



PHARMACY FACTS

*Current information for pharmacists about
the MassHealth Pharmacy Program*

www.mass.gov/lists/masshealth-pharmacy-facts-2016-current

Editor: Ryan Bettencourt

Contributors: Eliza Anderson, Aimee Evers, Breeyn Green, Neha Kashalikar, Kim Lenz,
Mckenzie McVeigh, Jennifer O'Keefe, Jessica Robinson, Kyle Semmel.

MassHealth 340B Pharmacy Registration and Requirements

This Pharmacy Facts applies to MassHealth pharmacy claims submitted through the Pharmacy Online Processing System (POPS) for members enrolled in MassHealth Fee-for-Service, the Primary Care Clinician (PCC) Plan, a primary care accountable care organization (PCACO), or the Children's Medical Security Plan (CMSP).

Covered entities and their 340B pharmacies (either entity-owned or contract) that wish to utilize 340B stock for MassHealth pharmacy claims submitted through POPS must fill out the Application for Participating in 340B Drug-Pricing Program for MassHealth Members form, found at [Community Health Center Provider Forms](#) and [Outpatient Hospital Provider Forms](#). Providers must fill out the application and register directly with the MassHealth Pharmacy Program.

POPS billing requirements for pharmacies dispensing drugs purchased through the 340B program are described in the [POPS Billing Guide](#) and are provided to pharmacies by the MassHealth Pharmacy Program upon the pharmacy's registration.

MassHealth 340B Pharmacy Claims Processing and Identification

A value of "20" in the Submission Clarification Code (SCC) field (420-DK) identifies a submitted pharmacy claim as 340B, and a value of "08" in the Basis of Cost Determination field (423-DN) identifies submitted ingredient pricing on a claim as 340B acquisition cost. Pharmacies are required to include both identifiers when submitting any 340B pharmacy claim billed with 340B acquisition cost to POPS. If the drug was not purchased through the 340B Drug Pricing Program, the pharmacy must submit the claim without a SCC value of "20" and without a Basis of Cost Determination value of "08."

For 340B claims submitted by pharmacies on behalf of 340B entities (contract or indirect billing), the authorization number (NPI of the 340B entity) is required to be submitted in the Prior Authorization Number Submitted field (462-EV) in addition to a SCC value of "20" and a Basis of Cost Determination value of "08." The authorization number is provided to the pharmacy by the MassHealth Pharmacy Program at the time 340B registration.

MassHealth requires pharmacies to include accurate 340B claim identifiers for claims determined to be 340B eligible at time of adjudication and for claims that are presumed to be (and to be later verified) as 340B eligible. If a claim is submitted with 340B indicators and it is later determined that the claim is not 340B eligible, MassHealth requires the pharmacy to void and resubmit the claim without 340B indicators. If a claim is submitted without 340B indicators and it is later determined that the claim is

340B eligible, MassHealth requires the pharmacy to void and resubmit the claim with accurate 340B indicators.

Failure to include a SCC value of “20” and a Basis of Cost Determination value of “08” on a 340B pharmacy claim may result in MassHealth collecting rebate on the claim and may subject the covered entity to audit penalties. Any duplicate discount issues resulting from incorrect billing will be the responsibility of the 340B provider and not MassHealth.

The MassHealth Pharmacy Program reserves the right to refuse registration to 340B pharmacies or to revoke registration to currently registered pharmacies if they do not comply with 340B claim identification requirements.

MassHealth Managed Care Entities

For information on submitting 340B pharmacy claims to MassHealth Managed Care Entities, please see [Pharmacy Facts 236](#).