

June 25, 2025

<Provider Name>  
<Provider Address 1>  
<Provider Address 2>  
<City> <State> zipcode5-zipcode4

Dear Provider:

**RE:** Update to the Reporting of Modifiers for 340B Acquired Drugs Under the Outpatient Prospective Payment System (OPPS)

The purpose of this letter is to update the claim requirements, specifically the reporting of modifiers, for 340B covered entities paid under the Outpatient Prospective Payment System (OPPS). This letter is being issued to more closely align with updated requirements from the Centers for Medicare & Medicaid Services (CMS).

Section 340B of the Public Health Service Act requires participating drug manufacturers to provide outpatient drugs to eligible health care organizations at reduced prices. This program, known as the 340B program, also protects manufacturers from paying both a Medicaid rebate and a 340B discount on the same drug.

Effective for services provided on and after January 1, 2025, MDHHS requires that hospitals paid under the OPPS report the modifier “U6” *and* CMS modifier “TB” on each separately payable claim line for drugs acquired through the 340B program. Modifier “JG” is no longer required as CMS discontinued the requirement for 340B entities to report modifier “JG” effective December 31, 2024.

- Michigan Medicaid will continue to pay separately payable drugs according to the current payment methodology.
- All outpatient hospital payments are subject to the Michigan OPPS Medicaid Reduction Factor.
- This process applies to Fee-for-Service (FFS) and Medicaid Health Plan (MHP) claims.
- Billing requirements within MMP 23-72 remain in effect.
- Claims submitted since January 1, 2025, with modifier “JG” do not need to be resubmitted.

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There are no changes to the reporting requirements for drugs acquired through the 340B program submitted utilizing the pharmacy claim format (NCPDP) or the professional claim format (CMS 1500). Billing requirements within MSA 17-07 remain in effect.

An electronic version of this document is available at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >>  
Policy, Letters & Forms.

Sincerely,

A handwritten signature in dark ink, reading "Meghan E. Groen". The signature is fluid and cursive, with the first name "Meghan" and last name "Groen" clearly legible.

Meghan E. Groen, Chief Deputy Director  
Health Services