



Important Information for Pharmacies Submitting Medicaid 340B Drug Claims

On April 1, 2023, Medicaid members enrolled in mainstream Managed Care (MC) plans, Health and Recovery Plans (HARPs), and HIV-Special Needs (SNPs) began receiving their pharmacy benefits from NYRx, the Pharmacy Program under Medicaid Fee for Service (FFS). The pharmacy benefit transition was not applied to members enrolled in Managed Long-Term Care plans (e.g., PACE, MAP, and MLTC), the Essential Plan, or Child Health Plus, and it did not change the scope of benefits (e.g., copayments and covered drugs) of the existing Medicaid Pharmacy Benefit.

Through monitoring of real-time claims, NYRx has identified two trends in pharmacy submitted 340B drug claims:

1. Ingredient cost submitted exceeds 340B ceiling price
2. Invalid codes submitted for 340B pharmacy drugs

As a reminder, pharmacy providers must comply with Medicaid policy for 340B drug claims, as outlined in the Pharmacy Manual and Medicaid Update Articles, and 340B drug claims submitted to Medicaid via the National Council for Prescription Drug Programs (NCPDP) D.0 format are:

- required to be properly identified as 340B for both fee-for-service (FFS) and Medicaid managed care (MMC) members; and must be
- submitted at the 340B acquisition cost by invoice to the provider for FFS members, net any manufacturer discounts and/or other price reductions.

Following is additional information on Medicaid 340B drug claim edits:

**The Medicaid Eligibility Verification System (MEVS) Denial Code for a transaction is returned within the Additional Message Info (526-FQ) and indicates the MEVS error for rejected transactions.*

NYRx Edit #	NYRx Description	NCPDP reject response	More information and how to resolve	Resources
02276	Submitted Ingredient Cost Exceeds Ceiling Price	<p>78 - Cost Exceeds Maximum *Additional MEVS Denial code:</p> <p>708 - Exceeds NY Allowed Maximum</p>	Pharmacy has identified the claim as dispensing a 340B drug. The pharmacy must submit the ingredient cost at their 340b price, with no fees added. The 340B ceiling price refers to the maximum amount that a manufacturer can charge the covered entity for the purchase of a 340B drug. A claim submitted to Medicaid should never be higher than the 340B ceiling	<p>August 2019 MU page 5 https://www.health.ny.gov/health_care/medicaid/program/update/2019/aug19_mu.pdf,</p> <p>Pharmacy Manual page 41, https://www.emedny.org/ProviderManuals/Pharmacy/PDFS/Pharmacy_Policy_Guidelines.pdf</p>

			price or it will be denied. Claims that are denied must be resubmitted with the correct ingredient cost. Alternatively, the pharmacy may dispense non 340B drug and remove the claim level identifiers and submit at the usual and customary charge.	
02275	Invalid Codes Submitted For 340B Pharmacy Drugs	34 - M/I Submission Clarification Code *Additional MEVS Denial Code: 734 - Invalid Combination of Values for 340B Drug	Pharmacy has identified the claim as dispensing a 340B drug with a claim level identifier of 20 in field 420-DK but has not submitted the claim with a Basis of Cost Determination Code of 08 in field 423-DN as required for a 340B claim, or the pharmacy submitted the Basis of Cost of 08, but did not enter a 20 in field 420-DK. Pharmacy should resubmit claim with actual acquisition cost and 08 in the Basis of Cost field	August 2019 MU page 5 https://www.health.ny.gov/health_care/medicaid/program/update/2019/aug19_mu.pdf , November 2021 MU https://www.health.ny.gov/health_care/medicaid/program/update/2021/docs/mu_no13_nov21_pr.pdf , Pharmacy Manual page 41, https://www.emedny.org/ProviderManuals/Pharmacy/PDFS/Pharmacy_Policy_Guidelines.pdf

Please Note: All 340B claims are subject to audit and investigation; in addition, claims improperly identified as 340B and/or claims with unsubstantiated Acquisition Cost may be considered fraudulent claims.

Important NYRx Phone Numbers	
eMedNY - Claims billing and ePACES help	1-800-343-9000
Magellan - PA requests, Emergency 72 hr supply requests, clinical criteria questions, and NYRx Programs	1-877-309-9493
Medical Supplies and Procedure Code Limits	1-800-342-3005
Enteral Nutrition PA	1-866-211-1736, Option 1
General Resources	
NYRx Pharmacy Program	https://www.health.ny.gov/health_care/medicaid/program/pharmacy.htm
NYRx Pharmacy Transition	https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_transition/index.htm
Medicaid Updates	https://www.health.ny.gov/health_care/medicaid/program/update/main.htm
Pharmacy Preferred Drug Programs	https://newyork.fhsc.com/downloads/providers/NYRx_PDP_PDL.pdf
Pharmacy Manual	https://www.emedny.org/ProviderManuals/Pharmacy/PDFS/Pharmacy_Policy_Guidelines.pdf

Medicaid Drug Covered List

<https://www.emedny.org/info/formfile.aspx>

ProDUR-ECCA D.0 Provider Manual (NCPDP
Reject Response/MEVS)

[https://www.emedny.org/ProviderManuals/
Pharmacy/ProDUR-ECCA_Provider_Manual/index.aspx](https://www.emedny.org/ProviderManuals/Pharmacy/ProDUR-ECCA_Provider_Manual/index.aspx)

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