

# Pharmacy Provider Dispensing Fee Self Attestation – Frequently Asked Questions (FAQs)

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## Background

### 1. Why did Medi-Cal Rx change its fee-for-service pharmacy dispensing fee structure?

In February 2019, the Department of Health Care Services (DHCS) implemented a new fee-for-service pharmacy reimbursement methodology, retroactive to April 1, 2017, to comply with the 2016 Centers for Medicare & Medicaid Services (CMS) Final Rule for Covered Outpatient Drugs (CODs) (CMS-2345-FC). The rule not only mandated that state Medicaid agencies transition to an acquisition cost-based reimbursement for drug ingredient costs, but also ensured that the professional dispensing fee adequately reimburses pharmacy providers for their costs of dispensing.

### 2. What are the two possible dispensing fees, and how do I know if I am eligible to receive the higher of the two fees?

Pursuant to *Welfare and Institutions Code* (W&I Code), [Section 14105.45](#), the professional dispensing fee is based on a pharmacy's total (Medicaid and non-Medicaid) annual prescription volume from the previous year as follows:

1. Less than 90,000 claims equals \$13.20
2. 90,000 or more claims equals \$10.05

**Note:** Department of Health Care Services' (DHCS) policy is that a claim is equivalent to a dispensed prescription.

### 3. Why did the fee-for-service professional dispensing fee change at a total annual claim volume threshold of 90,000?

Survey results demonstrated that the decrease in the cost of dispensing flattened out for pharmacies filling more than 90,000 dispensed prescriptions each year, thus providing a natural demarcation point for dispensing fees.

**Note:** Department of Health Care Services' (DHCS) policy is that a claim is equivalent to a dispensed prescription.

### 4. If I dispense 90,000 or more prescriptions during a reporting period, do I still need to complete an attestation?

No.

### 5. What happens if I dispense fewer than 90,000 prescriptions during a reporting period but do not complete this self-attestation?

If you dispense fewer than 90,000 prescriptions and do not complete the self-attestation, then the dispensing fee you receive will default to the lower tier (\$10.05).

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**6. Why is there no longer a unique Long Term Care (LTC) dispensing fee?**

The Department of Health Care Services (DHCS) engaged a vendor to conduct a study of pharmacy providers' costs of dispensing in the summer of 2016. The survey data reported by LTC pharmacies did not result in an average dispensing cost that was statistically different from the results of the two-tier professional dispensing fee structure.

**7. What are the expectations with regards to the claim volume attestation? Is that per company? Location? What will the total claim volume be reported by?**

The total claim volume attestation shall be based upon each National Provider Identifier (NPI) approved as a Medi-Cal fee-for-service pharmacy provider.

**8. How long will the Department of Health Care Services (DHCS) keep this new dispensing fee structure?**

There is no predetermined duration identified with this new methodology. The *Code of Federal Regulations* (CFR), [Title 42, Part 447.518\(d\)](#), mandates that when a state changes its reimbursement methodology for the ingredient cost of drugs, it also examines, and if necessary revises, its professional dispensing fee to ensure that overall reimbursement to pharmacy providers is in accordance with the requirements of Section 1902(a)(30)(A) of the Social Security Act.

**9. Why weren't specialty pharmacies given their own unique dispensing fee?**

The survey results for costs of dispensing did not justify the creation of professional dispensing fees unique to specialty pharmacies. Therefore, specialty pharmacies will be reimbursed based upon the two-tier professional dispensing fee model.

## Timelines

**10. When is the attestation period?**

The attestation period to determine the dispensing fees assigned for dates of service (DOS) July 1, 2024, through June 30, 2025 will be March 1, 2024, through March 31, 2024.

**11. What is the relationship between a calendar year attestation and its resulting professional dispensing fee in terms of claim submission dates?**

The attestation for each calendar year reporting period will determine the fee-for-service professional dispensing fee component of the pharmacy claim reimbursement for claims with dates of service (DOS) within the state's following fiscal year. For this attestation period, the 2023 calendar year claim volume attestation determines the professional dispensing fee for claims within the state's 2024 – 2025 fiscal year (DOS on or after July 1, 2024, through June 30, 2025).

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**12. What was the effective date of this change in fee-for-service reimbursement methodology?**

The federally mandated effective date for the new professional dispensing fee policy was for dates of service (DOS) on or after April 1, 2017.

**13. How will the change be applied retroactively to claims with dates of service (DOS) on or after April 1, 2017?**

Refer to the [Pharmacy Retroactive Claim Adjustment FAQs](#).

## **The Attestation Process**

**14. How will pharmacies be notified of the attestation survey?**

The primary method for provider notification for the survey is via email and/or fax. It is recommended that providers maintain accurate and consistent contact information across all organizations involved in pharmacy administration, including but not limited to NCPDP and Medi-Cal.

**15. What is the web address for the attestation?**

Information can be found on the “Medi-Cal Pharmacy Professional Dispensing Fee Provider Self-Attestation” page on the Mercer website at <https://ca.mercerrxpassage.us/self-attestation>.

This website will be updated in early 2024 and will contain all necessary information on how to access the attestation survey. You will be able to respond to the attestation survey using the individual survey link sent to you by email or accessing the general survey link or QR code found on the website above or in your survey notification letter.

