

DECEMBER 2017

KMAP HOSPITAL BULLETIN 17287

New Modifiers for Drugs

The 2018 Outpatient Prospective Payment System (OPPS) Ambulatory Surgical Center (ASC) final rule (CMS -1678-FC) created two new modifiers: JG (Drug or biological acquired with 340B Drug Pricing Program Discount) and TB (Drug or Biological Acquired With 340B Drug Pricing Program Discount, Reported for Informational Purposes).

If you are required to report the JG or TB modifier to Medicare and the recipient has Kansas Medicaid, then these modifiers must also be reported to Kansas Medicaid.

Effective with dates of service on and after January 1, 2018, modifier JG should be used for separately payable drugs (status indicator “K”) and will trigger a payment reduction when billed by a hospital paid under OPPS that is not exempted from the payment adjustment.

Drugs that were not acquired under the 340B Program should not be reported with modifier JG. Providers exempt from the Medicare 340B Drug payment policy (Rural SCH, Children’s Hospital, and PPS Cancer Exempt Hospital) should not report modifier JG to identify OPPS separately payable drugs purchased with a 340B discount but should use modifier TB instead.

Appropriate updates will be made in the Kansas Medical Assistance Program (KMAP) *Hospital Fee-for-Service Provider Manual* and the *Coding Modifiers Table* and additional notification will be sent.

Note: The effective date of the policy is January 1, 2018. The implementation of State policy by the KanCare managed care organizations (MCOs) may vary from the date noted in the KMAP bulletins. The **KanCare Open Claims Resolution Log** on the KMAP [Bulletins](#) page documents the MCO system status for policy implementation and any associated reprocessing completion dates, once the policy is implemented.

KMAP

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