

Department of Health Care Services
Proposed May Revision Trailer Bill Language

340B Billing Requirements

Version: 5-22-09

Section 14105.46 of the Welfare and Institutions Code is added to read:

14105.46 (a) "Covered entity" means a provider defined as a covered entity in Section 256b of Title 42 of the United States Code.

(b) "340B" means the discount drug purchasing program pursuant to Section 256b of Title 42 of the United States Code.

(c) A covered entity shall dispense only 340B drugs to Medi-Cal beneficiaries.

(d) If a covered entity is unable to purchase a specific 340B drug, the covered entity may dispense a drug purchased at regular drug wholesale rates to a Medi-Cal beneficiary. For these instances, the covered entity is required to maintain documentation of their inability to obtain the 340B drug.

(e) A covered entity shall bill an amount not to exceed the entity's actual acquisition cost for the drug, as charged by the manufacturer at a price consistent with Section 256b of Title 42 of the United States Code plus the professional fee pursuant to Section 14105.45.

(e) A covered entity shall identify a 340B drug on the claim submitted to the Medi-Cal program for reimbursement.

(f) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may take the actions specified in this section by means of a provider bulletin or notice, policy letter, or other similar instructions, without taking regulatory action.