
340B Drug Pricing Program Modifiers

-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 Modifier

Last Reviewed: 11/3/2021

Product

The information outlined below applies to all UCare Medicare, MSHO, Special Needs Basic Care Integrated, and Individual and Family Plans.

General Information

The 340B program extends discounts on covered outpatient drugs to eligible facilities/covered entities. Drug manufacturers enter into a Pharmaceutical Pricing Agreement (PPA) with the Department of Health and Human Services (DHHS) Secretary. A "ceiling" price is calculated by the Health Resources and Services Administration (HRSA), which is done by subtracting the Unit Rebate Amount from the Average Manufacturer Price.

Payment Information

- UCare follows Medicare guidelines for 340B acquired drugs for products reimbursed on the CMS OPPS methodology. Like Medicare UCare pays an adjusted amount of the average sales price (ASP) minus 22.5%, equating to a discount of 26.9% of the fee schedule rate, for certain separately payable drugs or biologicals acquired through the 340B Program and furnished to a Medicare beneficiary by a hospital paid under the OPPS that is not excepted from the payment adjustment policy.
- Critical Access Hospitals (CAH) are not subject to the 340B payment policy because CAHs are not paid under the OPPS, therefore they are not required to append the –JG or TB modifiers when they submit claims. If either modifier is appended, they are to be considered informational.
- Non-excepted off-campus provider-based departments of hospitals that participate in the 340B Program are required to report the –TB modifier for 340B-acquired drugs in addition to the –PN (Nonexcepted service provided at an off-campus, outpatient, provider-based department of a hospital) modifier.

Appropriate Use

The grid below outlines the appropriate use of the –JG and –TB modifiers:

HOSPITAL TYPE	PASS-THROUGH DRUG STATUS (STATUS INDICATOR "G")	SEPARATELY PAYABLE DRUG STATUS (STATUS INDICATE "K")	PACKAGED DRUG (STATUS INDICATOR "N")
NOT PAID UNDER OPPS			
Critical Access Hospital	-TB modifier Optional	-TB modifier Optional	-JG, -TB modifier optional
Maryland Waiver Hospital	-TB modifier Optional	-TB modifier Optional	-JG, -TB modifier optional
Non-Excepted Off-Campus PBD	-TB modifier	-TB modifier	-JG, -TB modifier optional
HOSPITAL TYPE	PASS-THROUGH DRUG STATUS (STATUS INDICATOR "G")	SEPARATELY PAYABLE DRUG STATUS (STATUS INDICATE "K")	PACKAGED DRUG (STATUS INDICATOR "N")
PAID UNDER OPPS, EXCEPTED FROM 340B PAYMENT ADJUSTMENT			
Children's Hospital	-TB modifier	-TB modifier	-JG, -TB modifier optional
PPS-Exempt Cancer Hospital	-TB modifier	-TB modifier	-JG, -TB modifier optional
Rural Sole Community Hospital	-TB modifier	-TB modifier	-JG, -TB modifier optional
PAID UNDER OPPS, SUBJECT TO 340B PAYMENT ADJUSTMENT			
Disproportionate Share Hospital	-TB modifier	-JG modifier	-JG, -TB modifier optional
Medicare Dependent Hospital	-TB modifier	-JG modifier	-JG, -TB modifier optional
Rural Referral Center	-TB modifier	-JG modifier	-JG, -TB modifier optional

HOSPITAL TYPE	PASS-THROUGH DRUG STATUS (STATUS INDICATOR "G")	SEPARATELY PAYABLE DRUG STATUS (STATUS INDICATE "K")	PACKAGED DRUG (STATUS INDICATOR "N")
Non-Rural Sole Community Hospital	-TB modifier	-JG modifier	-JG, -TB modifier optional

Inappropriate Use

Vaccines with a Status Indicator of "F," "L," or "M" and drugs on pass-through payment, Status Indicator "G," do not to append a 340B Program modifier.

The -TB or –JG modifier should not be appended if a drug is not purchased through 340B Program.

Additional Links

[HRSA 340B Drug Program](#)

Medicare-FFS Program Billing 340B Modifiers under the Hospital Outpatient Prospective Payment System (OPPS), [Frequently Asked Questions](#)

[Medicare Claims Processing Manual, Chapter 4 - Part B Hospital, Sections 20.6.16 Use of HCPS Modifier –JG and 20.6.17 Use of HCPCS modifier –TB](#)

[340B Drug Pricing Program Omnibus Guidance, 80 FR 52300 \(August 28, 2015\)](#)

[340B Drug Pricing Program, Title 42, Volume 1, Part 10](#) 

Disclaimer

The disclaimer published on the modifier table applies to the modifier table and all Care’s published attachments including this document.