

# 340B-rrr: Feeling the Chill of the IRA FAQs

This document contains questions submitted by registrants of the NCPA Learning Hour Webinar, *340B-rrr: Feeling the Chill of the IRA*. Questions were reviewed by speakers, John Coster, PhD, RPh, Stacey Brandt-Maravent, PharmD, Julie Crozier, RPh, and Amanda Gaddy, RPh.

- ***How will the IRA affect the 340B program overall?***

The IRA does not eliminate or replace the 340B program, but does make changes to how the 340B price will be effectuated, and thus how savings are delivered for certain prescription drugs. For the Medicare Drug Negotiation Program (MDNP) drugs subject to a Maximum Fair Price (MFP); that is, the 10 Part D selected drugs for 2026, the 340B discounts shift from an up-front purchase discount to the 340B covered entity to a post-dispense manufacturer rebate model. This is being done to help avoid the manufacturer paying both a 340B discount and an MFP refund for the same drug. That is because under the MDNP, **manufacturers are not required to provide an MFP on a selected drug that was purchased under the 340B Drug Discount Program, only which ever price is lower.** This 340B rebate model, however, adds operational complexity, cash-flow delays, and new compliance requirements for covered entities (CEs) and contract pharmacies.

- ***What is the impact of the IRA on 340B pricing?***

340B pricing still exists in statute, but manufacturers are not required to provide the 340B price if a MFP rebate is provided. The 340B rebate model attempts to facilitate this by providing a 340B rebate on the drug to the covered entity rather than an upfront discount. The goal is to mitigate the chance that the drug being dispensed, which would be subject to a MFP, already had been purchased at the 340B price. To effectuate the 340B price, manufacturers will provide a rebate to the covered entity that ensures that the CE receives the 340B price in the form of a rebate. If the MFP price is lower, the pharmacy will only be sent the difference between MFP and the 340B price and the CE will be sent WAC minus 340B price. If the 340B price is lower than MFP, the pharmacy will receive no rebate and the CE will receive WAC minus 340B.

- ***How will the IRA affect 340B contract pharmacy operations?***

Contract pharmacies generally would receive “bill to/ship to” drug replenishment from the covered entity after filling a prescription with a 340B drug. The covered entity would have been able to purchase the drug at the 340B ceiling price. However, there will no longer be 340B ceiling prices for the first 10 Part D drugs subject to an MFP. This “replenishment” approach may still be used by covered entities under the rebate model, but the purchases by the CEs would be at the WAC price rather than the 340B ceiling price, as there will be no up front discounts for these first 10 Part D drugs subject to an MFP.

- ***How will the IRA impact independent pharmacy reimbursement?***

For the MDPNP selected drugs, lower gross reimbursement will occur up front. That is, the Part D plan will only pay the pharmacy no more than the MFP for the drug plus the dispensing fee. If the drug is also eligible for a 340B rebate, the rebate (WAC-340B) would go to the covered entity. For a full breakdown of cash flow in the Medicare Drug Price Negotiation, see [this video](#) provided by NCPA.

Many drugs are still subject to the 340B discount rather than the rebate model. However, if the 340B rebate model is successful, then the next 15 Part D drugs that are subject to an MFP may also be included in the rebate model. If this occurs, this could increase the economic impact to contract pharmacies and covered entities.

- *What also being included in the rebate model if this occurs, this*

- ***Are 340B ceiling prices expected to change in 2026 because of the IRA?***

At this time, there is no direct change to how 340B prices are calculated. However, the 340B ceiling price is a function of certain manufacturer pricing metrics, and the 340B ceiling price could change every calendar quarter.

- ***Are the IRA drugs “dead” from 340B, or will they be excluded?***

No, the MDPNP selected drugs are not automatically excluded from 340B. The CE and the pharmacy need to discuss which IRA drugs they want kept in the 340B program and instruct the TPA to do so.

## **Impact on Contract Pharmacies**

- ***How will the IRA affect the contract pharmacy business?***

First, for each Part D prescription for a selected drug, the pharmacy will be paid no more than the MFP plus the dispensing fee. The pharmacy will no longer be paid the contracted Part D plan rate. The pharmacy would receive the rest of the payment for the drug from the manufacturer, equal to WAC minus MFP. However, if the drug is a 340B eligible drug, the 340B rebate (WAC minus 340B ceiling price) will go to the covered entity, not the contract pharmacy. This means that there is less revenue generated on this Part D claim. (Assume that the stock dispensed by the pharmacy was purchased by the covered entity and shipped to the pharmacy under the replenishment model.) At the end of the day, there is less revenue generated on this pharmacy claim, and less margin for the contract pharmacy and covered entity.

