



MARYLAND
Department of Health

Larry Hogan, Governor · Boyd Rutherford, Lt. Governor · Dennis Schrader, Secretary

PT 02-18

MARYLAND MEDICAL ASSISTANCE PROGRAM
FQHC Transmittal No. 12
Hospital Transmittal No. 251
August 16, 2017

TO: FQHC Providers
Hospitals

FROM: Athos Alexandrou, Director
Division of Pharmacy Services
Susan J. Tucker
Susan J. Tucker, Executive Director
Office of Health Services

RE: Basis of Cost Determination field required for drugs purchased under the 340B Discount Program

NOTE: **Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.**

This transmittal was originally distributed to all pharmacy providers and Maryland Medicaid Managed Care Organizations (MCOs) on October 16, 2014. In order to ensure compliance with federal requirements for drugs purchased under the 340B Discount Program, the Program is re-sending guidance to FQHCs and Hospitals.

The 340B Drug Discount Program is a federal program that requires drug manufacturers to provide covered outpatient drugs to certain eligible 340B-enrolled entities at significantly reduced prices. For drugs that are purchased under the 340B Program, MMPP, KDP and BCCDT are prohibited from claiming drug rebates as doing so would subject the drug manufacturers to duplicative discounts¹.

Effective November 1, 2014, pharmacies dispensing drugs purchased under the 340B Program must flag 340B claims at the Point of Sale by entering a value of 08 in the Basis of Cost Determination field (423-DN) in the NCPDP D.0 transaction in order to facilitate exclusion from the State's manufacturer rebate requests. The payer sheets for MMPP, KDP and BCCDT are available at: <http://www.mdrxprograms.com/home.html>

Questions concerning this transmittal may be directed to the Pharmacy Services Program at (410) 767-1455.

¹ 42 USC 256b(a)(5)(A)(i) prohibits duplicate discounts; that is, manufacturers are not required to provide a discounted 340B price and a Medicaid drug rebate for the same drug