



## Medicare Part B Inflation Rebate Guidance: Use of the 340B Modifier



### What's Changed?

Note: No substantive content updates.

## Who's Affected

Medicare providers and suppliers who bill for separately payable Medicare Part B drugs and biologicals and participate in the 340B Drug Pricing Program.

## Using the TB Modifier

Effective January 1, 2025, CMS requires all 340B-covered entities, including hospital-based and non-hospital-based entities, that submit claims for separately payable Part B drugs and biologicals to discontinue using modifier JG on claim lines for drugs acquired through the 340B Drug Pricing Program. As established under regulation, many 340B covered entities used modifier JG from 2018–2024.

The [Inflation Reduction Act of 2022](#) established a Part B inflation rebate by manufacturers for certain single source drugs and biologicals with prices increasing faster than the rate of inflation. The TB modifier allows us to identify drug units acquired through the 340B Program to effectively implement the Part B inflation rebate program because 340B drug units are excluded from the Part B inflation rebates.

We issued guidance on December 20, 2022, so that provider types new to reporting this modifier would have time to change their billing systems. We issued revised guidance on December 14, 2023, so all provider types knew of the new 340B modifier requirements, effective January 1, 2025.

Effective January 1, 2025, if you're a 340B-covered entity, you must report the TB modifier on claims.

All 340B-covered entities that previously reported the JG modifier on claim lines for separately payable Part B drugs acquired through the 340B program in CY 2024 should switch to reporting the TB modifier on those same claim lines. We also require providers and suppliers affiliated with 340B-covered entities (for example, contract pharmacies) to submit the TB modifier on separately payable claim lines for separately payable Part B drugs acquired through the 340B program.

## Resources

- [CY 2025 Physician Fee Schedule Final Rule](#) for information on Part B inflation rebates
- [Medicare Part B Drug Inflation Rebates Paid by Manufacturers: Revised Guidance, Implementation of Section 1847A\(j\) of the Social Security Act](#)
- [Revised Part B Inflation Rebate Guidance: Use of the 340B Modifier](#)

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