



**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

**MEMORANDUM**

**DATE:** July 29, 2019  
**TO:** All Louisiana Medicaid Prescribing Providers and Pharmacists  
**FROM:** Jen Steele, Medicaid Director  
**SUBJECT:** Louisiana Fee for Service (FFS) Medicaid Updated 340B Billing Policy

Effective August 5, 2019, the Louisiana Department of Health (LDH) Fee for Service Pharmacy Program will implement updated 340B billing policy at Point of Sale (POS).

Providers who are designated as a "Covered Entity", and have opted to "Carve-In" (all drugs dispensed to Medicaid patients and purchased under the 340B Drug Pricing Program) should follow the following billing guidelines.

**Fee for Service (FFS) Electronic Pharmacy Claims (D.0 format):**

- The **ingredient cost** must be billed to Louisiana Department of Health (LDH) through the fiscal intermediary DXC Technology at the 340B actual acquisition cost (AAC). The AAC for this purpose is defined as the price at which you have paid the wholesaler or manufacturer for the covered outpatient 340B drug with no mark-up.

The AAC must be submitted in NCPDP Field 409-D9, field name "ingredient cost submitted."

If the cost submitted is \$0, "blank," or greater than or equal to NADAC, WAC, or FUL, the claim will deny with:

**NCPDP reject code 23 (M/I Ingredient cost) mapped to  
EOB 970 (Invalid 340B Ingredient Cost Submitted).**

- The **professional dispensing fee** must be submitted in NCPDP Field 412-DC, field name "dispensing fee submitted."

- The \$0.10 **Provider Fee** must be submitted in **NCPDP Field 481-HA** “flat sales tax amount submitted.”
- Claim-level indicators must be submitted to identify the 340B claims.
  - **NCPDP Field 423-DN**, field name “basis of cost determination” must be submitted with “**08**” (Disproportionate Share Pricing).
  - **NCPDP Field 420-DK**, field name “submission clarification code” must be submitted with “**20**” (340B).

Only providers registered as 340B entities and listed on the HRSA Medicaid Exclusion File (MEF) may bill drug stock purchased through 340B to Medicaid.

Incoming pharmacy claims with the claim-level indicators from non-340B (not on the MEF) providers, will deny:

**NCPDP reject code 05** (M/I Pharmacy Number) mapped to  
**EOB code 063** (Not a 340B pharmacy, rebill regular stock).

If you have questions about the content of this memo, you may contact the FFS pharmacy help desk by phone at (800) 437-9101.

If you have questions about pharmacy claims billing, you may contact DXC Technology help desk at (800) 648-0790.

Please forward this notice to other providers to assist with notification. Your continued cooperation and support of the Louisiana Medicaid Program efforts to coordinate care and improve health are greatly appreciated.

JS/MBW/GJS

c: Healthy Louisiana Plans  
Melwyn B. Wendt  
DXC Technology