

FAQs Regarding 340B Drug Pricing Program

Policy

1. **How does a facility enroll in the 340B program?** Entities that are eligible for enrollment into the 340B program can find detailed information about enrollment on the [Health Resources and Services Administration's \(HRSA\) Office of Pharmacy Affairs \(OPA\) Webpage](#).
2. **What is the general policy for obtaining rebates on 340B acquired drugs?** Iowa Medicaid does not submit correctly identified 340B provider claims for rebate. The Health Resources and Services Administration (HRSA) Medicaid Exclusion File is used as the source of identifying 340B providers.
3. **Do these requirements apply to all drugs/products?** This requirement applies to all 340B acquired drugs and products for outpatient use, both pharmacy and medical (physician/provider administered) claims.
4. **Do covered entities have to carve-in or carve-out 340B acquired drugs and products for Iowa Medicaid members?** Covered entities (CEs) may choose to carve-in or carve-out 340B acquired drugs and products for Iowa Medicaid members. If drugs and products are carved out, all claims for Iowa Medicaid members must be submitted for drugs and products purchased outside of the 340B program. If the covered entity chooses to carve-in, they must notify HRSA of the intent to purchase and dispense 340B drugs to Medicaid members.
5. **Can an Iowa Medicaid provider enrolled in the 340B federal drug pricing program charge the Iowa Medicaid program something other than their 340B actual acquisition cost (AAC)?** If the covered entity (CE) carves in all prescriptions, physician/provider administered drugs, and other products into the 340B program for Medicaid, the provider must charge Medicaid no more than their 340B AAC for the drugs or products. This includes vaccines and diabetic supplies (lancets, meters, strips and syringes).
6. **Does the State Medicaid Agency seek a Medicaid Rebate on claims for members:**
 - a. **that are “Dual Eligible” (Medicaid/Medicare)?** Yes, if Iowa Medicaid pays a portion of the claim, the claim will be submitted for rebates.
 - b. **that received physician/provider administered drugs?** Yes.
 - c. **that are billed from Medicaid Managed Care?** Yes.

Physician/Provider Administered Drugs and Other 340B Products

1. **Is there a claim modifier that must be used for billing 340B acquired physician/provider administered drugs?** If the covered entity (CE) carves in all physician/provider administered drugs into the 340B program for Medicaid, one of the following modifiers must be included on the 837P or 837I transactions:
 - UD – Drug or biological acquired with the 340B drug pricing program discount for members with Medicaid coverage only.

- JG or TB – Drug or biological acquired with the 340B drug pricing program discount for Medicare Part B drugs for Iowa Medicaid dual-eligible members.
2. **Is there a claim modifier that must be used for billing other 340B acquired products such as vaccines or diabetic supplies?** If the covered entity (CE) carves in all 340B acquired products for Medicaid, no modifier is required when submitting the 340B claim for these items which should be submitted at the CE's 340B acquisition cost.
 3. **Are intrauterine devices (IUDs) and other physician/provider inserted products included in the 340B actual acquisition cost (AAC) submission requirement?** Any drug or product acquired by the covered entity (CE) through the 340B pricing program must be submitted to Medicaid at the 340B CE's acquisition price.
 4. **How does our facility bill for a drug that is not eligible through the 340B drug pricing program if our facility has chosen to "carve in"?** If a drug is not eligible for 340B pricing do not include a modifier and bill at the regular Medicaid rate.
 5. **How does our facility bill for a product (vaccine or diabetic supply) that is not eligible through the 340B drug pricing program if our facility has chosen to "carve in"?** If a product (vaccine or diabetic supply) is not eligible for 340B pricing, bill at the regular Medicaid rate.
 6. **Does the 340B billing requirement apply to Medicaid Managed Care claims?** The same modifiers as noted in item 1. are required for 340B acquired physician/provider administered drugs for managed care claims.
 7. **Does the 340B billing requirement apply to Medicare Crossover claims?** Yes the modifier required for 340B acquired physician/provider administered drugs effective January 1, 2018 as created by the Centers for Medicare & Medicaid Services (CMS), is one of the two new HCPCS Level II modifiers to identify 340B for Medicare Part B drugs:
 - JG – Drug or biological acquired with the 340B drug pricing program discount.
 - TB – Drug or biological acquired with the 340B drug pricing program discount, reported for informational purposes.
 Reporting of the 340B AAC for the 340B drug is required if Medicaid is primary, however for crossover claims pricing should be at Medicare policy.

Pharmacy

1. **Is there a claim identifier that must be used for pharmacy claims?** Submit pharmacy claims for 340B-acquired drugs to Medicaid (FFS or managed care) with values of "08" in Basis of Cost Determination field 423-DN OR in Compound Ingredient Basis of Cost Determination field 490-UE AND insert "20" in the Submission Clarification Code field 420-DK.

2. **How does our facility bill for a drug that is not eligible through the 340B drug pricing program if our facility has chosen to “carve in”?** If the product is not eligible for 340B pricing do not include the value of “08” in the Basis of Cost Determination field 423-DN or a value of “20” in the Submission Clarification Code field 420-DK and bill at the regular Medicaid rate.
3. **Is there a different dispensing fee for a 340B pharmacy?** The dispensing fee is the same for all Iowa Medicaid pharmacies.
4. **What is the requirement for contract pharmacies?** Contract pharmacies may not submit claims to Medicaid FFS for 340B acquired drugs. A 340B contract pharmacy must carve out Medicaid FFS from its 340B operation.