

**From the Arkansas Medicaid FFS provider manuals per 340B:**

[Pharmacy - Arkansas Department of Human Services.](#)

**217.000      Federal Public Health Service's 340B Drug Pricing Program      4-1-17**

All covered entities that participate in the Federal Public Health Service's 340B Drug Pricing Program (340B) that carve Arkansas Medicaid into the 340B program are required to bill Arkansas Medicaid using their 340B Actual Invoice Price for drugs.

- A. Covered entities that bill Arkansas Medicaid for physician administered drugs including specialty drugs are required to bill Arkansas Medicaid using their 340B Actual Invoice Price.
- B. Pharmacies are required to bill Arkansas Medicaid using their 340B Actual Invoice Price for Covered Legend and non-legend drugs, including specialty drugs, purchased through the Federal Public Health Service's 340B Drug Pricing Program (340B). The 340B covered entity pharmacies that carve Medicaid into the 340B Drug Pricing Program will be reimbursed at the 340B Actual Invoice Price plus the established professional dispensing fee minus the beneficiary's copayment. The 340B pharmacies will identify on claim submission using the National Council for Prescription Drug Programs (NCPDP) indicator for drugs purchased through the 340B program. Drugs purchased outside the 340B program shall be submitted without the NCPDP 340B claim indicator and will be reimbursed using the lesser of methodology plus the established professional dispensing fee minus the beneficiary's copayment. All applicable federal and state supplemental rebates will be applied to claims submitted without the NCPDP 340B claim indicator. The State will not recognize 340B contract pharmacies. The 340B contract pharmacies are required to carve Medicaid claims out of the 340B Drug Pricing Program. Claims exceeding the 340B ceiling price as published or calculated by Average Manufacturer Price (AMP) minus Unit Rebate Amount (URA) will be subject to audit and may reject at point of sale.

Pharmacy providers who submit NCPDP claims to the Arkansas Medicaid Program on or after January 1, 2012 will be required to send value 07, 08 or 13 in the Basis of Cost Determination field (423-DN). The 340B providers have contractual agreements with federally qualified 340B entities, enabling special purchase of medication at federal bid pricing. These medications are reserved for only beneficiaries meeting the federal definition of 340B patients. Claims for prescriptions filled with medications purchased through the 340B program will carry the 08 value (340B Pricing) in the Basis of Cost Determination Field. Claims submitted with usual and customary pricing will carry the 07 value (Usual and Customary Pricing) in this field. Claims for prescriptions filled with non-340B purchased medication AND given a special price will carry the 13 value (Special Pricing) in this field.

**Section 1 of all FFS manuals for all provider types includes information on 340B:**

[All Providers - Arkansas Department of Human Services](#)

**142.200 Conditions Related to Billing for Medicaid Services**

**4-1-**

**23**

- A. Any covered service performed by a provider must be billed only after the service has been provided. No service or procedure may be pre-billed.
- B. Endorsement of the provider check issued by the Medicaid fiscal agent certifies that the services were rendered by or under the direct supervision of the provider as billed.
- C. It is the responsibility of each provider to be alert to the possibility of third-party sources of payment and to report receipt of funds from these sources to DMS.
- D. Each provider must accept Medicare assignment under Title XVIII (Medicare) in order to receive payment under Title XIX (Medicaid) for any Medicare deductible or coinsurance due and payable under Title XIX (Medicaid). See Section 142.700 for more information and details.
- E. Each provider must accept payment from Medicaid as payment in full for covered services, make no additional charges, and accept no additional payment from the beneficiary for these services.
- F. Medicaid providers may not charge beneficiaries for the completion and submission of a Medicaid claim form. If the provider agrees to accept the patient as a Medicaid beneficiary and agrees to bill Medicaid for the services rendered, the beneficiary may not be charged for this billing procedure.
- G. Claims for services provided to eligible Medicaid beneficiaries must be submitted to the Medicaid fiscal agent within twelve (12) months from the date of service.
- H. Federal Public Health Service's 340B Drug Pricing Program: All covered entities (except Federally Qualified Health Centers) that participate in the Federal Public Health Service's 340B Drug Pricing Program (340B) that carve Arkansas Medicaid into the 340B program are required to bill Arkansas Medicaid using their 340B actual invoice price for covered outpatient drugs. Reimbursement shall be no more than the 340B ceiling price. The 340B actual invoice price for each drug reimbursement covered under this program must be submitted to the Department prior to any claims being processed. A covered outpatient drug includes outpatient drugs and drugs used in connection with an inpatient or outpatient service provided by a hospital. Covered entities (except Federally Qualified Health Centers) must also identify all 340B drug claims using the medical modifiers JG or TB. Medical drug claims from covered 340B entities without the modifiers JG or TB will be considered non-340B drug claims and will be subject to rebate invoicing.
- I. 340B drug claims will be subject to post payment review. Providers are responsible for maintaining documentation to support billed amounts.

**For Arkansas Medicaid MCOs (PASSE), Section 5.5.6 Pharmacy Section of the PASSE MCO agreement includes:**

d. Pursuant to Section 1927, the PASSE must develop a process and procedure to identify drugs administered under Section 340B of the Public Health Service Act as codified in 42 USC, as drugs dispensed pursuant to this authority are not eligible for the Medicaid Drug Rebate program. Failure to identify aforementioned 340B drugs on submissions to DHS or its rebate vendor must be treated as a compliance violation. The PASSE must identify encounter claims administered under Section 340B in a manner, mutually agreed upon between DHS and the PASSE, that supports an automated solution to identify and remove those encounter claims from Medicaid Drug Rebate processing. If a PASSE engages a Pharmacy Benefit Manager (PBM) to provide outpatient drug services to Medicaid Members, the PASSE must ensure that the PBM complies with the identification of 340B drugs on encounter claim data in a manner consistent with the NCPDP standards. This must include the use of a unique BIN/PCN combination to distinguish Medicaid managed care claims from commercial or other lines of business. Drugs acquired through the federal 340B Drug Pricing Program and dispensed by 340B contract pharmacies are not covered as part of the FFS pharmacy benefit. The PASSE may cover 340B Drugs but will exclude contract pharmacies from the 340B program.