



JULY 2021

KMAP GENERAL BULLETIN 21138

340B Provider Claim Identification and Drug Rebate Invoicing Process

Effective July 1, 2021, and enforced with the Health Resources and Services Administration (HRSA) Medicaid Exclusion File (MEF) starting October 1, 2021, Kansas Medicaid is providing written guidance regarding allowed use and identification of drugs acquired through the 340B Program (Section 340B of the Veteran Affairs Act) for Medicaid members.

The State currently receives, and will continue to receive, all claims data (encounters) from the Managed Care Organizations (MCOs).

From the Fee-For-Service (FFS) and MCO claims data, the State Fiscal Agent will invoice for all current and future rebate invoice types.

The State Fiscal Agent is responsible for 340B claim identification, according to State policy, Centers for Medicare and Medicaid Services (CMS) rules, and HRSA guidelines.

This policy clarifies Kansas Medicaid's expectation for providers enrolled in the 340B Program through HRSA, which will be tied to how Kansas Medicaid identifies and excludes claims from drug rebate invoicing. This guidance applies to both FFS and MCO utilization data invoicing.

Kansas Medicaid allows use of drugs acquired through the 340B Program by providers as follows:

- HRSA enrolled 340B Covered Entity-owned pharmacies
- HRSA enrolled providers of Physician Administered Drugs (PADs)

*Dispensing of 340B acquired drugs by 340B Contract Pharmacies to Kansas Medicaid members is not allowed.

Each participating 340B Covered Entity (as identified in Section 340B of the Veteran Affairs Act), all their applicable child site locations, and their providers who carve in Kansas Medicaid for PAD and Covered Entity-owned pharmacy claims, must follow all the requirements below for their claims to be identified and removed from drug rebate invoicing. All claims from what could be considered Contract Pharmacies will continue to be invoiced for drug rebates.

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- 7:30 a.m. - 5:30 p.m.
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340B Provider Claim Identification and Drug Rebate Invoicing Process continued

Requirements:

1. Register their National Provider Identifier (NPI) with the HRSA, Office of Pharmacy Affairs (OPA), and be included on the Medicaid Exclusion File (MEF).
 - a. It is the Covered Entity's responsibility to make sure the NPI listed matches the NPI in the Kansas Medicaid system.
 - b. The State Fiscal Agent rebate team will use only the HRSA MEF for identification of allowed 340B Covered Entity Provider claims.
 - c. The MEF will be used for both FFS and MCO 340B provider claim identification.
2. List the active Kansas Medical Assistance Program (KMAP) Identification (ID) number as the 'Medicaid Number,' and 'KS' as the 'State' (the field that defines the state owner of the Medicaid Number) on the MEF to provide further assistance in excluding these claims from the Medicaid drug rebate invoicing process.
 - a. Drugs acquired through the 340B Program are only allowed to be used for Covered Entity-owned pharmacies and for PAD use for Kansas Medicaid. Covered Entity designation of their Contract Pharmacies on the HRSA website will not be deemed applicable for Kansas Medicaid.
 - b. It is the Covered Entity's responsibility to make sure the KMAP ID listed is active and matches the KMAP ID in the Kansas Medicaid system.
 - c. Providers without a KMAP ID listed on the MEF, regardless of the reason, will not be considered compliant with Kansas Medicaid requirements, and claims from those providers for the non-compliance time period will be invoiced for rebates.
 - d. If a Covered Entity or provider is carved in for a border state and not Kansas, then the border state Medicaid ID should be used, in addition to the Covered Entity NPI number.
3. The provider address must match the NPI, KMAP ID, and State selected.
 - a. It is the Covered Entity's responsibility to ensure that the addresses listed on the MEF matches the address listed with Kansas Medicaid for all providers and their applicable locations.

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340B Provider Claim Identification and Drug Rebate Invoicing Process Continued

- b. All provider addresses will not be assumed to be registered with HRSA unless the address is listed on the MEF during the time of rebate invoicing.
- c. If the provider address does not match the NPI, Kansas Medicaid ID, and State selected, Kansas Medicaid will include claims for invoicing.

Provider's claims submitted to Kansas Medicaid prior to the provider's official and compliant listing on the HRSA MEF, beginning October 1, 2021 will be submitted for rebate invoicing.

Starting on the first day of the first quarter, whereby the 340B Provider's listing is as required by Kansas Medicaid, claims will be excluded from drug rebate invoicing.

If there is an incorrect listing and claims are rebated, the manufacturer should follow-up with the Covered Entity.

Access the Kanas Medicaid 340B website [here](#).

This policy does not address reimbursement.

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