



# REIMBURSEMENT POLICY STATEMENT OHIO MEDICAID

<b>Policy Name</b>	<b>Policy Number</b>	<b>Effective Date</b>
340B Drug Pricing	PY-PHARM-0087	10-1-2022



- Healthcare Common Procedure Coding System (HCPCS) A set of health care procedure codes based on CPT.
- Health Resources and Services Administration (HRSA) The primary federal agency responsible for administering the 340B program.
- National Council for Prescription Drug Programs (NCPDP) the standards organization that creates the standard format through which pharmacy claims are submitted to a Pharmacy Benefit Manager (PBM).
- National Drug Code (NDC) A drug product that is identified and reported using a unique, three-segment number, which serves as a universal product identifier for the specific drug.
- Pharmacy Benefit Manager (PBM) The entity that processes retail pharmacy or PBM benefit claims for CareSource.
- Provider Administered Drugs Drugs administered directly by a health care provider to a patient.

## D. Policy

### I. Pharmacies Allowed to Bill 340B Claims

- A. Only Covered Entities that elected to dispense 340B medications to Medicaid members on the HRSA Medicaid Exclusion File may bill 340B claims.
- B. Contract pharmacies are not allowed to bill for 340B purchased drugs.

### II. Retail Pharmacy (Point-of-Sale) 340B Claims

- A. In addition to the NDC and other fields consistently submitted to the PBM for payment, all 340B Covered Entities must identify 340B claims using either of the two below NCPDP Telecommunication Standard D.0 fields:
  - Submission Clarification Code (SCC - Field 420-DK) of 20 and/or:
  - Basis of Cost Determination - (Field 423-DN) of 08 plus their 340B acquisition cost in the Ingredient Cost Submitted (Field 409-D9)
- B. When submitting 340B claims, providers are permitted, but not required to, submit Basis of Cost Determination Code 08. Providers electing to identify 340B claims using this field must also submit their 340B acquisition code in the Submitted Ingredient Cost field 409-D9.
- C. For drugs not purchased at 340B rates, do not include either of the 340B identifiers listed above.

### III. Provider Administered 340B Drug Claims

- A. In addition to the HCPCS/CPT code, NDC, and other fields consistently submitted for claims payment, 340B Covered Entities should submit the claim on a CMS 1500 or UB-04 claim form with the either of the following modifiers:
  - SE Drug or biological acquired through the 340B drug pricing program discount



IV. Auditing and Monitoring

- A. To ensure compliance with 340B billing requirements, CareSource will monitor both 340B and non-340B claim submissions to identify potential 340B claims. Should we identify a claim we believe is 340B, we will inform the provider of the potential billing error and ask for validation, as well as correction.

E. Conditions of Coverage

Reimbursement is dependent on, but not limited to, submitting the appropriate and applicable drug-related codes (HCPCS, CPT, NDC) along with appropriate 340B claim fields, if applicable.

F. Related Policies/Rules

ORC 5167.123 requires the following regarding managed care organization contracts with 340B providers:

- A) No contract between a medicaid managed care organization, including a third-party administrator, and a 340B covered entity shall contain any of the following provisions:

- (1) A payment rate for a prescribed drug that is less than the national average drug acquisition cost rate for that drug as determined by the United States centers for medicare and medicaid services, measured at the time the drug is administered or dispensed, or, if no such rate is available at that time, a reimbursement rate that is less than the wholesale acquisition cost of the drug, as defined in 42 U.S.C. 1395w-3a(c)(6)(B);
- (2) A fee that is not imposed on a health care provider that is not a 340B covered entity;
- (3) A fee amount that exceeds the amount for a health care provider that is not a 340B covered entity.

(B) The organization, or its contracted third-party administrators, shall not discriminate against a 340B covered entity in a manner that prevents or interferes with a medicaid recipient's choice to receive a prescription drug from a 340B covered entity or its contracted pharmacies.

(C) Any provision of a contract entered into between the organization and a 340B covered entity that is contrary to division (A) of this section is unenforceable and shall be replaced with the dispensing fee or payment rate that applies for health care providers that are not 340B covered entities.

G. Review/Revision History

	DATE	ACTION
<b>Date Issued</b>	08/26/2021	
<b>Date Revised</b>	08/25/2022	
<b>Date Effective</b>	10/01/2022	



