FAQ
Kentucky Managed Care 340B Medicaid Drug Rebate Program

Contents

Version History		
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3-7-2022	2	Additional questions added
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*Please note: All changes for this version are red.

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 scheduled for July 1, 2025. A 90-day notice was provided to all entities on 4/1/25 and a project update was provided to all entities on 6/16/25.

Once DMS has implemented this new process and is ready for file submissions starting from January 2022, will all claims be submitted on one file including all quarters?

No, each quarter should be its own file

When and what is the expectation for DMS to accept historical claims files?

DMS will notify entities at least 30 days before the end of each quarter to advise them of the process and dates of service to be submitted. In addition, we have provided a table below that provides the timeline for the submission of historical files.

Date DMS will notify TPA/CE	9/16/2025	12/15/2025	3/16/2016	6/15/2026	9/15/2026	12/15/2026	3/16/2027
Current Quarter Processing	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1
Quarter(s) Reprocessing	2025 Q1	2022 Q1/Q2	2022 Q3/Q4	2023 Q1/Q2	2023 Q3/Q4	2024 Q1/Q2	2024 Q3/Q4

Note: Each quarter, we will need the Current Quarter Processing AND Quarter(s) Reprocessing all in one singular 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.

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

Quarterly. They must be submitted no later than the 15th calendar day after each quarter and contain data for the previous quarter. (Example: Quarter 1: Jan-Mar data is due by April 15)

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_TPAAcronym_yyyymmdd
For CEs not utilizing a TPA: KY_MCO_ContractPharmacyExclusion_CEAcronym_yyyymmdd

What type of files are can be submitted to DMS?
DMS can only accept CSV files.

What is the error file naming convention?
_Error_KY_MCO_ContractPharmacyExclusion_TPA/CEAcronym_yyyymmdd

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

What are the participation form submission deadlines?
Q1 - March 15 (effective 1/1)
Q2 - June 15 (effective 4/1)
Q3 - Sept 15 (effective 7/1)
Q4 - Dec 15 (effective 10/1)

Why is the FAQ document in DRAFT status?
The FAQ is in draft status as updates are continually added as additional questions are received.

Will testing be required for new entities?
Yes. Once a new entity is onboarded, DMS will require testing prior to entities submitting in the production environment. DMS will provide information on the testing process to the entities as they are onboarded.

When is the cutoff for testing to go live on 7/1/2025?
The cutoff for SFTP setup requests was June 13, 2025. Any entities requesting an SFTP site will be placed on a list to start testing after 7/1/2025.

If we need an SFTP setup, when does that need to happen?
Entities who need to submit files on behalf of their CE(s) will need to happen within 15 days after the participation approval email is sent.

COVERED ENTITY QUESTIONS

If a Covered Entity does not plan to participate in the 340B KY MCO 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 under 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 all in-house and/or contract pharmacy associations for 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, 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 "In House" option.

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

Only if they have in-house pharmacies that need to be added for participation within the KY 340B Program.

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?

No. This should be the Covered Entity's name as the contract pharmacy cannot serve as their own TPA and submit quarterly files to DMS.

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 a modifier on the 837 transaction or CMS 1500 form. 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.
- UB04: For MCO: HCPCS code in field 44 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 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, or only a parent site?

If the child sites will be billing 340B drugs for KY Medicaid Managed Care using their own NPI, , then yes, all clinic sites are required. If the child sites will be billing under the parent site's NPI, they are not required to be listed.

We received your participation/non-participation notice forms. Does this mean that if we participate in 340B in any way that we must complete the form as participating?

No. These notices apply to 340B KY Medicaid Managed Care claims. Fee-for-Service (FFS) 340B participation will continue to be identified utilizing 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 must be submitted for each pharmacy. There is a section to indicate an in-house pharmacy.

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

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

We do not have a TPA for our in-house pharmacy, what should I list on the participation form?

For in-house pharmacies that do not utilize a TPA and/or do the work of a TPA themselves, they should enter "N/A" in the TPA Name field. DMS is allowing any in-house pharmacy to select how 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, they can complete the in-house pharmacy section on the updated participation form located on the Pharmacy Policy Branch website.

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 in-house pharmacy's chosen participation option.

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?

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. It is important that the CE is contacting their appropriate MCO to confirm what modifier should be utilized as each MCO can utilize either of the required ones.

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 Covered Entity section and who signs the signature page?

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

SFTP (Secured File Transfer Protocol) QUESTIONS

What information is required to be submitted to DMS to setup an SFTP connection?

An email address and name of the person who will be responsible for placing files onto the SFTP site (KY DMS Move It) on a quarterly basis.

What IT address should entities whitelist from DMS?

Please whitelist 205.204.187.85. This is our public IP address.

TPA FILE LAYOUT QUESTIONS

What file type is accepted?

CSV only

Does the file need column headers?

No. Column headers should not be on the file.

Program ID: Entities are not able to provide this information as there is only one program ID for MedImpact. What do we do?

This is a mandatory field per the TPA file layout but can be blank as there is only one program ID at this time.

What are file expectations?

1. Client ID must default to: **KYF1**.
2. No header rows or titles for columns.
3. No spaces or additional columns between fields.
4. No blank rows between rows of data.
5. Save the file as a commo delimited **CSV**.
6. Columns D, E, G, H, and J MUST be formatted as a NUMBER (ensure there are no green formatting triangles after saving as a CSV.
7. Include all required fields.
8. Do not include any unnecessary leading 0's.
9. Naming convention must be: KY_MCO_ContractPharmacy Exclusion_TPA/CEAcronym_YYYYMMDD

What if I do not know my acronym that needs to be included on the file naming convention?

DMS can provide this information. Contact DMS at DMS340B@ky.gov.

What folder should the files go into on the SFTP site?

For files going **TO CHFS**, they must be placed in the "ToCHFS" folder.

For error files going **TO** the TPA/CE, they will be placed in the "FromCHFS" folder.