

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT2023175 DECEMBER 14, 2023

IHCP clarifies 340B provider billing process

The Indiana Health Coverage Programs (IHCP) clarifies 340B drug pricing program requirements to help expedite compliance by IHCP-enrolled providers, covered entities, and their in-house or contract pharmacies (collectively referred to as CEs). The IHCP is required to prevent duplicate discounts or inappropriate billing to manufacturers for rebates on covered outpatient drugs purchased under the 340B program. The IHCP prevents duplicate discounts using the Medicaid Exclusion File (MEF) and modifiers.

Billing 340B claims through the fee-for-service delivery system

CEs (including stand-alone covered entities) must be registered with Health Resources and Services Administration (HRSA) and enrolled in the 340B program. In addition, CEs must accurately report their carve-in status for FFS Medicaid on the HRSA website and provide their billing information on the MEF. This may include their National Provider Identifier (NPI) only, the IHCP-assigned Provider ID only, or both. After the CE's NPI or IHCP Provider ID is on the MEF, all FFS claims – pharmacy (point-of-sale) and medical (physician-administered drugs) – are to be billed to the IHCP using the 340B actual acquisition cost (AAC) or the price actually paid for the drug.



If a CE's NPI or IHCP Provider ID is not on the MEF, the CE may not use 340B products for an FFS IHCP-enrolled member. The IHCP uses the MEF for FFS claims, including both point-of-sale (POS) and physician-administered drug claims, to prevent duplicate discounts with manufacturers.

Modifiers are required for all FFS physician-administered drug claims (professional or institutional) per *IHCP Banner Page [BR201831](#)*. It is the responsibility of the CE to ensure compliance with the Indiana 340B policy. Any physician-administered drug claims submitted without modifiers will be considered non-340B. In addition, the CE must ensure the National Drug Code (NDC) number, Healthcare Common Procedure Coding System (HCPCS) codes and HCPCS units are correctly billed.

As a reminder, contract pharmacies **are not permitted** under the FFS program.

Dually eligible patients

CEs are expected to follow the same guidelines presented above for dually eligible (Medicare and Medicaid) members. If a 340B CE has elected to carve in to the IHCP, it must only dispense or administer 340B drugs to the dually eligible member, submit the AAC to the IHCP and use modifiers on the claims. The AAC will be considered the Medicaid allowable amount for payment of Medicare A and B crossover claims. The CE's IHCP Provider ID or NPI must be listed on the MEF to bill any 340B drugs to Indiana Medicaid.

If a 340B CE has elected to carve out of the IHCP, the NPI or IHCP Provider ID should not be on the MEF, and the CE should not dispense or administer 340B drugs to IHCP members, even if Medicaid is a secondary insurance.

Billing 340B claims through the managed care delivery system

CEs (including stand-alone covered entities) are required to inform the IHCP of the CE's intention to carve in to a managed care entity (MCE). Beginning Dec. 14, 2023, all CEs must complete the *Notice of 340B Program Participation Form for IHCP Managed Care Outpatient Drug Claims*. The CE must list any contract pharmacies and in-house pharmacies that will also participate in the 340B program. Should a CE decide to withdraw from 340B participation in the Medicaid MCE program, the CE must complete the *Notice of 340B Program Cancellation Form for IHCP Managed Care Outpatient Drug Claims*. Both forms are accessible from the [Forms](#) page at in.gov/medicaid/provider.

Completed forms should be emailed to the Office of Medicaid Policy and Planning (OMPP) at OMPP340B@fssa.in.gov.

As a reminder, the IHCP does not use the MEF for MCE 340B claims. **All Medicaid 340B claims (including both POS and physician-administered drug claims) billed to an MCE must contain appropriate modifiers**, as listed on the [Optum Rx Indiana Medicaid FFS website](#) under 340B Policy. The IHCP will be eligible to receive rebates for any Medicaid MCE claims (POS or physician-administered drugs) that do not contain appropriate modifiers. Unlike Medicare, the IHCP does not exclude certain drug classes from this requirement.

If permitted by the MCE, contract pharmacies must also comply with IHCP billing requirements and use appropriate modifiers on all 340B claims. All CEs should review each MCE's specific policy regarding submission of 340B claims.

For more information

Additional information regarding 340B billing can be found at the [Optum Rx Indiana Medicaid FFS website](#) or in *IHCP Banner Page BR201831*. See the [Pharmacy Services](#) and [Injections, Vaccines and Other Physician-Administered Drugs](#) provider reference modules for further details related to submission of 340B outpatient drug claims.



QUESTIONS?

If you have questions about this publication, please contact Customer Assistance at 800-457-4584.

COPIES OF THIS PUBLICATION

If you need additional copies of this publication, please download them from the [IHCP Bulletins](#) page of the IHCP provider website at in.gov/medicaid/providers.

SIGN UP FOR IHCP EMAIL NOTIFICATIONS

To receive email notices of IHCP publications, subscribe by clicking the blue subscription envelope or sign up from the [IHCP provider website](#) at in.gov/medicaid/providers.

