



ATTENTION: 340B COVERED ENTITIES AND THEIR CONTRACT PHARMACIES

BILLING INSTRUCTIONS FOR 340B DRUG CLAIMS

Upon enrollment in the 340B program, covered entities must determine whether they will use 340B drugs for their Medicaid patients. In New York State, if an entity determines to use 340B drugs for their Medicaid patients, they must use them for **ALL** of their Medicaid patients, both Fee-for-Service (FFS) and Managed Care (MCO).

Federal law (42 USC 256b(a)(5)(A)(i)) prohibits duplicate discounts – manufacturers are not required to provide a discounted 340B price and a Medicaid drug rebate for the same drug. To prevent duplicate discounts from taking place, the covered entity is required to follow the Health Resources and Services Administration's (HRSA) rules, and provide HRSA with their Medicaid provider number/NPI at the time of enrollment. HRSA then lists the covered entity and their Medicaid number/NPI on the Medicaid Exclusion File, which lets states and manufacturers know that drugs purchased under that Medicaid billing number(s) are not eligible for a Medicaid rebate. Additional information on HRSA's Medicaid Exclusion File can be found at the following site:

<http://www.hrsa.gov/opa/programrequirements/medicaidexclusion/index.html>

The NYS Medicaid program uses HRSA's Medicaid Exclusion File to identify all 340B claims (both FFS and MCO) to be removed from the rebate stream, thereby avoiding duplicate discounts. **However, additional identifiers are required at the claim submission level for ALL 340B drug claims.**

340B claim level identifiers are as follows:

- 340B claims for FFS and MCOs submitted in 837I or 837P format must include a **UD modifier**. For FFS, all 340B claims MUST be submitted at acquisition cost (by invoice when submitted via 837I or 837P format), inclusive of all discounts.
- 340B claims for FFS and MCOs submitted via the NCPDP format must include a value of '20' in field **420-DK**, Submission Clarification Code. **FFS** 340B claims submitted via the NCPDP format must also include a value of '08' in field **423-DN**, Basis of Cost Determination.

340B entities wishing to change their status on HRSA's Medicaid Exclusion File should go to HRSA's Office of Pharmacy Affairs 340B database page (<http://opanet.hrsa.gov/opa/>) and **Submit a Change/Termination Request** (link found under 'Covered Entities' on the webpage). Changes to how a covered entity uses 340B drugs for its Medicaid patients are effective with HRSA on a quarterly basis only.

FAQs on the 340B program itself, as well as information on how to ask additional questions, can be found on the HRSA website at <http://www.hrsa.gov/opa/faqs/index.html>

Medicaid 340B policy questions can be sent to PPNO@health.ny.gov

Billing questions regarding the FFS program should be directed to the eMedNY Call Center at (800) 343-9000. Billing questions regarding Managed Care plans should be directed to the individual plans.