



Date: October 16, 2014

To: Coordinated care organizations (CCOs)
Physical health plans
Providers who participate in the 340B Drug Pricing Program

From: Don Ross, Manager
Medicaid Policy and Planning Section, DMAP

Subject: Encounter reporting of 340B-eligible drugs dispensed to Oregon Health Plan (OHP) clients

The Division of Medical Assistance Programs (DMAP) is writing this letter to remind providers of their responsibilities related to billing Medicaid for drugs purchased under the [340B Drug Pricing Program](#).

We would also like to invite interested providers to attend the following meeting to discuss a new, proposed file format for CCOs, plans and 340B providers to report 340B pharmacy encounter claim data to DMAP.

- **Date:** Monday, October 20, 2014
- **Time:** 11:00 am – 12:00 pm
- **Place:** Barbara Roberts Human Services Building, 500 Summer Street NE, Salem
Room 137D (capacity 30)

We hope to start receiving quarterly 340B encounter claim reports using this file starting next year. For those unable to attend in person, you are welcome to call in at 1-888-363-4734 (pass code 820666).

Why is this happening?

[Section 340B\(a\)\(5\)\(A\)\(i\) of 42 U.S.C](#) prohibits Medicaid drug rebates for 340B-purchased medications. Our drug rebate vendor will review the quarterly reports of 340B drugs billed to CCOs/plans to ensure that such claims are excluded from the Medicaid drug rebate process.

What should you do?

If you would like to participate in the October 20, 2014 meeting about the proposed 340B claim file, please RSVP to Linnea Saris, Pharmacy Program Analyst, at linnea.m.saris@state.or.us.

For more information about the proposed quarterly reporting process, please view the attached fact sheet.

Questions?

If you have any questions about this announcement, please contact DMAP's Pharmacy Program at dmap.rxquestions@state.or.us.

Thank you for your continued support of the Oregon Health Plan and the services you provide to our members.

Help us improve future announcements: [Click here](#) to answer six survey questions.

Policy Issue Paper

Issue: 340B CCO Claims File Identification to Prevent Duplicate Discounts

Date: October 6, 2014

Background:

Section 340B(a)(5)(A)(i) of 42 U.S.C prohibits duplicate discounts on 340B-purchased medications; therefore, manufacturers who are required to provide outpatient drugs to eligible health care organizations at a significantly reduced price, are not obligated to pay rebates on those same drugs.

In addition, OAR 410-121-0155(1)(d), endorses the federal requirement that prohibits covered entities and federally qualified health centers or their contracted agents, from billing Medicaid Fee-for-Service (FFS), above the 340B acquisition cost.

Purpose:

Develop an accurate reporting process to identify 340B-purchased drugs from the Coordinated Care Organization's (CCO) encounter claims data, in an effort to prevent duplicate discounts. Section 340B(a)(5)(A)(ii) required the Secretary to establish a mechanism to ensure that covered entities comply with the requirement prohibiting duplicate discounts.

Policy:

Currently, the State uses the Medicaid Exclusion File on the Health Resources and Services Administration (HRSA) website to identify Public Health Service (PHS) providers that have indicated they are using 340B drugs for Medicaid clients.

Medicaid (FFS) and CCO encounter claims are excluded from the Medicaid rebate process, from these PHS providers. PHS entities that have indicated to HRSA that they are not using 340B drugs for Medicaid clients, will have both their FFS and CCO encounter claim utilization, included in the Medicaid rebate process.

Public Health Service (PHS) entities and CCOs are required to work with the State in an effort to best allow PHS providers to maximize the 340B drug program without risking sanctions due to duplicate discounts. Covered entities that will carve-in are required to inform HRSA (by providing their Medicaid provider number/NPI) at the time they enroll in the 340B Program that they will purchase and dispense 340B drugs for their Medicaid patients. If covered entities decide to bill to Medicaid for 340B-purchased drugs with a Medicaid provider number/NPI, then ALL (FFS and CCO) drugs billed to that number must be purchased under 340B and that Medicaid provider number/NPI must be listed on the HRSA Medicaid Exclusion File.

