

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201137 AUGUST 2, 2011



IHCP policy regarding the 340B Program

Section 340B of the *Veterans Health Care Act of 1992* limits the cost of covered outpatient drugs to certain federal grantees, federally qualified health center look-alikes, and qualified disproportionate share hospitals, enabling these entities to purchase drugs at discounted rates and stretch scarce federal resources. Indiana Health Coverage Programs (IHCP) policy regarding the 340B Program follows:

- Federal law allows eligible entities to decide if they **do** or **do not** want to serve Medicaid members using 340B stock. This decision is wholly at the discretion of the entity.
- If the entity wishes to serve Medicaid members using 340B stock, it must bill the program only its acquisition cost for the drug, plus the Medicaid dispensing fee.
- If the entity wishes to serve Medicaid members but use a separate, non-340B stock, it may do so and bill the program at usual and customary (U&C) charge rates to Medicaid.

NOTE: Federal law prohibits the entity from buying at 340B acquisition cost, providing 340B-purchased stock to Medicaid members, and billing the program at U&C charge rates to Medicaid.

QUESTIONS?

If you have questions about this publication, please contact Customer Assistance at (317) 655-3240 in the Indianapolis local area or toll-free at 1-800-577-1278.

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