POLICY AND PROCEDURE

POLICY NAME: 340B Shared Savings Model	**POLICY ID:** GA.PHAR.20
BUSINESS UNIT: Peach State Health Plan	**FUNCTIONAL AREA:** Pharmacy Operations, PBM, Vendor Management, Claims Dept.
EFFECTIVE DATE: 4/2017	**PRODUCT(S):** Medicaid
REVIEWED/REVISED DATE: 4/2018, 2/2019, 2/2020, 7/2020, 7/2021, 4/2022, 4/2023, 4/2024, 3/2025, 9/2025, 3/2026	
REGULATOR MOST RECENT APPROVAL DATE(S): N/A	

POLICY STATEMENT:
This policy reviews how the plan coordinates this required shared-savings approach with the PBM and or appropriately pays claims when 340B inventory is used for Peach State Health Plan members

PURPOSE:

Health plans are required to adopt a shared-savings approach and develop a policy for accepting and appropriately reimbursing claims for drugs and products purchased through the 340B discount program by providers enrolled as covered entities participating in the Federal 340B program.

This policy reviews the manner by which the plan coordinates this shared-savings approach with the PBM and or appropriately pays claims when 340B inventory is used for Peach State Health Plan members

SCOPE:
Pharmacy Departments, Vendor Management, Claims Department, and Pharmacy Benefit Manager (PBM)

DEFINITIONS: N/A

POLICY:
To monitor and follow process and procedures for pharmacy 340B claims, retail pharmacy 340B claims, and clinician administered drugs claim submission.

PROCEDURE:

PHARMACY 340B CLAIMS:

1. It is the policy of the Peach State Health Plan Pharmacy Department and our contracted PBM to follow the Georgia Department of Community Health (DCH) Medicaid Program rules for submitting 340B claims.

   Effective April 1, 2017, all 340B covered entities using 340B products for an eligible Medicaid member are required to bill with a submission clarification code of 20 on retail pharmacy claims and a UD modifier for claims that have a HCPCS/CPT code.

RETAIL PHARMACY 340B CLAIMS:

1. Local pharmacies that participate in the 340B program will be identified during the contracting process by the PBM to make certain they identify claims and are paid appropriately should they use 340B inventory for Peach State Health Plan members.
2. For claims submitted via the NCPDP format to the PBM, it is the responsibility of the pharmacy on a 340B stock drug to submit “2Ø” in Submission Clarification Code (Field 42Ø-DK) on the claim transaction.
3. The contracted PBM will indicate on the encounter file any 340B submitted claims to GA DCH in order to ensure rebates are not collected for these drugs.
4. It is the responsibility of the contracted PBM to review the updated Health Resource and Service Administration (HRSA) 340B discount drug program file quarterly and ensure appropriately messages. This can be through the 340B contract addendum. The pharmacy should bill appropriately and their transactions are subject to audit.

CLINICIAN ADMINISTERED 340B DRUGS:

1. For clinician administered drugs, the 340B covered entity should submit the claims on a CMS 1500 or UB-40 and include a UD Modifier, in addition to the HCPCS/CPT and NDC, when using 340B inventory.
2. The Peach State Health Plan will capture and include the UD modifier on encounter file submission to GA DCH.

340B Provider Reporting Requirements for Pharmacy Claims

1. Contractor shall ensure that entities which are a part of the 340B Drug Pricing Program are identified for the purposes required under federal statute regarding drug rebates.
2. Any arrangements that are made (e.g. 340B provider agrees to use or not use 340B drugs when providing services for Members, Contractor pays a reduced rate for 340B products, etc.) are at the discretion of Contractor and the providers.
3. Any time 340B product is used under the Georgia Families program, it will have to be identified within the encounter data on the claim pursuant to Section 4.16.3.17.5 and the drug utilization data required pursuant to Section 4.6.6.7 to ensure that DCH does not include those claims in any drug rebate invoices, as required by federal statute.

REFERENCES:
340B Drug Discount Program: a U.S federal government program created to provide outpatient drugs to eligible health care organizations/covered entities at significantly reduced prices.

ATTACHMENTS: N/A

ROLES & RESPONSIBILITIES: N/A

REGULATORY REPORTING REQUIREMENTS:
N/A

REVISION LOG

REVISION TYPE	REVISION SUMMARY	DATE APPROVED & PUBLISHED
New	New policy created	02/2017
Annual Review	No changes made	04/2018
Ad Hock	Changed current Georgia policy templates to corporate standard templates for standard operating policy/procedures criteria to meet corporate compliance. Changes/revisions included; new formatting, font size, use of standard policy language for each section of policy, and rearranged order of certain steps in criteria and sections.	02/2019
Annual Review	No changes made.	7/2020
Annual Review	No changes made.	7/2021
Annual Review	2Q 2022 annual review. No changes made.	4/2022
Annual Review	2Q 2023 annual review. Changed to new policy template.	4/2023
Annual Review	2Q 2024 annual review. No changes made.	4/2024
Annual Review	2Q 2025 annual review. No changes made.	3/2025
Ad Hock	Per DCH contractual requirement changes, Added section for 340 B provider reporting requirement for pharmacy claims.	9/2025

Annual Review	1Q 2026 annual review. No changes made.	3/2026

POLICY AND PROCEDURE APPROVAL

The electronic approval retained in RSA Archer, the Company's P&P management software, is considered equivalent to a signature.