

PROVIDER Bulletin



KERN HEALTH SYSTEMS

June 16, 2022

Dear Provider:

This is a reminder to properly submit 340B eligible pharmacy claims, whether appropriate to submit through the PBM or as medical claim to KFHC directly.

Please flag appropriately 340B claims when submitting to Kern Health Systems for billing. It is important to have the claims properly identified.

- If dispensing a pharmacy claim and billing through the PBM, please make sure the NCPDP field Submission Clarification Code has a value of “20” indicated.
- If providing a Physician Administered/Dispensed Drug, please make sure the UD Modifier is indicated.

It is important that the Covered Entity and their respective Contracted Pharmacies clearly understand how to identify a 340B claim and be able to flag it appropriately.

Purpose of the 340B Program: The Veterans Health Care Act of 1992 established the 340B Program in Section 340B of the Public Health Service Act (PHS Act). The 340B Program requires drug manufacturers participating in Medicaid to provide discounted covered outpatient drugs to certain eligible health care entities, known as Covered Entities. Congress intended for the savings from the discounted drugs purchased under the 340B Program “to enable [participating] entities to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.”

Sincerely,

Bruce Wearda, R.Ph.
Director of Pharmacy