

Frequently Asked Questions: Managed Care Tiered Dispensing Fee

OHIO DEPARTMENT OF MEDICAID

JULY 2021

Section 333.245 of Amended Substitute House Bill 110 as passed by the 134th General Assembly extended the Ohio Department of Medicaid's (ODMs) requirement to provide a tiered dispensing fee under the managed care system to retail pharmacies during state fiscal years 2022 and 2023. The Ohio Legislature invested \$15 million for state fiscal years 2022-2023 for this initiative. ODM previously solicited feedback from pharmacy association stakeholders in developing the methodology for allocating these funds as described below. The methodology was not changed due to the extension of the tiered dispensing fee initiative.

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 333.245, this does not take the place of the current managed care dispensing fee¹. 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 providers².

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 July 1, 2021, and June 30, 2023, 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 July 1, 2021. 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. The payments will follow the schedule below:

- Payment 1 – Between November 1 – 15, 2021 (July – Sept 2021 claims)
- Payment 2 – Between February 1 – 15, 2022 (Oct – Dec 2021 claims)
- Payment 3 – Between May 1 – 15, 2022 (Jan – March 2022 claims)
- Payment 4 – Between August 1 – 15, 2022 (April – June 2022 claims)
- Payment 5 – Between November 1 – 15, 2022 (July – Sept 2022 claims)
- Payment 6 – Between February 1 – 15, 2023 (Oct – Dec 2022 claims)
- Payment 7 – Between May 1 – 15, 2023 (Jan – March 2023 claims)
- Payment 8 – No later than August 15, 2023 (April – June 2023 claims)

¹ https://search-prod.lis.state.oh.us/solarapi/v1/general_assembly_134/bills/hb110/EN/07/hb110_07_EN?format=pdf

² https://medicaid.ohio.gov/static/Providers/ProviderTypes/Managed+Care/Provider+Agreements/2021_07_MMC_Final.pdf

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 2020 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:

	Points	Amount
Tier 3	5 or 6 Points	\$ 0.56/Rx
Tier 2	4 Points	\$ 0.44/Rx
Tier 1	2 or 3 Points	\$ 0.31/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](#).

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 that is currently enrolled as a pharmacy provider with the Ohio Department of Medicaid who has not completed a Cost of Dispensing Survey will receive the Tier 1 or Tier 2 dispensing fee depending upon whether they are licensed as an independent, small chain, or large chain pharmacy on the Ohio Board of Pharmacy license roster.

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/static/Providers/Enrollment+and+Support/NewProviderEnrollment-FAQs.pdf>. If you have questions about provider enrollment, or need help call 800-686-1516.

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. Please include your pharmacy NPI and contact information.

How will I know the tiered dispensing fee payment amounts?

Buckeye	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.
CareSource	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 remittance@express-scripts.com .
Molina	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).

United	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).
Paramount	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.

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

If you believe the amount you received is incorrect, please contact the Ohio Department of Medicaid at 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) 2023 (June 30, 2023). Upon implementation of the single pharmacy benefit manager (SPBM), MCOs will no longer pay out the tiered dispensing fee amounts as this will be completed by the SPBM. Additional information about the SPBM making tiered dispensing fee payments will be shared at a later date. This one-time appropriation is set to expire on June 30, 2023.