

Partnership HealthPlan of California (PHC)

Reclassification of 340B drug claim service lines requiring the addition of the UD modifier

Background Information

The 340B Covered Entity is the sole responsible party for the proper identification (flagging) of all 340B drug claims (including PAD claim service lines, Physician-Dispensed Drug claim service lines, and claim service lines for drug costs submitted as part of a fee-for-service, bundled, or capitated rate) submitted for 340B drugs requiring the use of the UD Modifier (refer to Attachment B). 340BX Clearinghouse is not involved with this type of identification (flagging), as it is only responsible for the reclassification of 340B claims previously processed by Contract Pharmacies and/or In-House Pharmacies submitted to MedImpact, the Pharmacy Benefits Manager for PHC, for 340B Covered Entities Participating in PHC's 340B Compliance Program.

In the event a 340B Covered Entity requires assistance with identification (flagging) of 340B drugs on claim service lines missing the UD modifier, PHC has established a process for assisting 340B Participating Entities to correct claim service lines missing the UD modifier to identify 340B drugs.

Instructions

Initial Requests

1. If 340B Covered Entity requires assistance with identification (flagging) of 340B drugs on claim service lines missing the UD modifier, they will contact PHC's Pharmacy Department by e-mail at 340BQIP@partnershiphp.org. The initial e-mail should include the following information for the 340B Covered Entity:
 - a. Organization name.
 - b. 340B ID as issued by HRSA.
 - c. Contact information for person at the 340B Covered Entity that will serve as the point-of-contact (POC) for the 340B Covered Entity including name, title, e-mail address, and phone number.
 - d. Explanation as to why the request is being made.
 - e. Claim service line counts broken out by month and year. No specific claims data should be sent at this time. No PHI should be included in the request.
 - f. Payment information including the following:
 - i. Payor's name
 - ii. Bill to address

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- iii. Contact information for payment inquiries including contact name, phone number, and e-mail address.
2. PHC's Pharmacy Department will review the request with PHC's Electronic Data Interchange (EDI) team, to determine the impact on PHC's submissions to the State and how best to handle the request.
3. PHC's Pharmacy Department will reach out to the 340B Covered Entity's designated POC to provide an overview of the process, verify all information submitted, and outline the next steps involved. The 340B Covered Entity's designated POC will be referred to the 340B Compliance Program page on PHC's external website, <http://www.partnershiphp.org/Providers/Pharmacy/Pages/340B-Compliance-Program.aspx>.
4. The 340B Covered Entity's designated POC will then be instructed to complete the EDI 340B User Agreement and submit it to PHC's EDI Team via e-mail at EDI-Enrollment-Testing@partnershiphp.org. Completion of this agreement is required in order to request reclassification of 340B claims requiring the addition of the UD modifier.
5. The 340B Covered Entity will be directed to the 340B Compliance Program page on PHC's external website (link is provided above) for the approved 340B Request for Reclassification file submission template. PHC's EDI Team will request a test file from the 340B Covered Entity to approve the inbound file format. The request form will be submitted via a secure connection on PHC's sFTP server.
6. Once the test files are approved, PHC's Pharmacy Department will contact the 340B Covered Entity to inform them that they can submit their first file for reclassification with the addition of the UD modifier.
7. The 340B Covered Entity will then submit the claims file via the secure connection set-up for them to upload to PHC's sFTP server
8. The 340B Covered Entity will receive an acknowledgement from PHC's EDI Team when the file is processed.
 - a. That acknowledgement will indicate which claim service lines were accepted and which were rejected.
 - b. If a claim service line is rejected, the reason will be notated.
9. Following the end of each calendar month, the 340B Covered Entity will receive an invoice from PHC for all service claim lines successfully reclassified as 340B with the addition of the UD modifier during the previous calendar month.
 - a. The invoice will be sent to the responsible party identified within the initial e-mail to PHC.
 - b. The 340B Covered Entity will have 20 days to submit payment to PHC via an electronic funds transfer (EFT) from the date the invoice is received.

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- i. If the 340B Covered Entity does not have EFT capabilities, they should contact PHC's Pharmacy Department to discuss another payment method. This option would only be for invoices tied to the reclassification of 340B drug claim service lines requiring the addition of the UD modifier, not for invoices tied to the reclassification of 340B claims previously processed by Contract Pharmacies and/or In-House Pharmacies submitted to MedImpact.
- c. In the event a 340B Covered Entity is not timely in remitting payment of the invoiced amount within twenty (20) calendar days of receipt of the invoice, then the 340B Covered Entity shall be subject to interest charged on all amounts due, at an amount equal to one and one-half percent (1.5%) per month, to accrue on a daily basis on any unpaid balances

Additional requests

For any additional requests, the 340B Covered Entity will complete Step 1. PHC will complete Step 2, then contact the 340B Covered Entity via e-mail to notify them of the review outcome and outline next steps. When the time comes for file submission, Steps 7, 8, and 9 will be repeated.

Fee schedule:

Please refer to the table below for the two (2) fee schedules for reclassification of 340B drug claim service lines requiring the addition of the UD modifier.

340B Covered Entities participating in PHC's 340B Compliance Program	
Age of claim service line	340B Compliance Fee
0 – 90 days	\$2.75
91 -180 days	\$5.50
181 – 365 days	\$7.75
365 days +	\$10.00

340B Covered Entities that are <u>NOT</u> participating in PHC's 340B Compliance Program	
Age of claim service line	340B Compliance Fee
0 – 90 days	\$5.50
91 -180 days	\$7.75
181 – 365 days	\$10.00
365 days +	\$12.00