



February 16, 2018

Dear Hospital CFO,

In alignment with Medicare's new 340B payment policy, beginning April 1, 2018, Wellmark will require hospitals to report Medicare 340B 2018 modifiers on applicable claims for 340B acquired drugs. The modifiers will be used by Wellmark as informational only and will not impact payment in 2018.

Effective January 1, 2018, CMS established two Healthcare Common Procedure Coding System (HCPCS) Level II modifiers to identify 340B-acquired drugs:

- Modifier "JG" Drug or biological acquired with 340B drug pricing program discount.
- Modifier "TB" Drug or biological acquired with 340B drug pricing program discount, reported for informational purposes.

Organizations not exempt from the 340B pricing adjustment would report the JG modifier on 340B acquired drug claims, and organizations exempt from the pricing adjustment would report the TB modifier on 340B acquired drugs claims.

If you have any questions about these changes, please contact your Network Engagement Business Partner.

Thank you,

A handwritten signature in black ink that reads "Tom Newton".

Tom Newton
Vice President, Network Engagement