



Division of Medical Services

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OFFICIAL NOTICE

TO: Health Care Providers – All Providers

DATE: September 30, 2022

SUBJECT: Upcoming 340B Medical Billing Changes

I. General Information

As previously communicated, Arkansas Medicaid is working on updates to the MMIS core system to mandate the use of the 340B modifiers (JG or TB) for all 340B eligible non-pharmacy claim lines, with implementation on or after 1/1/2023.

- It is very important for all Arkansas Medicaid enrolled covered entities keep the 340B Office of Pharmacy Affairs (OPA) information accurate and up to date.
- 340B covered entities must annually recertify their eligibility to remain in the 340B Drug Pricing Program and continue purchasing covered outpatient drugs at discounted 340B prices.
- All 340B covered entities with intent to bill Arkansas Medicaid (carve-in) must ensure that the 340B status is accurately reported each quarter. 340B covered entities are solely responsible for maintaining accurate information on HRSA's Medicaid Exclusion File (MEF) each quarter and keeping auditable records.
- Covered entities are strongly encouraged to check the MEF at the start of each quarter for the accuracy of their specific Arkansas Medicaid billing information to help ensure the overall validity of the data in the file and to avoid duplicate discounts.
- The mandated use of the 340B medical modifiers JG and TB for Arkansas Medicaid will be the determinant to identify 340B drug claims and thus prevent duplicate discounts.
- HRSA does not authorize covered entities to reclassify a purchase as 340B eligible after the fact, and Arkansas Medicaid will not allow retroactive enrollment for 340B covered entities to indicate intent for carve-in.
- **If a 340B covered entity does not update the HRSA MEF each quarter for active enrollment, then Arkansas Medicaid will assume no 340B participation and drug claims will be invoiced for manufacturer rebates as the 340B covered entity is no longer indicated to be a covered entity for carve-in for Arkansas.**

Additional Information including the date of the official implementation will be sent out later.

If you have questions regarding this notice, please contact Cynthia Neuhofer with the Arkansas Department of Human Services at (501) 683-4120, or by email at cynthia.neuhofer@dhs.arkansas.gov.

If you need this material in an alternative format, such as large print, please contact the Office of Rules Promulgation at (501) 534-4138.

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.

/s/ David Jones on behalf of:

Elizabeth Pitman
Director