



PROVIDER BULLETIN
#05-2018

TO: Participating hospitals

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SUBJECT: Change to billing requirements for 340B-acquired drugs

As of **January 1, 2018**, the Centers for Medicare & Medicaid Services (CMS) established the following two Healthcare Common Procedure Coding System (HCPCS) Level II modifiers to identify 340B-acquired drugs:

Modifier	Definition
JG	Drug or biological acquired with 340B drug pricing program discount.
TB	Drug or biological acquired with 340B drug pricing program discount, reported for informational purposes.

Change to billing requirements

As of **March 1, 2018**, Independence Blue Cross (Independence) requires providers to report either modifier “JG” or “TB”, as appropriate, for hospital outpatient claims when billing for drugs purchased via the 340B program. For a claim with multiple drug lines, the appropriate 340B modifier is required on each line of a 340B-acquired drug. A 340B modifier is not required on claim lines of a non-340B-acquired drug, a vaccine, or a packaged drug. Hospitals contracted on Ambulatory Payment Classification methodology will have applicable payment reduction in accordance with CMS. For hospitals not contracted on Ambulatory Payment Classification methodology, the modifiers will be informational only.

Independence will follow CMS reporting requirements for which modifier, JG or TB, a hospital should report depending upon its hospital type and the pertinent Outpatient Prospective Payment System (OPPS) drug status indicator (SI).

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We encourage you to share this information with appropriate members of your staff.

We recognize that not all covered outpatient drugs acquired by a 340B hospital are purchased through the 340B program. However, hospitals that participate in the 340B program must maintain documentation regarding whether a drug was purchased through the discount program, comply with the applicable reporting requirements, and append the appropriate modifier when required.

For more information

For more information regarding the CMS reporting requirements, review their [Billing 340B Modifiers under the OPPS – Frequently Asked Questions](#).