



Aug. 1, 2019

Re: Texas Medicaid 340B Procedures

Dear Healthcare Professional:

This letter 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 fee-for-service (FFS) and managed care claims. Please share this letter 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 "2Ø" in the "Submission Clarification Code" field (42Ø-DK).

Refer to the 340B Resources chapter of the Pharmacy Provider Procedure Manual at www.txvendordrug.com/about/policy/.

- ▶ *Rebate Procedures*

When outpatient pharmacy drug claims are submitted with a value of "2Ø" in the "Submission Clarification Code" field, they are excluded 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 Texas NDC-to-HCPCS Crosswalk as a resource to identify the payable procedure codes and associated NDC combinations. Access the crosswalk at www.txvendordrug.com/formulary/clinician-administered-drugs.

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 that comply with HRSA's program rules.

▶ *Rebate Procedures*

When submitted with modifier value "U8," outpatient medical claims 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 also invoiced.

If you have any questions or need additional information, please refer to the "340B Resources" chapter of the Pharmacy Provider Procedure Manual at www.txvendordrug.com/about/policy/manual or contact us at vdp-operations@hsc.state.tx.us.