Medi-Cal Rx

# Reminder: 340B Drug Price Program

April 11, 2025; Last Updated March 1, 2026

## Background

The 340B Drug Pricing Program (340B Program) is a federal program that requires drug manufacturers to provide outpatient drugs to eligible health care organizations and covered entities at significantly reduced prices.

## What Pharmacy Providers Need to Know

Drugs purchased through the 340B Program and dispensed to Medicaid enrollees are excluded from both federal and state rebate collection, which prevents drug manufacturers from providing duplicate discounts on drugs purchased through the 340B Program. Pharmacy providers billing drugs purchased through the 340B Program are required to bill an amount not exceeding the covered entity's Actual Acquisition Cost (AAC) (the net cost paid by the pharmacy) plus the professional dispensing fee. Pharmacy providers will be reimbursed the lesser of the billed amount (AAC plus professional dispensing fee) or the maximum rate permitted.

» **Pharmacy providers must enter the AAC plus professional dispensing fee into the Gross Amount Due field as well as the Usual & Customary Charge field to avoid claim denial.**

Medi-Cal Rx uses a two-tiered professional dispensing fee based on total Medicaid and non-Medicaid annual net pharmacy claim volume, as follows:

- Less than 90,000 net claims per year = $13.20
- 90,000 or more net claims per year = $10.05

» **Reporting the claim volume is a self-attestation process. The attestation must be submitted electronically and must be repeated annually.**

Refer to the following example of reimbursing a 340B claim:

- AAC: $1.02
- Professional Dispensing Fee: $10.05
- Total Amount Paid: $11.07

## What Pharmacy Providers Need to Do

Pharmacy providers are encouraged to review current policies and procedures to ensure the following:

- Claims submitted to Medi-Cal Rx as part of the 340B Program are identified as 340B claims by entering a submission clarification code (SCC) value of SCC 20 at point of sale (POS). On paper claim forms (30-1 and 30-4), enter 08 – 340B/Disproportionate Share Pricing/Public Health Service in the Basis of Cost Determination field. Incorrect information on a claim can result in overpayments, in which case the claim will need to be reversed and resubmitted with the correct pricing information.
  - » **If an overpayment occurs, pharmacy providers may need to contact their software or switch vendor to resolve an internal issue.**
- Pharmacy claims with a date of service (DOS) on or after July 18, 2025, must include a dollar amount equal to the AAC plus professional dispensing fee in the Gross Amount Due field as well as the NCPDP Field 426-DQ (Usual and Customary Charge).
  - » **Populate all required fields, including the Gross Amount Due field and the Usual & Customary Charge field, when submitting a pharmacy claim.**

## Resources

- *Medi-Cal Rx Provider Manual*
- *Medi-Cal Rx Billing Tips*
- *Medi-Cal Rx: Transitioning Medi-Cal Pharmacy Services from Managed Care to Fee-for-Service – Frequently Asked Questions (FAQs)*

## Contact Information

You can call the Medi-Cal Rx Customer Service Center (CSC) at 1-800-977-2273, which is available 24 hours a day, 7 days a week, 365 days per year.

For other questions, email Medi-Cal Rx Education & Outreach at MediCalRxEducationOutreach@primetherapeutics.com.