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Kevin Corbett | Chief Executive Officer

J. Kevin Stitt | Governor

OHCA 2022-16

August 29, 2022

**Re: 340B Drug Discount Program Rule Changes**

Dear Provider,

The Oklahoma Health Care Authority (OHCA) recently promulgated agency rules for the 340B Drug Discount Program through the permanent rulemaking process. The new policy for the program is scheduled to go into effect Sept. 12, 2022. The promulgated agency policies included minor changes to the previous rules and one significant change regarding billing requirements on medical claims in an outpatient setting.

Changes to medical billing requirements:

- SoonerCare will require carved-in 340B Medicaid providers to differentiate between 340B purchased drugs and non-340B purchased drugs by using procedure code modifiers with covered outpatient drugs (COD) billed on all outpatient/hospital claims.
  - 340B purchased drugs
    - Medicare Part B crossover claims — modifiers JG and TB are to be used on 340B purchased drugs as indicated by Medicare.
    - SoonerCare outpatient/hospital claims — modifiers JG or TB are to be used on all 340B purchased drugs.
  - Non-340B purchased drugs
    - All outpatient/hospital claims – Modifier UD is to be used on all non-340B purchased drugs (UD will be active Sept. 12, 2022).
- Outpatient/hospital claims billed to SoonerCare by carved-in 340B Medicaid providers will have claim lines for CODs denied if an appropriate modifier is not also billed.
- All COD lines on medical claims, identified as non-340B purchased drugs, will be submitted for Federal and supplemental rebates.
- Any CODs, not appropriately identified on medical claims, are subject to investigative audits from the drug manufacturer and SoonerCare. This applies to claims with dates of service on or after the implementation date.

Minor language changes:

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**WEBSITES**

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- The previous policy stated that drugs will be adjusted by the 340B ceiling price using the NPI number on the HRSA Medicaid Exclusion File. SoonerCare's shared savings program has always utilized the SoonerCare provider ID and service location when making these adjustments. The policy language was changed to reflect the current process that will be continued.

The rules being implemented remain largely the same as the rules approved on Dec. 29, 2016, except for the new billing requirements for medical claims. Therefore:

- Providers, already participating in Oklahoma or those seeking to participate, will not need to submit any additional paperwork other than what is currently required.
- Prescription drugs billed to SoonerCare by carved in 340B pharmacies, will continue to be adjusted by the 340B ceiling price whether purchased through the 340B program or otherwise.
- The current invoicing system that has been in place for numerous years will continue to be the method by which SoonerCare adjusts reimbursement by the 340B ceiling price.

If you have any questions regarding these changes or any other 340B-related questions, please contact OHCA's drug rebate unit at [drugrebateunit@okhca.org](mailto:drugrebateunit@okhca.org).

Thank you for your continued service to SoonerCare members.

Sincerely,

Traylor Rains  
State Medicaid Director



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