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## -UD Drug or Biological Drug Acquired with 340B Discount Modifier

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### Product

The information outlined below applies to UCare's PMAP, Connect, MSC+, and MinnesotaCare products.

### General Information

The 340B Drug Pricing Program requires drug manufacturers to provide outpatient drugs to eligible health care organizations or covered entities at significantly reduced prices. Federal law prohibits duplicate discounts, which means that manufacturers are not required to provide both a discounted 340B price and a Medicaid drug rebate for the same drug.

### Payment Information

- UCare applies a 28.6% discount for drugs administered to UCare State Public Program members by 340B covered entities.
- UCare follows DHS guidelines regarding the discounting of 340B drugs and biologicals. The discount rate is subject to change based on DHS published updates.
- The 340B discount will be applied when claims are submitted withal of the following criteria:
  - Bill Type = 13x;
  - The -UD is appended to a HCPCS code;
  - The submitted HCPCS identified as eligible for 340B purchase by a Status Indicator of "K" (separately payable OPPS drugs), on the CMS Addendum B.-Final OPPS Payment by HCPCS Code file; and
  - The Provider's payment is based on the MHCP hospital outpatient methodology.
  - If payment is based on the Medicare payment methodology refer to the 340B Drugs and Biologicals -JG, -TB modifier information.

### Appropriate Use

It is appropriate to use the -UD modifier when the provider meets the criteria listed below.

- Eligible 340B covered entities are listed on the Health Resources and Services Administration (HRSA) [Office of Pharmacy Affairs Database](#).
- 340B contract pharmacies are pharmacies that have contracted with the 340B entities to provide pharmacy services to the covered entity's patients, including the service of dispensing the entity-owned 340B drugs.

### Inappropriate Use

It would be inappropriate to append the -UD modifier if the criteria listed above is not met.

**Additional Links**

[MHCP Provider Manual, Pharmacy Services, 340B Drug Pricing Program](#)

**Disclaimer**

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