

Nov. 13, 2025
MB# 25-036

MEDICAID BULLETIN

TO: All Fee-for-service Providers Enrolled in the 340B Drug Pricing Program

SUBJECT: 340B Drug Program Billing Policy Changes

Effective for dates of service on or after Dec. 1, 2025, the South Carolina Department of Health and Human Services (SCDHHS) is updating its billing policy for providers who purchase physician-administered drugs through the Health Resources and Services Administration's (HRSA) 340B drug pricing program. The changes described in this bulletin only apply to services rendered to Healthy Connections Medicaid members in an outpatient setting who are enrolled in the fee-for-service Medicaid program.

Federal law (42 USC 256b [a][5][A][i]) prohibits manufacturers from providing a discounted 340B price and a Medicaid drug rebate for the same drug. Covered entities must have mechanisms in place to prevent duplicate discounts by ensuring their National Provider Identifier and/or state specific billing number is listed on the HRSA Medicaid Exclusion file and the "TB" modifier with an amount not to exceed the provider's actual acquisition cost is included on each 340B claim. On UB-04 claims that contain more than two modifiers, the TB modifier must be included in the second position. This allows state Medicaid agencies to exclude claims billed for those medications from their rebate invoicing.

These policy updates will be published in the [Physicians Services](#), [Clinic Services](#), [Hospital Services](#) and [FQHC Services](#) provider manual by Dec. 1, 2025.

Providers should direct any questions related to this bulletin to the Provider Service Center (PSC). PSC representatives can be reached at (888) 289-0709 from 7:30 a.m.-5 p.m. Monday-Thursday and 8:30 a.m.-5 p.m. Friday. Providers can also submit an online inquiry at <https://www.scdhhs.gov/providers/contact-provider-representative>.

Thank you for your continued support of the South Carolina Healthy Connections Medicaid program.

/s/
Eunice Medina