

FAQ
Kentucky Managed Care 340B Medicaid Drug Rebate Program

Version History		
Revised on	Version	Description
3-7-2022	2	Additional questions added
8-15-2022	3	Additional questions/clarifications added
10-20-22	4	Additional questions added

FAQ

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GENERAL QUESTIONS

How will DMS know which Medicaid MCO prescriptions from a particular pharmacy are 340B claims?

For MCO pharmacy claims, for Covered Entities with an associated TPA (Third Party Administrator), 340b claims are required to be identified and submitted to DMS through SFTP connection using the appropriate TPA File layout. It is the responsibility of the Covered Entity to ensure they provide accurate data containing only 340B claims to DMS.

Will DMS use the MEF for identification for in-house pharmacy claims?

DMS will utilize the MEF for FFS claims only. If the in-house pharmacy's NPI is identified on the associated quarter's file, all claims will be excluded.

When will the 340B process for contract pharmacies be implemented?

The current implementation date is set for April 15, 2023 with the expectation for file submission for all quarters of 2022 and first quarter of 2023.

The file submission on April 15, 2023, are you looking for that to be one file consisting of all 5 quarters?

No, each quarter should be its own file.

What information will need to be supplied in the claims file?

There is a file layout that provides the required data elements. For a copy of that file, please contact DMS via DMS340B@ky.gov.

Can DMS please provide a list of all Medicaid FFS plans as well as MCO plans by BIN/PCN and Group?

The FFS info: BIN: 011529. PCN: P022011529. Group ID: KY Medicaid
The MCO info: BIN: 23880. PCN: KYPROD1. Group ID: KYM01

During the SFTP connection setup phase, will entities be able to submit test files prior to go live?

Yes, there will be a testing phase.

Will there be any type of risk assessment that will happen prior to the setup of the SFTP connection?

We are working on identifying the required documents for the entities to complete.

What is the frequency for submission of the claim's files?

Quarterly.

What date are files required to be submitted?

Claims files should be submitted no later than 15 calendar days after the quarter end. Files received after this date will not be accepted.

What is the file naming convention?

For CEs utilizing TPAs: KY_MCO_ContractPharmacyExclusion_TPAname_yyyymmdd.txt

For CEs not utilizing a TPA: KY_MCO_ContractPharmacyExclusion_CName_yyyymmdd.txt

What date is being looked at each quarter to be considered for that quarter?

Date of Service

What are the deadlines for submission of the Participation forms in order to participate in this program?

Q1 - March 15 (effective 1/1)

Q2 - June 15 (effective 4/1)

Q3 - Sept 15 (effective 7/1)

Q4 - Dec 15 (effective 10/1)

COVERED ENTITY QUESTIONS

If a Covered Entity does not plan to participate in the 340B KYMCO Drug Rebate Program, are they required to submit the Non-Participation notice?

No. If we don't hear from you, we assume you are not providing 340B drugs to KY Medicaid beneficiaries in managed care and all claims will be eligible for rebates for the Medicaid Drug Rebate Program.

Once a Covered Entity submits their Participation form, are they required to resubmit the form each quarter?

No. Once a Covered Entity submits their Participation notice, they are participating until a Non-Participation form is submitted.

What if a Covered Entity has multiple Contract Pharmacies and decides to end participation for one/some specific pharmacies, how is the Non-Participation notice to be completed?

The Covered Entity needs to include **only** the in-house and/or contract pharmacy(ies) on the Non-Participation Notice for which they wish to end participation.

What if a Covered Entity wants to end participation for all associated in-house and/or contract pharmacies?

There is a check box on the Non-Participation notice which says, "Indicate if the Covered Entity will end participation." If "Yes" is selected, DMS will remove any and all in-house and/or contract pharmacy associations with that specific Covered Entity.

Is notice still required if the Covered Entity's NPI is already listed on the Medicaid Exclusion File (MEF)?

Yes. For the managed care delivery system, in order to participate, the Covered Entity must complete and return the Participation notice to DMS.

What if the Covered Entity has an In-House pharmacy?

The Covered Entity should provide the Pharmacy Information in the appropriate section of the letter and select the option "In House"

What if a Covered Entity does not have any Contract Pharmacies? Are they required to submit a notice?

Yes, if they choose to participate.

If a Covered Entity has not been using 340B drugs for Medicaid MCO members and decides to participate, how will claims submitted during the quarter prior to the participation effective date be handled?

Claims processed prior to the timely receipt of the accurate and complete participation document will continue to process as standard Medicaid claims and be eligible for Medicaid rebates during the quarter. Please refer to the examples and dates provided within the cover letter document for more information.

On the 340B Participation Notification form, there is a line for Third Party Administrator (TPA). Would an individual contract pharmacy who serves as their own TPA enter their name here?

Yes.

Are Covered Entities allowed to submit the Non-Participation notice in advance?

