



Department of Medicaid

John R. Kasich, Governor
Barbara R. Sears, Director

Medicaid Advisory Letter (MAL) No. 617

DATE: August 1, 2018

TO: Eligible Medicaid Providers
Chief Executive Officers, Managed Care Plans
Other Interested Parties

FROM: Barbara R. Sears, Medicaid Director

SUBJECT: ***Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), and Ambulatory Health Care Clinics (AHCCs)—Required Reporting of SE Modifier on Fee-for-Service Claims with Provider-Administered Drugs Acquired Through the 340B Drug Pricing Program***

Effective October 1, 2018, FQHCs, RHCs, and AHCCs with Ohio Department of Medicaid (ODM) provider agreements using provider-administered drugs acquired through the 340B Drug Pricing Program for a Medicaid-covered individual must report the SE modifier on claims. In order to assist providers with this change, starting April 1, 2018, ODM began including a message in remittance advices instructing providers to use the SE modifier with 340B-purchased drugs. If a non-340B covered entity submits a claim with an SE modifier, edit 3203—modifier restriction, 340B providers—will post on the claim.

Providers recognized as 340B covered entities are required to notify ODM when 340B-purchased drugs are provided to a Medicaid-covered individual so that ODM will not claim a rebate for that drug through the Medicaid Drug Rebate Program. Use of the SE modifier will inform ODM that a 340B-purchased drug was used and allow ODM to automatically exclude those drug details from ODM's rebate request. Failure to inform ODM that a 340B drug was used may leave a provider vulnerable to audit findings should ODM submit that drug for a rebate.

Eligible FQHCs (Provider Type 12), FQHC Look-Alikes (Provider Type 12), and RHCs (Provider Type 05)

A provider-administered drug administered at an FQHC or RHC is regarded as a service provided incident to a professional service of a physician under the FQHC or RHC and is billed using a T1015 visit code with a U1 modifier. The T1015 visit code with a U1 modifier is reported on the first detail line of the claim and the provider-administered drug purchased from the 340B Drug Pricing Program is reported in a subsequent detail line with the appropriate procedure code and the corresponding NDC listed on the container from which the drug was dispensed. When provider-administered drugs acquired through the 340B Drug

Pricing Program are provided to a Medicaid-covered individual, an SE modifier should be appended to the drug's CPT/HCPCS code. The SE modifier should only be appended to the CPT/HCPCS code for those provider-administered drugs acquired through the 340B Drug Pricing Program.

340B covered entities that may be enrolled with Medicaid as RHCs include: TB Clinics, Title X Family Planning Clinics, and Sexually Transmitted Disease Clinics.

Eligible Ambulatory Health Care Clinics (AHCCs) (Provider Type 50)

Eligible AHCCs (e.g., family planning clinics, primary care clinics, public health department clinics) must report provider-administered drugs with the appropriate procedure code and the corresponding NDC listed on the container from which the drug was dispensed. When drugs acquired through the 340B Drug Pricing Program are provided to a Medicaid-covered individual, an SE modifier should be appended to the drug's CPT/HCPCS code. The SE modifier should only be appended to the CPT/HCPCS code for those provider-administered drugs acquired through the 340B Drug Pricing Program.

340B covered entities that may be enrolled with Medicaid as an AHCC include: FQHCs, RHCs, Title X Family Planning Clinics, Sexually Transmitted Disease Clinics, and Comprehensive Hemophilia Diagnostic Treatment Centers.

Additional Information

Information on Medicaid services and programs may be accessed through the main ODM webpage at <http://www.medicaid.ohio.gov>.

The Medicaid managed care plans (MCPs) are also required to update their systems to accommodate for the reporting of an SE modifier with drugs acquired through the 340B Drug Pricing Program. Please contact each of the MCPs for their specific claim submission requirements.

Questions

Questions pertaining to this letter may be directed to:

Provider call center: (800) 686-1516
E-mail: noninstitutional_policy@medicaid.ohio.gov
Postal mail: Ohio Department of Medicaid
Bureau of Health Plan Policy
Non-Institutional Services
P.O. Box 182709
Columbus, OH 43218-2709