

## POLICY AND PROCEDURE

<b>DEPARTMENT:</b> MHS Pharmacy	<b>REFERENCE NUMBER:</b> IN.PHAR.15
<b>EFFECTIVE DATE:</b> 01/2019	<b>P&amp;P NAME:</b> 340 B Claim Submission
<b>REVIEWED/REVISED DATE:</b> 01/20; 01/19/21	<b>RETIRED DATE:</b> N/A
<b>BUSINESS UNIT:</b> Manage Health Services IN	<b>PRODUCT TYPE:</b> Medicaid
<b>REGULATOR MOST RECENT APPROVAL DATE(S):</b> N/A	

### SCOPE:

MHS' Pharmacy Department, Vendor Management, Claims Department and Pharmacy Benefit Manager (PBM)

### PURPOSE:

Health plans are required to adopt a policy for accepting and appropriately reimbursing claims for drugs and products purchased through the 340B discount program by providers enrolled as covered entities participating in the Federal 340B program.

This policy reviews the manner by which the plan coordinates the 340B claim submission approach with the PBM and health plan claims department. It is the policy of MHS and our contracted PBM to follow Indiana Health Coverage Program (IHCP) guidance for submitting 340B claims.

### POLICY:

It is the policy of MHS and its contracted Pharmacy Benefit Manager (PBM) to follow Indiana Health Coverage Program (IHCP) guidance for submitting 340B claims. MHS will coordinate the 340B claim submission approach with the PBM and the health plan's claims department to ensure appropriate provider reimbursement and encounter submission to the Indiana Office of Medicaid Policy and Planning.

### Indiana Health Coverage Program Guidance:

- Federal law allows eligible entities to decide if they do or do not want to serve Medicaid members using 340B stock. This decision is wholly at the discretion of the entity. However, when an eligible entity makes a decision to serve or not serve Medicaid members with 340B stock, the entity is "locked into" that decision and not permitted to dispense a mix of 340B and non-340B drugs to Medicaid members.
- If the entity wishes to serve Medicaid members using 340B stock, it must only dispense 340B stock drugs and bill the program accordingly at its acquisition cost for the drug, plus the Medicaid dispensing fee. The IHCP requires that any entities enrolled in the 340B program (that intend to use 340B stock to Medicaid recipients) be listed in the Health Resources and Services Administration (HRSA) Medicaid Exclusion File at [openet.hrsa.gov/340B](http://openet.hrsa.gov/340B).
- If the entity wishes to serve Medicaid members using a separate, non-340B stock, it may not use 340B stock at any time. The entity is to bill the program at its usual and customary (U&C) charge.
- Drugs acquired through the 340B drug pricing program and dispensed by 340B contract pharmacies are not covered under the fee-for-service pharmacy benefit

### RETAIL PHARMACY 340B CLAIMS:

1. Pharmacies that participate in the 340B program will be identified during the contracting process by the PBM to make certain they identify claims and are paid appropriately should they use 340B inventory for MHS Members.
2. For claims submitted via the NCPDP format to the PBM, it is the responsibility of the pharmacy on a 340B stock drug to submit the following:
  - A value of "20" in Submission Clarification Code (Field 420-DK) on the claim transaction
  - A value of "08" in Submission Clarification Code (Field 423-DN) on the claim transaction
3. Pharmacies will be reimbursed the 340B acquisition cost and Fee for Service dispensing fee outlined in contract with PBM.

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4. The pharmacy should bill appropriately per their active pharmacy contract and their transactions are subject to audit.
5. Contract pharmacies are not permitted to use 340B inventory for IN Medicaid members managed by MHS pursuant to IHCP guidance.

### CLINICIAN ADMINISTERED 340B DRUGS:

1. For clinician administered drugs, the 340B covered entity should submit the claims on a CMS 1500 or UB-40 and include the HCPCS/CPT, NDC, and appropriate modifiers when using 340B inventory
2. Effective January 1, 2018, providers should use the below modifiers when submitting claims for drugs acquired through the 340B program.
  - JG – Drug or biological acquired with 340B drug program discount
  - TB- Drug or biological acquired with 340B drug program discount, reported for informational purposes

### REFERENCES

Indiana Health Coverage Program Provider Reference Module, Pharmacy Services Section;  
IHCP Banner BR201831, published July 31, 2018;  
IHCP Banner BT201754, published August 15, 2017

### ATTACHMENTS

### DEFINITIONS:

### SUPPORT/HELP:

Resources available to support users of the P&P. Phone numbers, training programs, classes, and/or offices available to help with carrying out the procedure/work process.

#### EXAMPLE:

If you need help with:	Contact:
Questions about this policy	<a href="mailto:indypharmacy@mhsindiana.com">indypharmacy@mhsindiana.com</a> or 844-798-4814

**REGULATORY REPORTING REQUIREMENTS:** N/A

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### REVISION LOG

REVISION TYPE	REVISION SUMMARY	DATE APPROVED & PUBLISHED
Annual Review	No Changes	01/2020
Annual Review	Updated to limit 340B to only contracting pharmacies	01/19/2021

### POLICY AND PROCEDURE APPROVAL

The electronic approval retained in RSA Archer, the Company's P&P management software, is considered equivalent to a signature