For covered entities that opt to purchase Medicaid drugs outside of the 340B Program, e.g., carve-out Medicaid prescriptions, ALL drugs billed under that Medicaid provider number/NPI must be purchased outside the 340B Program, and that Medicaid provider number/NPI should not be listed on the HRSA Medicaid Exclusion File.

PHS entities will not be allowed to utilize contract pharmacies to bill 340B drugs for FFS Medicaid claims, as the State will be collecting rebate on claims from those pharmacies. CCO's can allow PHS providers to use contract pharmacies to bill 340B drugs for Medicaid clients; however, will be required to identify those claims to the State, to ensure they are excluded from the rebate process in order to prevent double-dipping.

Process:

See attached 340b claims file instructions and file layout document.

Oregon Medicaid 340B Drug Claims File

Purpose

340B reporting is for CCOs, their PBMs, or 340B providers who dispense 340B-purchased drugs to CCO members. The process is used to report encounter pharmacy claims filled with 340B-purchased drugs in order to exclude them from the Medicaid Drug Rebate process.

This reporting is **in addition to** the regular encounter pharmacy claims process. CCOs/PBMs will continue to submit all encounter pharmacy claims to the MMIS as they do today.

HIPAA requirements

To submit this file, you must have an Oregon MMIS (OR-MMIS) Trading Partner ID and mailbox.

If you are not an OR-MMIS Trading Partner, but would like to submit the 340B file to DMAP, please email dmap.rxquestions@state.or.us. Type **340B Mailbox Request** in the subject line.

Process

1. Submit files in the required format within 30 days after the end of the quarter you are reporting.

Dates of service	Report by:
January 1 to March 31:	April 30
April 1 to June 30:	July 31
July 1 to September 30:	October 31
October 1 to December 31:	January 31

2. Prior to the quarterly drug rebate process, the drug rebate vendor will match up the submitted files to the original paid encounter claim data.
 - a. Matched claim data will be excluded from the quarterly drug rebate process.
 - b. Unmatched or invalid claim data will be reported back to the Trading Partner for correction.
3. For new or corrected files submitted after the quarterly rebate process has ended, the vendor will have the rebates credited to the manufacturer in the following quarterly cycle.

Required file format

HEADER RECORD						
Field No.	Name	Format	Length	Location	Description	Notes
1	Record ID	A/N	1	1	Record type	H = Header Record
2	Transaction ID	A/N	9	2-10	Identifies file as an NCPDP 340B Claim File.	ID Should always be "NCPDP340B"

HEADER RECORD

Field No.	Name	Format	Length	Location	Description	Notes
3	Trading Partner ID	A/N	8	11-18	Sender Trading Partner ID.	(e.g. "MB123456")
4	Receiver ID	A/N	5	19-23	OR-MMIS Trading Partner ID.	"ORDHS"
5	Transaction Date	DT	8	24-31	Date file was created.	Format = CCYYMMDD
6	Transaction Time	TM	6	32-37	Time file was created.	Format=HHMMSS
7	Record Count	N	6	38-43	Number of 340B claim records in file	Leading zeros if count is less than 100,000 records. (e.g., for 150 records, use 000150)
8	Filler	A/N	32	44-75	Filler Spaces.	

DETAIL RECORD

Field No.	Name	Format	Length	Location	Description	Notes
1	Record ID	A/N	1	1	Record type	D = Detail Record
2	Medicaid ID	A/N	12	2-13	Oregon Medicaid Recipient ID	Left-justify with spaces after up to field length
3	Dispense Date	DT	8	14-21	The date the drug was dispensed to the recipient.	Format=CCYYMMDD
4	NDC Number	A/N	11	22-32	National Drug Code	Use 5-4-2 format
5	Prescription Number	A/N	12	33-44	The number assigned by the pharmacy for the prescription.	Left-justify with spaces after up to field length
6	Billing Provider ID	A/N	15	45-59	Billing Pharmacy's NPI (when supplied)	Left-justify with spaces after up to field length
7	Prescribing Provider ID	A/N	15	60-74	Prescriber's NPI (when supplied)	Left-justify with spaces after up to field length
8	Claim Indicator	A/N	1	75	Indicates course of action to take on the claim.	A = "Add" (Default Value) R = "Remove"