**Note:** This online survey portal website will not be live until March 1, 2024.

For questions, email [CODSurvey@mercer.com](mailto:CODSurvey@mercer.com).

**16. How long is the actual attestation expected to take?**

If you are equipped with your total claim volume for the reporting period, then the attestation should take approximately five minutes.

**17. Who is authorized to complete the attestation for my pharmacy?**

Only the Medi-Cal pharmacy provider, or a person authorized by the Medi-Cal pharmacy provider to bind the provider by signature to the conditions contained in the attestation statement, may complete the attestation. This may include the pharmacist in charge, the owner, or a direct delegate with authority to contractually obligate the organization.

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**18. What is to be included in my total number of prescriptions dispensed?**

All prescriptions dispensed, including cash paid, Medicaid, Medicare, and third-party payers, are to be included. Prescriptions dispensed includes all products dispensed by the pharmacy during the course of business and verifiable through the pharmacy's prescription records. This may include but is not limited to drugs, supplies, enteral nutrition, equipment, etc.

**Note:** The Department of Health Care Services' (DHCS) policy is that a claim is equivalent to a dispensed prescription.

**19. I was not in operation for the full 12 months of the reporting period. How does this impact my attestation?**

If you were not in operation for the full 12 months of the reporting period, then only report the total number of dispensed prescriptions during the months of operation for that reporting period. Partial months of operation will not be used to project an annual volume for the reporting period.

**20. Our pharmacy is out of state; do we provide volumes for only those claims submitted on behalf of California residents, Medicaid and Non-Medicaid?**

Any pharmacy providing prescriptions to Medi-Cal beneficiaries should attest. All prescriptions from the location providing prescriptions to any Medi-Cal beneficiaries should be included in the count. All prescriptions should be counted, regardless of the patient residence or payment source.

**21. My pharmacy underwent a change of ownership during the year. Does the prescription count start at the ownership change date?**

The count is associated with the National Provider Identifier (NPI) for each location. If the new ownership established a different NPI, then the count would begin when that NPI became effective. If the prior ownership's NPI was retained, the prescription volume for the entire year should be used to attest.

## **After the Attestation Period**

**22. I missed the deadline; can I submit an attestation after the deadline?**

No. The portal will close at 11:59 p.m. PT on March 31, 2024. There will be no exceptions.

**Note:** If you submit an attestation, but miss the deadline to submit a revised attestation, your most recent attestation survey response within the current campaign will be used as your final attestation survey response.

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**23. Can I change my attestation once I have completed it if the attestation period is still underway?**

Yes. Your attestation for the 2024 – 2025 state fiscal year can be modified up until the closure of the portal at 11:59 p.m. PT on March 31, 2024.

**Note:** If you submit an attestation, but miss the deadline to submit a revised attestation, your most recent attestation survey response within the current campaign will be used as your final attestation survey response.

**24. Will I know the result of the attestation right away?**

If you submit your survey using the online portal, you will receive your confirmation letter immediately upon submission of your survey. If you submit your survey using fax or Excel documentation, you will receive your confirmation letter after the survey closes. These letters will be sent in May 2024.

**25. I can see that my prescription volume for the current year will exceed (or drop below) the 90,000 threshold that I reported in the last calendar year attestation period. Am I required to notify the Department of Health Care Services (DHCS)?**

No. Once the attestation period has closed, the applicable dispensing fee is locked in for the entire subsequent fiscal year regardless of your prescription volume trends.

**26. What are the consequences if I falsify information?**

If a pharmacy provider submits false information as a means to obtain a higher reimbursement, that pharmacy provider is in violation of the federal False Claims Act (FCA), as well as the California False Claims Act (CFCA), *California Government Code*, Section 12650, et. seq., which is modeled after the federal FCA. In the event a false claim is found to have been made, the CFCA provides for treble damages plus statutory penalties between \$5,000 and \$10,000 for each false claim (*California Government Code*, Section 12651[a]).

**27. Do I need to keep or maintain supporting documentation that demonstrates my total claim volume for the reported period? Will I be audited? How long must I keep my records?**

All Medi-Cal pharmacies should be prepared to produce supporting documentation upon the Department of Health Care Services' (DHCS) request for each submitted attestation. A person who fills a prescription shall keep it on file for at least three years from the date of filling it. (Amended by Stats. 1976, Ch. 896.)

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## Future Attestations

### **28. Will my previous year's attestation automatically carry over to following years, or do I have to re-attest each year?**

Attestations **will not** automatically carry over from the previous year. You must attest during the attestation period for each reporting period if you believe you are eligible for the higher of the two dispensing fees. The Department of Health Care Services (DHCS) will provide reminder notices each year to pharmacy providers regarding the upcoming reporting period attestation.

## New Pharmacy Providers

### **29. I am a new pharmacy provider and was notified that my pharmacy provider enrollment application was approved after the attestation period was closed. Which professional dispensing fee will I receive?**

Newly approved fee-for-service pharmacy providers that are notified of their enrollment approval **after** the attestation period closes will receive the higher dispensing fee. However, those same pharmacy providers will have to attest for subsequent reporting periods in order to continue to be eligible for the higher dispensing fee in subsequent fiscal years.

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