


December 2018: 340B Drug Pricing Program Expanding in 2019

In 2018, the Centers for Medicare & Medicaid Services (CMS) implemented a payment policy to help beneficiaries save on coinsurance for drugs that were administered at hospital outpatient departments that were acquired through the 340B program - a program that allows certain hospitals to buy outpatient drugs at lower cost. Since the implementation, beneficiaries are already saving an estimated \$320 million on out-of-pocket payments for these drugs¹. As announced in the [July 2018 Network Bulletin](#) , UnitedHealthcare aligned our policies with this CMS requirement.

In 2019, CMS is expanding this policy by extending the 340B payment change to additional off-campus providerbased hospital outpatient departments that are paid under the Physician Fee Schedule. UnitedHealthcare will also align with CMS requirements for the 2019 340B Program expansion.

Please remember that claims for drugs or biologics purchased through the 340B program must include the appropriate modifier. CMS has established two HCPCS Level II modifiers to identify 340B-acquired drugs - modifiers “JG” and “TB.”

By working together, we can help people live healthier lives and help make the health system work better for everyone. If you have additional questions, please contact your local network representative.

¹ CMS Finalizes Rule that Encourages More Choices and Lower Costs for Seniors available at [cms.gov/newsroom/press-releases/cms-finalizes-rule-encourages-more-choices-and-lower-costs-seniors](https://www.cms.gov/newsroom/press-releases/cms-finalizes-rule-encourages-more-choices-and-lower-costs-seniors). Nov, 2, 2018.

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