



## 340B Drug Products

The purpose of the 340B Program is to lower the cost of acquiring covered drug products for DHMP, which may help allocate resources to serve more members or improve services. Failure to sell covered drugs at 340B prices could result in a manufacturer being prohibited from receiving payments for its products.

To assist in the identification of 340B claims and increase compliance with duplicate discount avoidance, pharmacies are requested to confirm or report their physical location 340B status to the National Council for Prescription Drug Program (NCPDP).

340B Covered Entities contracted with Denver Health Medical Plan (DHMP) must identify claims for 340B outpatient drug products dispensed to DHMP Medicaid and CHP+ members in alignment with the [Colorado HCPF 340B Policy and Procedures Manual](#) as follows:

The contracted pharmacy provider must submit, in claims submitted via the NCPDP D.0 format, a value of 20 in the submission clarification code in field (420-DK) to indicate the drug was purchased through the 340B Drug Pricing Program.

The contracted pharmacy provider must provide a value of 05 = Acquisition Cost OR 08 = Disproportionate Share Pricing in the Basis of Cost Determination field (423-DN) to indicate the basis of cost determination.

A Covered Entity may not know at point-of-sale if a claim qualifies as a 340B claim. At the point where the Covered Entity is notified or discovers that the claim qualifies as a 340B claim, the original claim must be reversed, and the claim resubmitted as a 340B claim with the correct Submission Clarification Code value of 20 and with the appropriate value in the Basis of Cost Determination.

DHMP will not cover medication dispensed by a non-340B pharmacy that is contracted with a 340B Covered Entity to dispense on their behalf, also known as a “contract pharmacy.”

If claims have not been corrected to include the correct Submission Clarification Code value, the pharmacy and the eligible entity are at risk for duplicate discounts. Failure to comply may be recognized as a potential breach of contract and may lead to further administrative and/or corrective action, including and up to termination from their DHMP contract.

Additional information for Pharmacies registered with NCPDP can be found here: <https://pharmacy.medimpact.com/>

Please contact Denver Health Medical Plan Pharmacy @ 303-602-2070 or [DL\\_DHMP\\_Pharmacy@dhha.org](mailto:DL_DHMP_Pharmacy@dhha.org) with any concerns.