Michigan Department of Health and Human Services
Program Policy Division PO Box 30809
Lansing MI 48909

MDHHS
Michigan Department of Health & Human Services
GRETCHEN WHITMER, GOVERNOR | ELIZABETH HERTEL, DIRECTOR

November 17, 2025

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

Dear 340B Covered Entity Provider:

RE: 340B Rebate Model Pilot Program - Claims Submission Requirements

On July 31, 2025, HRSA's Office of Pharmacy Affairs (OPA) announced the 340B Rebate Pilot Program which modifies how covered entities purchase and report select drugs. Under this pilot, covered entities will pay a higher upfront price for 10 drugs included in the CMS Medicare Drug Price Negotiation List and then submit claims to manufacturers for post-purchase rebates.

The purpose of this letter is to provide guidance on how to submit the actual acquisition cost for 340B rebate model drugs to the Michigan Department of Health and Human Services (MDHHS), ensuring compliance with the requirements of the 340B Rebate Model Pilot Program.

Effective for Dates of Service on or After January 1, 2026:

- For drugs purchased under the 340B Rebate Model Pilot Program, pharmacies must report the 340B ceiling price in the Submitted Ingredient Cost field (NCPDP 409-D9).

- For drugs purchased under the 340B Rebate Model Pilot Program, professional and non-OPPS institutional providers must report the 340B ceiling price as their submitted charge.

- Covered entities can access 340B ceiling prices for actual acquisition cost reporting through the Office of Pharmacy Affairs Information System (OPAIS) Pricing Component.

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). The billing requirements within MSA 17-07 remain in effect.

The 340B Rebate Model Pilot Program also applies to 340B outpatient hospital claims. Claims submission requirements outlined in MSA 23-72 remain in effect.

Drugs Included in the CMS Medicare Drug Price Negotiation List

The initial group of drugs eligible to participate in the rebate model pilot program are the 10 that were selected for the Medicare Drug Price Negotiation Program (MDPNP) for initial price applicability year (IPAY) 2026. Providers should review this list for updates as MDHHS will not publish notifications of additions or removals of drug products.

Further details and a FAQ can be found here: 340B Rebate Model Pilot Program | HRSA
If you have a question related to the 340B Rebate Model Pilot Program, please submit your question to 340BPricing@hrsa.gov.

Questions regarding submitting 340B claims to MDHHS should be directed to the MDHHS Drug Rebate Specialist at MDHHSPharmacy340B@michigan.gov.

An electronic version of this document is available at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Sincerely,

Meghan E. Groen, Chief Deputy Director
Health Services