- ***Will small pharmacies lose their 340B programs due to IRA changes?***

As noted, there are many non-MFP Medicare Part D drugs that will still be subject to a 340B discount, rather than the rebate model, and could be dispensed by contract pharmacies. Pharmacies will have to make an assessment as to whether or not they want to continue to dispense Part D drugs with an MFP that are subject to the 340B rebate model rather than an

upfront discount. The CE and the pharmacy need to discuss which IRA drugs they want kept in the 340B program and instruct the TPA to do so.

- ***How will pharmacies manage multiple reconciliations for MFP + 340B rebates?***

Pharmacies will need to enroll in [Beacon MFP](#) to track rebates across manufacturers. Pharmacies should also practice regular reconciliation cycles and dispute management.

### **Manufacturer Refund (Rebate) Process / MFP Model**

- ***Who receives the manufacturer refund—the pharmacy or the covered entity?***

Under the 340B rebate model, the rebate to effectuate the 340B ceiling price will be paid to the covered entity, not the contract pharmacy. If the MFP is lower than the 340B price, then the pharmacy would receive the difference between the 340B ceiling price and the MFP.

- ***How will covered entities pay pharmacies after receiving a refund?***

Covered entities will not be paying the pharmacies after receiving a refund from the manufacturers to effectuate the 340B ceiling price for non-Medicare claims for IRA drugs. However, reconciliation will be needed for Medicare claims for IRA as usual dispensing fees will normally not function as before.

- ***How long will it take to receive manufacturer refunds?***

The covered entities have 45 days to invoice the Beacon platform for a 340B rebate, and the manufacturers have 10 days to provide the refund to the covered entity after they are invoiced.

- ***Will the refund amount be based on WAC?***

The 340B rebate refund to the covered entities from the manufacturers will be equal to WAC minus the 340B ceiling price.

- ***Is the rebate model only for the 10 IRA-negotiated drugs or for all 340B drugs?***

The MFP rebate is only for the first 10 Part D medications for Medicare claims. However, the 340B rebate model applies to all payers for the first 10 drugs. That is, there will be no up-front 340B discounts available for these drugs from the manufacturers.

- ***What information does the manufacturer use to determine 340B eligibility within the 14-day window?***

They receive a file from Beacon that the TPA or CE provided showing it is a 340B claim. This claim must be sent within 45 of the dispense date and contain all the required elements.

- ***What happens if a pharmacy submits a SCC 20 code marking a claim as 340B?***

The submission of SCC codes should not change with the implementation of MFP and the 340B rebate programs

- ***Is there an appeals process for incorrect 340B claim designations?***

If the pharmacy or CE believes a claim was incorrectly classified as 340B, the concern should be discussed collaboratively. If it is agreed that the claim should not have been classified as 340B,

- ***How will claims be handled if a contract pharmacy (CP) opts out of dispensing the MFP drugs?***

If the CP does not fill MFP drugs, neither the 340B rebate nor the MFP rebate will be applicable.

## **Beacon / Manufacturer Rebate Platform**

- ***How do pharmacies register for Beacon MFP?***

Pharmacies can register for Beacon MFP here: <https://mfp.beaconchannelmanagement.com/>

- ***Why are there two Beacon platforms and who uses which?***

There is one Beacon platform (Purple) for the MFP. That is the one that contract pharmacies should sign up for. The other Beacon platform (Blue) is for the rebate program. Covered entities sign up for both.

- ***How frequently should claims be uploaded to Beacon?***

As frequently as possible.

- ***How does Beacon obtain claim data from pharmacies not using a TPA?***

The pharmacy, CE or a consultant will need to upload claims manually into Beacon.

## **Operational, Contracting & Workflow Questions**

- ***How will dispensing fees be calculated under the new model?***

Dispensing fees are often calculated as a percentage of the total amount paid by the PBM. Because this amount will be lower for Medicare claims involving MFP drugs, the resulting dispensing fee will also be reduced. Discussion between the pharmacy and the covered entity is needed to determine whether adjustments are appropriate based on the new program processes. For NON-Medicare payors, the dispensing fees may remain the same. If you currently have a flat dispensing fee, changes may not be needed.

- ***How should pharmacies plan for cash-flow impacts?***

There will be cash flow impacts for pharmacies due to:

1. Pharmacies will need to wait for MFP rebates for at least 21 days after the prescription is dispensed;
2. If any or all MFP drugs are carved out of 340B, the pharmacy will no longer receive dispensing fees;
3. If Medicare claims for MFP drugs are included for 340B, there will be less revenue to share with the CE.

- ***What are best practices for handling multiple reconciliation and remittance timelines?***

It is recommended that a pharmacy point person or consultant oversee tracking MFP rebates and a CE point person or consultant be in charge of tracking 340B rebates. If Medicare claims are included for 340B for MFP drugs, both pharmacies and CEs will need to work together or use a consultant to reconcile all rebates.