

340B Medicare Advantage drug pricing program

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 biologics (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 biologics 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 biologics:
 - An adjusted amount equaling average sales price (ASP) minus 22.5%, for separately payable, Outpatient Prospective Payment System (OPPS) drugs or biologics 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)

The image shows a screenshot of a UB claim form's Service Line Remarks field. The field is enclosed in a dashed border and contains a table with columns for 'SERVICE LINE #', 'REMARKS', and 'REMARKS'. The first row of the table has the following content: '010 PROVIDER ATTESTS THAT JXXXX WAS NOT OBTAINED VIA 340B'. A red box highlights the 'JXXXX' code. Two red arrows point to the code and the text 'WAS NOT OBTAINED VIA 340B'. A red callout box above the code says 'Insert specific drug code here.' Another red callout box to the right says 'Add reason why drug was not obtained through program here.'

- 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:

Hospital type (determined by CMS)	Pass-through drug (SI "G")	Separately payable drug (SI "K")	Vaccine (SI "F", "L" or "M")	Packaged drug (SI "N")
Rural sole community hospital	TB	TB	N/A	TB or JG, optional

Paid under the OPSS and subject to the 340B payment adjustment

Hospital type (determined by CMS)	Pass-through drug (SI "G")	Separately payable drug (SI "K")	Vaccine (SI "F", "L" or "M")	Packaged drug (SI "N")
DSH hospital	TB	JG	N/A	TB or JG, optional
Medicare dependent hospital				
Rural referral center				
Non-rural sole community hospital				

Not paid under the OPSS

Hospital type (determined by CMS)	Pass-through drug (SI "G")	Separately payable drug (SI "K")	Vaccine (SI "F", "L" or "M")	Packaged drug (SI "N")
CAH	TB, optional	TB, optional	N/A	TB or JG, optional
Maryland Waiver Hospital				
Non-Excepted Off-Campus PBD	TB	TB	N/A	TB or JG, optional



Paid under the OPPTS, excepted from the 340B payment adjustment for 2018

Hospital type (determined by CMS)	Pass-through drug (SI "G")	Separately payable drug (SI "K")	Vaccine (SI "F", "L" or "M")	Packaged drug (SI "N")
Children's hospital	TB	TB	N/A	TB or JG, optional
PPS-exempt cancer hospital				

* 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](https://www.cms.gov))
- 340B Drug Pricing Program – Official website of the U.S. Health Resources & Services Administration ([hrsa.gov](https://www.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

Insurance coverage provided by or through UnitedHealthcare Insurance Company or its affiliates. Health plan coverage provided by UnitedHealthcare of Arizona, Inc., UHC of California DBA UnitedHealthcare of California, UnitedHealthcare Benefits Plan of California, UnitedHealthcare of Colorado, Inc., UnitedHealthcare of the Mid-Atlantic, Inc., MAMSI Life and Health Insurance Company, UnitedHealthcare of New York, Inc., UnitedHealthcare Insurance Company of New York, UnitedHealthcare of Oklahoma, Inc., UnitedHealthcare of Oregon, Inc., UnitedHealthcare of Pennsylvania, Inc., UnitedHealthcare of Texas, Inc., UnitedHealthcare Benefits of Texas, Inc., UnitedHealthcare of Utah, Inc., UnitedHealthcare of Washington, Inc., Optimum Choice, Inc., Oxford Health Insurance, Inc., Oxford Health Plans (NJ), Inc., Oxford Health Plans (CT), Inc., All Savers Insurance Company, or other affiliates. Administrative services provided by Optimality Care Solutions, LLC, OptumRx, Oxford Health Plans LLC, United HealthCare Services, Inc., or other affiliates. Behavioral health products provided by U.S. Behavioral Health Plan, California (USBHPC), or its affiliates.

