Overview

The Health Resource and Services Administration (HRSA) 340B Drug Pricing Program gives 340B-eligible facilities access to federal resources to provide more comprehensive services to eligible patients.

UnitedHealthcare 340B payments — drugs and biologics

Payments to 340B-program Medicare Advantage facilities

Contracted Medicare Advantage

Effective Jan. 1, 2018, UnitedHealthcare began taking adjustments for separately payable drugs and biologicals (assigned status indicator “K”) purchased through the 340B program for any contracted Medicare Advantage facilities paid in accordance with CMS Outpatient Prospective Payment System (OPPS) payment methodology.

Non-contracted Medicare Advantage

- For 340B facilities, CMS reimburses 340B status indicator K drugs and biologicals at a discounted rate of ASP minus 22.5%. CMS requires Medicare Advantage plans to reimburse non-contracted providers using these Original Medicare rates.
- To help ensure proper reimbursement, 340B facilities must follow CMS coding and billing requirements, including use of the appropriate modifiers.

Beginning July 23, 2021, if a claim for a status indicator K drug is received without the JG modifier and a non-exempt 340B provider does not complete an attestation establishing the drug was not purchased through the 340B program, UnitedHealthcare will assume the drug was purchased through the 340B program, adjust the claim and reimburse facilities at the discounted 340B rate of average sales price (ASP) minus 22.5%.

Key points

- The Centers for Medicare & Medicaid Services (CMS) pays original Medicare claims for 340B-eligible drugs and biologicals:
  - An adjusted amount equaling average sales price (ASP) minus 22.5%, for separately payable, Outpatient Prospective Payment System (OPPS) drugs or biologicals with a status indicator of K
- Non-340B exempt facilities must use the JG modifier appropriately or attest to receive accurate claim payments
- UnitedHealthcare retrospective reviews and HRSA drug manufacturer audits help ensure accurate payments
To receive accurate claim payments, UnitedHealthcare requires 1 of 2 things:
1. The JG modifier if purchased through the 340B program, or
2. An attestation that the specific drug or biological wasn’t purchased through the 340B program and should be considered for reimbursement without a discount

If you are set up to receive Smart Edits, within 24 hours of claim submission, you will receive a message on your 277CA clearinghouse report indicating the claim may be subject to 340B coding and billing requirements.

Payments to 340B-exempt facilities
We do not pay facilities at the 340B discounted rate if CMS identifies them as exempt from the 340B program.

Payments to providers who serve UnitedHealthcare members with Dual Special Needs
Dual Special Needs Plans (D-SNPs) are Medicare Advantage plans and are subject to CMS OPPS payment methodology.

UnitedHealthcare will pay the 340B discounted rate for 340B status indicator K drugs and biologics provided to UnitedHealthcare D-SNP members.

Payments when drugs/biologics were not purchased through the 340B program
You are required to attest if eligible separately payable drugs were not purchased through the 340B program. Here’s how:

- Use the UB claim form Service Line Remarks field (see example below)

![Image of UB claim form]

- The attestation must include:
  - The word “attests”
  - The reason why the item was not obtained through the 340B program (according to CMS) guidance) in the status K drug line, and
  - The specific drug code (if multiple drug codes were billed)

- Do not include the JG modifier

Facilities exempt from 340 program
- Rural sole community hospitals (SCHs)
- Children’s hospitals
- Prospective payment system-exempt cancer hospitals
- Hospitals in the state of Maryland
**Using modifiers**

*Billing using the JW (wastage) modifier with the JG modifier*

The JG modifier should be added to each line for drugs purchased through the 340B program. When reporting multiple modifiers, report pricing modifiers first, followed by descriptive modifiers. When appending, CMS states the JG modifier should be appended first, the JW modifier second.

**Use of the TB modifier**

Facilities who participate in the 340B discount program must submit claims using the JG modifier or provide an attestation on their claims. They should not submit claims using the TB modifier.

