

FAQ - 340B Drug Pricing Program and Ohio Medicaid

Q: Does Ohio Medicaid seek drug rebates under the Medicaid Drug Rebate Program for covered outpatient drugs dispensed/administered in its fee-for-service (FFS) program?

A: Yes.

Q: Does Ohio Medicaid seek drug rebates under the Medicaid Drug Rebate Program for covered outpatient drugs dispensed/administered in its managed care programs (MCP)?

A: Yes. To facilitate 340B covered entities' (CE) ability to identify Medicaid managed care plans from other lines of business with the same parent company and/or PBM, we have asked each of the managed care plans to use a BIN/PCN combination that is specific to Medicaid, and does not apply to any other lines of business (e.g., Medicare, commercial). The list is on our website at <http://pharmacy.medicaid.ohio.gov/sites/default/files/2016-08-31-mcp-and-mycare-pharmacy-reference-guide.pdf>. The first page is Medicaid only, the second page is our Medicare/Medicaid plans (pharmacy is primarily Medicare Part D, not Medicaid).

Q: For 340B CEs that choose to place themselves on HRSA's Exclusion File, does Ohio Medicaid utilize the Exclusion File to exclude a CE's covered outpatient FFS drug claims from Medicaid rebate invoicing?

A: Yes, and excludes Ohio CEs only. Only NPI numbers listed on the file are excluded. CEs may need to list multiple NPIs on the Exclusion file based on the NPIs that are used to bill Medicaid.

Q: For CEs who choose to place themselves on HRSA's Exclusion File, may the CEs seek reimbursement from Ohio Medicaid for drugs dispensed to Ohio Medicaid FFS patients?

A: Yes. However, in order to offset the rebate loss to Medicaid for each 340B drug dispensed or administered to a Medicaid patient, the charge submitted to Medicaid should be for the CE's actual acquisition cost of the drug plus Medicaid's dispensing or administration fee.

This is true for all covered outpatient drugs for Medicaid FFS patients, whether dispensed by a CE or administered in any outpatient setting.

Q: Does Ohio Medicaid recognize a 340B CE's contract pharmacy, and exclude those claims from rebate?

A: The Contract Pharmacy Services Guidelines published in the *Federal Register* (March 5, 2010; 75(43): 10278) states that, "Neither party will use drugs purchased under section 340B to dispense Medicaid prescriptions, unless the contract pharmacy and the state Medicaid agency have established an arrangement to prevent duplicate discounts."

Ohio Medicaid has established no arrangements with contract pharmacies, and in this way prohibits the use of contract pharmacies for 340B drugs dispensed/administered to Medicaid patients.

Q: Does Ohio Medicaid seek rebates for orphan drugs used for orphan designations?

A: Yes, for certain CEs that are excluded from access to 340B drug pricing when it is used for a rare disease or condition (free-standing cancer hospitals, critical access hospitals, rural referral centers, and sole community hospitals), Medicaid will seek drug rebates.