No. DMS will only accept the Non-Participation notice within the quarter at which they request to remove participation.

How do Covered Entities/Contract Pharmacies bill for medical claims to identify them as 340B?

To identify medical claims for outpatient physician-administered drugs, Providers must include the UD modifier on the 837 transaction or CMS 1500. The appropriate modifiers relating to 340B claims goes in Loop 2400, Segment SV1. The acceptable modifiers are **UD, JG, or TB**.

- CMS 1500: Field Number: 24D, Field Value: Procedures, Services or Supplies, Field Description: CPT/HCPCS and Modifier.
- 837P: HCPCS code in Loop 2400, SV101-2 followed by one of the acceptable modifiers above.

What if I already have a SPA (State Plan Agreement) in place with DMS?

Pharmacy Providers who have a previous agreement in place with DMS are required to submit the new Participation Notice form in order to continue participating. Should a provider choose not to submit the Participation Notice form, DMS will end participation until otherwise noted.

Is a Covered Entity required to complete a Participation notice form for each contract pharmacy?

Yes

Do Covered Entities need to list all current clinic sites and not just our parent site?

If the child sites will be billing, using their own NPI, for 340B drugs for KY Medicaid Managed Care, then yes. All sites will need to be included. If the child sites will be using the parent site to bill, then no.

We received your Participation/Non-Participation notice forms. Are you saying that if we participate in 340B in anyway that we must complete the form as participating?

No. These notices apply to 340B KY Medicaid Managed Care claims. Fee-for-Service (FFS) will continue to be identified using the quarterly MEF.

We have 5 in-house pharmacies (all separate NPIs). They are under the same 340B ID. Can we complete one form for all 5 pharmacies, or do we need to complete 5 forms?

The participation form will have to be submitted for each pharmacy. There is a section to indicate that they are an in-house pharmacy as well.

Will in-house pharmacies need to provide a claim analysis in lieu of the 20 modifier? In other words, is this program replacing the need for a modifier even for in-house covered entity pharmacies?

KY is not implementing the modifier of '20.' This process is replacing that previously "on-hold" policy from April 2020.

We do not have a TPA for our in-house pharmacy, who should I put down?

For in-house pharmacies who do not utilize a TPA and/or do the work of a TPA themselves, then on the TPA name they should put N/A. DMS is allowing any in-house pharmacy to select an option to which they would like their in-house pharmacy(ies) to participate. These options will be listed on the newly updated 340B Participation Notice form and one must be selected.

- Option 1: The Covered Entity will submit a claims file quarterly, in the approved DMS format, on behalf of the in-house pharmacy(ies)
 - Option 2: The Covered Entity agrees that DMS will exclude all pharmacy claims for the participating in-house pharmacy(ies) based upon NPI and no claims file will be required to be submitted.

For any in-house pharmacy(ies) that have already submitted their Participation form and were not given an option to select one of the above, DMS will reach out individually requesting this information.

Per the KY Claims Identification by Delivery System flowchart, under MCO, Pharmacy, In House Pharmacies, the description says "Covered Entities must indicate participation in the 340B program with signed DMS attestation for each specific NPI. If NPI is on this list then all claims will be excluded from rebates." Does this mean in house pharmacies billing MCO claims would only have to indicate participation and not submit claims files?

The flow chart has been updated to reflect DMS' decision to allow in-house pharmacies to select an option that works best for their situation for participation.

How are in house pharmacies excluding 340b ineligible claims to DMS?

Only claims identified as 340B should be provided to DMS based on the option their in-house pharmacy chooses as their method of participation.

CONTRACT PHARMACY QUESTIONS

I am a 340B contract pharmacy that does not bill Medicaid for 340B and never has. In this situation, do I need to send in the non-participation paperwork?

No. A contract pharmacy should not be submitting any paperwork to DMS. The Covered Entity is responsible for providing the notices to DMS.

What modifier code do the contract pharmacies need to submit to designate the claim is an MCO claim and in what field do they need to submit this modifier? In 2020, the modifier code was '20'. Is this still the same?

No. This new process will be replacing the current "on-hold" policy on the CHFS website from April 2020. For pharmacy claims, a modifier is not required to be submitted. For medical claims, one of the following modifiers is required: UD, JG, or TB.

Is this process for both split-billing (hospital outpatient) and contracted retail/specialty pharmacies?

Yes. This program applies to outpatient medical claims and contract retail/specialty pharmacies.

Will PHI be required to be submitted on the quarterly claims file?

Yes. The file will require a few member specific identifiers. For the specific data elements, please contact DMS via DMS340B@ky.gov

We are a contract pharmacy that participates in 340B. How do I complete the section Covered Entity and who signs the signature page?

Contract pharmacies do not submit participation forms. This information has to come directly from the Covered Entity themselves and they must identify the associated contract pharmacies.