The TB modifier only applies to facilities that CMS has designated as exempt from the 340B payment adjustment program.

**JG and TB modifier use based on hospital type**

Hospital usage of modifiers is based on hospital type and applicable drug status indicator (SI) for the 340B-acquired drugs and biologics as shown in the following chart:

<table>
<thead>
<tr>
<th>Hospital type (determined by CMS)</th>
<th>Pass-through drug (SI “G”)</th>
<th>Separately payable drug (SI “K”)</th>
<th>Vaccine (SI “F”, “L” or “M”)</th>
<th>Packaged drug (SI “N”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural sole community hospital</td>
<td>TB</td>
<td>TB</td>
<td>N/A</td>
<td>TB or JG, optional</td>
</tr>
</tbody>
</table>

**Paid under the OPPS and subject to the 340B payment adjustment**

<table>
<thead>
<tr>
<th>Hospital type (determined by CMS)</th>
<th>Pass-through drug (SI “G”)</th>
<th>Separately payable drug (SI “K”)</th>
<th>Vaccine (SI “F”, “L” or “M”)</th>
<th>Packaged drug (SI “N”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSH hospital</td>
<td>TB</td>
<td>JG</td>
<td>N/A</td>
<td>TB or JG, optional</td>
</tr>
<tr>
<td>Medicare dependent hospital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural referral center</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-rural sole community hospital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Not paid under the OPPS**

<table>
<thead>
<tr>
<th>Hospital type (determined by CMS)</th>
<th>Pass-through drug (SI “G”)</th>
<th>Separately payable drug (SI “K”)</th>
<th>Vaccine (SI “F”, “L” or “M”)</th>
<th>Packaged drug (SI “N”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAH</td>
<td>TB, optional</td>
<td>TB, optional</td>
<td>N/A</td>
<td>TB or JG, optional</td>
</tr>
<tr>
<td>Maryland Waiver Hospital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Excepted Off-Campus PBD</td>
<td>TB</td>
<td>TB</td>
<td>N/A</td>
<td>TB or JG, optional</td>
</tr>
</tbody>
</table>
Paid under the OPPS, except from the 340B payment adjustment for 2018

<table>
<thead>
<tr>
<th>Hospital type (determined by CMS)</th>
<th>Pass-through drug (SI “G”)</th>
<th>Separately payable drug (SI “K”)</th>
<th>Vaccine (SI “F”, “L” or “M”)</th>
<th>Packaged drug (SI “N”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children’s hospital</td>
<td>TB</td>
<td>TB</td>
<td>N/A</td>
<td>TB or JG, optional</td>
</tr>
<tr>
<td>PPS-exempt cancer hospital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Medicare – FFS Program Frequently Asked Questions, April 2, 2018

**UnitedHealthcare does retrospective reviews**

UnitedHealthcare will continue to do retrospective reviews on 340B paid claims to determine compliance with the CMS coding and billing requirements, and recoup any amounts where appropriate. If we determine appropriate modifiers haven’t been used, and we previously paid the unadjusted ASP plus 6% rate instead of the adjusted ASP minus 22.5% rate, we will send you a detailed overpayment request letter.

If you didn’t purchase the status K drug through the 340B program, you may submit an appeal with supporting documentation.

**Additional 340B drug pricing resources:**
- Medicare – FFS Program ([cms.gov](http://cms.gov))
- 340B Drug Pricing Program – Official website of the U.S. Health Resources & Services Administration ([hrsa.gov](http://hrsa.gov))

**We’re here to help**

Questions? Optum Payment Integrity identifies and manages the 340B recovery process. Please contact them at:

**Phone:** 800-727-6735  
**Fax:** 248-733-6019  
**Mail:** Recovery Services  
P.O. Box 740804  
Atlanta, GA 30374-0804  
**Overnight mail:** UnitedHealth Group/Recovery Services  
4868 Georgia Hwy. 85 – Attn: Suite 203  
P.O. Box 740804, Forest Park, GA 30297