

Bulletin Number: MSA 18-14

Distribution: Hospitals

Issued: June 29, 2018

Subject: Hospital 340B Final Settlement Adjustment Process

Effective: As Indicated

Programs Affected: Medicaid, Healthy Michigan Plan, MIChild, Children's Special Health Care Services, Maternity Outpatient Medical Services

The purpose of this policy is to establish a hospital final settlement adjustment process that uniformly quantifies hospital outpatient drug costs. Existing policy requires eligible 340B organizations/covered entities to bill Medicaid its actual acquisition cost. For the purpose of the hospital final settlement process only, hospitals that participate in the Medicaid Fee-for-Service (FFS) 340B program will have the option to have their 340B drug costs adjusted from actual acquisition cost to a hospital's normal and customary charge. Participation in the 340B final settlement adjustment process is contingent on the provision of sufficient documentation to confirm the reasonableness of reported charges. This adjustment will not apply to drug reimbursement, and participating providers are required to continue to bill 340B actual acquisition cost and all applicable modifiers. This policy does not impact or require any additional action for providers that do not participate in the Medicaid FFS 340B program. This policy is effective for final settlements with fiscal year ends on and after October 1, 2015, and does not apply to prior settlements or settlements reopened prior to this effective date.

Manual Maintenance

Retain this bulletin until the information is incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-979-4662.

Approved



Kathy Stiffler, Acting Director
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