



9881 Maryland Drive,
Richmond, VA 23233

August 6, 2019

340B Drug Program

Dear Provider,

Beginning **January 1, 2018**, Medicare pays an adjusted amount of the average sales price (ASP) minus 22.5% for certain separately payable drugs or biologicals that are acquired through the 340B Drug Program and are furnished to a Medicare beneficiary by a hospital paid under the Outpatient Prospective Payment System (OPPS) that is not excepted from the payment adjustment policy. For purposes of this policy, "acquired through the 340B Drug Program" means that the drug was purchased at or below the 340B ceiling price from the manufacturer and includes 340B drugs purchased through the Prime Vendor Program. Medicare will continue to pay for separately payable drugs that were not acquired through the 340B Drug Program and furnished by a hospital paid under the OPPS at ASP plus 6%.

Aetna Better Health of Virginia has determined that our configuration for Medicare Part B 340B drug reimbursement has not been properly reducing payment by 22.5% for outpatient drugs. If you are a 340B covered entity and part of the Prime Vendor Program, it is expected that your claims for 340B drugs purchased through the program should include either the JG or TB modifier. When the JG modifier is appended, the 22.5% reduction will occur. If the TB modifier is present, no reduction in payment will occur.

Aetna Better Health of Virginia is taking steps to configure its system to align with Medicare's requirement. We will be recouping and correcting overpaid claims dating back one year from **DOS July 1, 2018**, to **present**. As we work on the configuration, which includes a 3-step validation (provider is 340B covered, the drug is a 340B drug, and the JG modifier is present) before reducing the payment, we are exploring the timeline for the recoupment with our claims department. We expect the recoupment to occur in the next 30 to 45 days.

For more information regarding the 340B Drug Program, please visit the following sites or contact Provider Services team at **1-855-463-0933**.

For more information, please visit:

- <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Downloads/Billing-340B-Modifiers-under-Hospital-OPPS.pdf>
- <https://www.hrsa.gov/opa/index.html>

If you are not a 340B covered entity participating in the Prime Vendor Program with HRSA, this memo does not apply to you at this time.

Sincerely,

Provider Services
Aetna Better Health of Virginia