

FAQ Kentucky Managed Care 340B Medicaid Drug Rebate Program

Version History		
Revised on	Version	Description



KENTUCKY CABINET FOR
HEALTH AND FAMILY SERVICES

FAQ

Kentucky Managed Care 340B Medicaid Drug Rebate Program

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 aren't participating.

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(s) in 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. 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?



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Claims processed prior to the timely receipt of the accurate and complete participation document will continue to process as standard Medicaid claims 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.

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

The Covered Entity's will be responsible for working with their TPA to identify which pharmacy claims were billed as 340B with the new retrospective process.

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

This is currently TBD

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, TB or AY.

- 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.

