



**Commonwealth of Massachusetts**  
**Executive Office of Health and Human Services**  
**Office of Medicaid**  
600 Washington Street  
Boston, MA 02111  
[www.mass.gov/masshealth](http://www.mass.gov/masshealth)



**MassHealth**  
**Community Health Center Bulletin 55**  
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**TO:** Community Health Centers Participating in MassHealth  
**FROM:** Beth Waldman, Medicaid Director *BW*  
**RE:** **340B Drug-Pricing Program for MassHealth Members**

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**Overview**

The information in this bulletin pertains to federally qualified community health centers (CHCs) that dispense, to MassHealth members, prescription drugs purchased under the federal 340B drug-pricing program.

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**Purpose of the Federal 340B Drug-Pricing Program**

The federal 340B drug-pricing program was created by the enactment of Public Law 102-585, the Veterans Health Care Act of 1992, which is codified as Section 340B of the Public Health Service Act. The program helps specific safety-net programs reduce pharmaceutical expenses, enable participants to purchase medications at significant discounts, and provide low-cost medications to patients in the community.

A federally qualified provider participating in the 340B drug-pricing program is referred to as a 340B entity.

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**Certification and Enrollment in the Federal 340B Program**

If you are planning to participate in the federal 340B program, you must register and be certified by Health Resources and Services Administration (HRSA), Office of Pharmacy Affairs. Information about registering with the federal 340B program and the appropriate forms can be found at <http://bphc.hrsa.gov.opa>.

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**Notifying MassHealth of Your Participation in the 340B Program**

To comply with MassHealth regulations, CHCs that use 340B pricing for their MassHealth members must notify MassHealth. Contact Provider Enrollment and Credentialing at 617-576-4424 or 1-800-322-2909 to obtain a checklist of information needed to appropriately claim payment for 340B purchased drugs for your MassHealth members.

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***Billing MassHealth***

A pharmacy owned by the 340B entity is required to get a MassHealth provider number to submit claims to the Pharmacy Online Processing System (POPS).

A CHC contracting with a pharmacy to dispense its 340B-purchased drugs will not be required to get a MassHealth pharmacy provider number. The pharmacy that has contracted with the 340B entity (the CHC) is known as a “contracted pharmacy.” A contracted pharmacy will submit claims to POPS on behalf of the CHC. MassHealth will send the payment for the claims to the CHC, as described in 130 CMR 406.404(D).

More specific information about billing is available in the Pharmacy Online Processing System (POPS) Billing Guide. To obtain a billing guide, contact the ACS State Healthcare (ACS) Helpdesk at 1-866-246-8503.

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***Best Practices Guide***

“A Guide to Best Practices for the Federal 340B Program” was written with the collaboration and participation of the members of the Best Practices Workgroup, a multi-disciplinary team made up of representatives from Massachusetts CHCs, the Massachusetts Office of Medicaid, the University of Massachusetts Medical School, and the Massachusetts League of Community Health Centers. The guide recommends best practices and helpful information for CHCs interested in participating in the 340B drug-pricing program.

The guide will be available on the Web in January 2005, at [www.mass.gov/masshealth](http://www.mass.gov/masshealth). Click on the “Provider” tab at the top of your screen. Under “Guidelines for Clinical Treatment,” click “Pharmacy and Drugs.”

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***Questions***

If you have questions about this bulletin, call MassHealth Provider Services at 617-628-4141 or 1-800-325-5231.

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