

Jan. 29, 2026
MB# 26-004

MEDICAID BULLETIN

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

SUBJECT: 340B Drug Program Billing Policy Changes

The South Carolina Department of Health and Human Services (SCDHHS) is updating the billing guidance announced in bulletin [MB #25-036](#) related to physician-administered drugs purchased through the Health Resources and Services Administration's 340B drug pricing program.

After receiving feedback from providers, SCDHHS will move the effective date to April 1, 2026, to ensure providers have sufficient time to implement the policy.

Providers must append the "TB" modifier to all claims for drugs purchased through the 340B program. Additionally, for claims where Medicaid is the primary payor, providers' charges must not exceed the provider's net actual acquisition costs when billing the 340B drugs. For claims where Medicaid is the secondary payor, providers may bill their usual charges but must ensure the "TB" modifier is appended on the claim line.

On UB-04 claims that contain more than two modifiers, the TB modifier must be included in the second position.

SCDHHS will conduct post-payment review and initiate recovery and/or adjustments to ensure that payment for these drugs does not exceed the 340B ceiling price as defined in the section 340B (a)(1) of the Public Health Service Act.

These policy updates will be published in the [Physicians Services](#), [Clinic Services](#), [Hospital Services](#), [Federally Qualified Health Center Services \(FQHC\)](#) and [Rural Health Clinic \(RHC\) Services](#) provider manuals by April 1, 2026.

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