



# Texas Medicaid 340B Procedures

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This notice contains the Texas Medicaid rebate procedures for providers participating in the Health Resources and Services Administration (HRSA) 340B Drug Pricing Program. These procedures affect all Medicaid claims (fee-for-service and managed care). Please share this notice with HRSA auditors visiting your facility.

## Pharmacy Claims

### Claim submission requirements

- Pharmacies participating in the 340B Program must identify claims filled with 340B stock for people eligible for the 340B program and enrolled in Medicaid with a value of "20" in the "Submission Clarification Code" field (420-DK). Refer to the 340B Resources chapter of the Pharmacy Provider Procedure Manual at [txvendordrug.com/about/manuals](http://txvendordrug.com/about/manuals).

### Rebate procedures

- HHSC excludes outpatient pharmacy drug claims submitted with a value of "20" in the "Submission Clarification Code" field from the rebate invoicing process.

## Medical Claims

### Claim submission requirements

- Medicaid providers must include the correct 11-digit National Drug Code (NDC) for all claims with drug-related Healthcare Common Procedure Coding System (HCPCS) procedure codes.
- Use the Clinician-administered Drug search to identify the payable procedure codes and associated NDC combinations. Refer to the search at [txvendordrug.com/formulary/formulary-search](http://txvendordrug.com/formulary/formulary-search).

- 340B-covered entities submitting claims in the 837I and 837P standard formats must submit the modifier value "U8" as the first value in the modifier field (Loop 2430, Segment SVD03-03) when 340B stock was administered in situations complying with HRSA's program rules.

## Rebate procedures

- Outpatient medical claims submitted with modifier value "U8" are excluded from the rebate invoicing process.

Providers are responsible for correctly reporting claims filled with 340B stock for people eligible for the 340B program to ensure rebates are not collected. Texas invoices drug manufacturers for all other claims where the state has paid, including co-pays, co-insurance, capitated rates, or any other payment type. Claims for people eligible for both Medicare and Medicaid are invoiced.

Refer to the 340B Resources chapter of the Pharmacy Provider Procedure Manual at [txvendordrug.com/about/manuals](http://txvendordrug.com/about/manuals) or contact us at [vdp-operations@hhsc.state.tx.us](mailto:vdp-operations@hhsc.state.tx.us) for questions or additional information.