

**From:** [OH\\_MCD\\_PBM\\_network](#)  
**To:** [OH\\_MCD\\_PBM\\_network](#)  
**Subject:** Frequently Asked Questions: Pharmacy Tiered (Supplemental) Dispensing Fee  
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## Frequently Asked Questions: Pharmacy Tiered (Supplemental) Dispensing Fee

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OHIO DEPARTMENT OF MEDICAID  
JANUARY 2023

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 and contracted with Gainwell Technologies, Ohio's Single Pharmacy Benefit Manger (SPBM), 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. The (SPBM) will make payments to network retail pharmacies moving forward.

### **Does this take the place of the current SPBM dispensing fee?**

No. Per ORC 333.245, this does not take the place of the current SPBM dispensing fee. It will not result in a reduction in ingredient cost or SPBM dispensing fee made to retail pharmacy providers. SPBM dispensing fees will continue to be determined by ODM and the Pharmacy Pricing and Audit Consultant (PPAC) and can be found in the [SPBM Pharmacy Reference Guide](#).

### **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 October 1, 2022, 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 SPBM under the pharmacy benefit. Reversed claims are not eligible for this supplemental payment.

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

The tiered dispensing fee applies to prescriptions with dates of service beginning October 1, 2022. The SPBM 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 February 1-15 2023 (Oct – Dec 2022 claims)
- Payment 2 – Between May 1-15 2023 (Jan – March 2023 claims)
- Payment 3 – Between August 1-15 2023 (April – June 2023 claims)

### How was the tiered dispensing fee determined?

The tiered dispensing fee is based on information obtained from the 2022 Cost of Dispensing Survey, Ohio Medicaid pharmacy encounter data, and Board of Pharmacy enrollment license roster.

### What are the tiered dispensing fee amounts?

For claims with dates of service beginning October 1, 2022 through June 30, 2023, the tiered dispensing fee is as follows:

Assigned Tier	Points	Amount
Tier 3	5 or 6 Points	\$ 1.25/Rx
Tier 2	4 Points	\$ 1.00/Rx
Tier 1	2 or 3 Points	\$ 0.70/Rx

#### Tier Scoring Methodology

Component 1: Outpatient Pharmacy License Type Issued by the State of Ohio Board of Pharmacy	
Independent	3 Points
Small Chain	2 Points
Large Chain	1 Point

Component 2: Ohio Medicaid Volume as a Proportion of Total Script Volume	
Upper 1/3 of all pharmacies	3 Points
Middle 1/3 of all pharmacies	2 Points
Lowest 1/3 of all pharmacies	1 Point

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 2022 Cost of Dispensing Survey submissions which were due September 2022. Any eligible retail pharmacy that is currently enrolled as a pharmacy provider with the Ohio

Department of Medicaid and contracted with Gainwell 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/resources-for-providers/enrollment-and-support/enrollment-and-support>. If you have questions about provider enrollment, or need help call 800-686-1516.

### **How can I contract with the SPBM to fill prescriptions for Ohio Medicaid managed care members?**

For further information regarding network contracting with Gainwell, please contact the Gainwell network team at [OH\\_MCD\\_PBM\\_Network@gainwelltechnologies.com](mailto:OH_MCD_PBM_Network@gainwelltechnologies.com).

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

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?**

Tiered dispensing fee payments will run as a special financial cycle and will appear on the Non Claim 835. You can identify these payments on your Remittance Advice by the reason code of 9638 - QtrSuppDispFee.

### **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 or if you have questions about your payment amount, please contact the Gainwell SPBM Customer Service Center at 800-686-1516 or [ohspbmcheck@gainwelltechnologies.com](mailto:ohspbmcheck@gainwelltechnologies.com).

### **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 the SPBM quarterly through the end of state fiscal year (SFY) 2023 (June 30, 2023). This one-time appropriation is set to expire on June 30, 2023.

Thank you,  
Gainwell Technologies

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