment claims?

Medical equipment claims paid through the point-of-sale system are eligible for a dispensing fee.

Change Healthcare has identified that paid claims received no dispensing fee from April 1st through April 6th.

If you would like to receive a dispensing fee now for the paid claims you have submitted during this time you may reverse and rebill.

- Incorrectly paid claims include claims for any of the following products.
- Diabetic and urine test strips
- Blood glucose meters and related supplies
- Lancet devices, lancets, and alcohol swabs
- Needles and syringes
- Inhaler spacers
- Peak flow meters
- Condoms

If the provider does not reverse and re-bill these claims, they will be adjusted at a future date.