



**Division of Medical Services**

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**OFFICIAL NOTICE**

**TO: Health Care Providers – All Providers**

**DATE: July 28, 2023**

**SUBJECT: 340B Medical Billing Changes**

**I. General Information**

Arkansas Department of Human Services has made updates to the MMIS core system to allow the use of modifiers U7 and UA by 340B providers.

- Effective 4/1/2023 340B providers should append modifiers U7 and/or UA to physician administered drugs (including Orphan Drugs) when they cannot be purchased at the discounted price for the DOS administered.
  - Modifier U7 should be appended for Orphan Drugs
  - Modifiers U7 and UA should be appended for all other drugs purchased outside of the 340B program
- These new modifiers, bypassing 340B rules, will be subject to rebate. Providers must keep all related drug purchasing records for any auditing.
- New drugs to the market may not have price information built into the MMIS and may require a special handling process and verification of 340B purchase price.

**\*\*340B modifiers JG or TB should not be used with these new modifiers for non-discounted drugs.**

If you have questions regarding this notice, please contact the Provider Assistance Center at (800) 457-4454 toll-free or locally at (501) 376-2211.

If you need this material in an alternative format, such as large print, please contact the Office of Rules Promulgation at (501) 320-6428.

Arkansas Medicaid provider manuals (including update transmittals), official notices, notices of rule making, and remittance advice (RA) messages are available for download from the [Division of Medical Services website](#).

Thank you for your participation in the Arkansas Medicaid Program.

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/s/ David Jones on behalf of  
Elizabeth Pitman  
Director