SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
Healthy Connections
MEDICAID

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MEDICAID BULLETIN

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

SUBJECT: **Reminder-340B Drug Program Billing Policy Changes**

The South Carolina Department of Health and Human Services (SCDHHS) is reminding providers about the **April 1, 2026, effective date for the change to the agency's 340B drug program billing polices** previously announced in bulletin MB #26-004. As a reminder, this change applies to providers who purchase physician-administered drugs through the Health Resources and Services Administration's 340B drug pricing program. This policy change only applies to services rendered on or after April 1, 2026, to Healthy Connections Medicaid members in an outpatient setting who are enrolled in the fee-for-service Medicaid program.

For dates of service on or after April 1, 2026, providers must append the "TB" modifier to all claims when billing 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 or patient responsibility 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 are now published in the Physicians Services, Clinic Services, Hospital Services, Federally Qualified Health Center Services (FQHC) and Rural Health Clinic (RHC) Services provider manuals. These manuals can be found on the Provider Manuals page of SCDHHS' website.

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