Missouri Department of SOCIAL SERVICES

MoHealthNet

# PROVIDER BULLETIN

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## 340B Provider Reimbursement

**Applies to: 340B Providers**
**Effective Date: July 1, 2021**

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### 340B Providers

340B is a drug pricing program that resulted from the enactment of Public Law 102-585 and the Public Health Service Veterans Health Care Act of 1992. The 340B program limits the cost of covered outpatient drugs to certain federal grantees, federally-qualified health center look-alikes, and qualified hospitals. 340B also results in additional cost savings to 340B qualified participants. These providers purchase, dispense, and/or administer pharmaceuticals at significantly discounted prices. The significant discount applied to the cost of these drugs makes these drugs ineligible for Medicaid drug rebates.

To avoid duplicate discounts and ensure correct payment, 340B providers that choose to carve-in Medicaid must provide the Health Resources and Services Administration (HRSA) with their National Provider Identification (NPI) ***and*** their MO HealthNet provider number for each site that carves in for the purpose of inclusion in the Medicaid Exclusion File.

340B contract pharmacies are not covered under this policy and must carve-out Medicaid from their 340B operations.

### 340B Drug Reimbursement

Effective July 1, 2021, 340B providers are required to identify 340B purchased drugs, including those billed to the MO HealthNet Division (MHD) as the secondary payer, at the claims level using the following codes:

1. Point-of-sale pharmacy claims: Submission Clarification Code (SCC) 20
2. Medical and outpatient claims: Modifier JG or TB

Reimbursement for 340B identified drugs for 340B providers who carve-in for Medicaid will be determined by applying the following methodology:

1. Pharmacy providers will be reimbursed at their actual acquisition cost, up to the 340B Maximum Allowable Cost (MAC) (calculated ceiling price) plus a professional dispensing fee. Covered entities are required to bill no more than their actual acquisition cost plus the professional dispensing fee.
2. Physician-administered drugs purchased through the 340B program will be reimbursed the lesser of the Physician-Administered 340B MAC or the actual acquisition cost submitted by the provider. The Physician-Administered 340B MAC is calculated by adding 6%, up to $600, to the calculated ceiling price. A professional dispensing fee is not applied to physician-administered drugs.

Claims submitted by providers that have not notified HRSA of their carve-in status will deny if submitted with a 340B SCC or modifier.

## Non-340B Drug Reimbursement

Claims submitted by 340B providers that do not have an SCC 20 or JG/TB modifier will pay according to the standard reimbursement methodology outlined below:

- National Average Drug Acquisition Cost (NADAC); if there is no NADAC,
- Missouri Maximum Allowed Cost (MAC); if there is no NADAC or MAC,
- Wholesale Acquisition Cost (WAC); or
- The usual and customary (U&C) charge submitted by the provider if it is lower than the chosen price (NADAC, MAC, or WAC).

MHD may not be billed an amount in excess of the provider's usual and customary charge for a particular service.

Failure to include the appropriate submission clarification code or modifier on a 340B purchased drug will result in the MHD collecting rebate on the claim and may subject the covered entity to audit penalties. Any duplicate discount issues resulting from incorrect billing will be the responsibility of the 340B provider and not MO HealthNet.

## Claim Submission

Drug claims submitted on an electronic Professional or Institutional ASC X12 837 Health Care claim transaction or manually entered on a medical or outpatient claim into eMOMED, are to be billed with a valid Healthcare Common Procedure Coding System (HCPCS) code and a valid National Drug Code (NDC) for each medication. Medical or outpatient claim lines submitted with a drug HCPCS procedure code, without a corresponding NDC will be denied.

For drugs without a valid HCPCS procedure code, a provider must use the most appropriate Revenue Code and nonspecific HCPCS code with the appropriate NDC. If a claim is denied because the required NDC was not included, the HCPCS code will remain on the denied claim for your reference.

Providers can reference the MHD Fee Schedule at https://dss.mo.gov/mhd/providers/pages/cptagree.htm to verify if an NDC is required for a HCPCS procedure code. Read the License for Use of Physicians' CPT and select "accept"; then follow the directions given on the MHD Price List Search. The pricing indicator 'D' will indicate HCPCS procedure codes requiring an NDC.

**Provider Bulletins** are available on the MO HealthNet Division (MHD Web site at http://dss.mo.gov/mhd/providers/pages/bulletins.htm. Bulletins will remain on the Provider Bulletins page only until incorporated into the provider manuals as appropriate, then moved to the Archived Bulletin page.

**MO HealthNet News:** Providers and other interested parties are urged to go to the MHD Web site at http://dss.mo.gov/mhd/ to subscribe to the electronic mailing list to receive automatic notifications of provider bulletins, provider manual updates, and other official MO HealthNet communications via E-mail.

The information contained in this bulletin applies to coverage for:

- MO HealthNet Fee-for-Service

Questions regarding MO HealthNet Managed Care benefits should be directed to the patient's MO HealthNet Managed Care health plan. Before delivering a service, please check the patient's eligibility status by swiping the MO HealthNet card or by calling the Provider Communications Interactive Voice Response (IVR) System at 573-751-2896 and using Option One for the red or white card.

**Provider Communications Hotline**
**573-751-2896**