

MO HealthNet 340B Reimbursement

Actual Acquisition Cost:

Comment: Several commenters requested MO HealthNet to further define Actual Acquisition Cost (AAC) to reduce potential ambiguity.

Response: MO HealthNet will revise the Proposed Regulation to include the following definition of AAC for 340B purchased medications:

Actual Acquisition Cost is defined as:

Invoice cost for the NDC per billing unit.

Actual Acquisition Cost does not include:

Timely pay discounts or discounts paid as a rebate on a separate invoice for volume-based purchases.

Physician Administered Drugs Reimbursement:

Comment: Several commenters requested MO HealthNet to exclude physician-administered drugs from the AAC reimbursement methodology because these drugs are not required to be reimbursed at AAC according to the Covered Outpatient Drug Rule.

Response: MO HealthNet is required to reimburse subject to the requirement in Section 1902(a)(30) that payments be consistent with efficiency, economy, and quality of care. This requirement does not exclude 340B purchased drugs. Under the MO HealthNet reimbursement model for non-340B purchased drugs physician-administered drugs are reimbursed at the same level as non-physician-administered drugs. For 340B purchased drugs, MO HealthNet is including an additional reimbursement for physician-administered drugs above those for non-physician administered drugs to offset a portion of the lost revenue.

Start Date:

Comment: Several commenters have requested a delay in implementation of the new 340B purchased drug reimbursement methodology.

Response: MO HealthNet currently does not have an approved State Plan Amendment for reimbursement of 340B purchased medications as required by the Covered Outpatient Drug Rule. The 340B reimbursement SPA is pending CMS approval. The requirement to start July 1, 2021, is necessary to avoid the potential disallowance of over \$70 million in Federal Financial Participation.

Use of modifiers:

Comment: One commenter requested utilizing UD in addition to the JG and TB modifiers for the identification of 340B purchased drugs.

Response: MO HealthNet will utilize the two 340B modifiers JG and TB to identify the drug as one purchased through the 340B program. By utilizing these two modifiers and allowing facilities for claim-specific identification of 340B purchased drugs it allows MO HealthNet to reimburse facilities accurately for 340B and non-340B purchased drugs. MO HealthNet will allow the use of these two modifiers interchangeably. It is at the facility's discretion which of these two modifiers to use when billing MO HealthNet for 340B purchased drugs.