

DRA & Medicare Part B options

choosing the best tool to manage reporting requirements

The Deficit Reduction Act of 2005

The Deficit Reduction Act (DRA) is a law specifying that NDC and actual acquisition costs be included on all outpatient Medicaid claims. These additional details ensure that states can obtain a rebate from manufacturers who have signed an agreement with the Centers for Medicare and Medicaid Services (CMS).

Hospitals must follow Medicaid reporting requirements in order to be reimbursed. However, most hospitals don't have the IT systems in place to submit claims that contain accurate, charge code-specific NDCs and acquisition cost data. Our reporting options simplify the process of producing complete and accurate claims, while providing a choice in how you meet the requirements.

2018 Medicare Part B changes

In late 2017, CMS finalized its decision to reduce Medicare Part B drug reimbursements to 340B hospitals. The new regulation, as of January 1, 2018, requires that a modifier be placed on the billing claim to indicate which drugs were acquired at 340B when billing for a Medicare patient through the Medicare Outpatient Prospective Payment System (OPPS).

Two of our current reporting options have features to help you comply with the CMS final rule as it relates to 340B:

- DRA Tool:** Can apply the required modifiers to indicate which drugs were dispensed or purchased at 340B
- Charge Manager:** Can help identify the 340B-purchased drugs, which can then be picked up from a hospital-designated directory and applied to billing claims

Multiple options to help you remain compliant

There are a variety of methods for applying the NDC and acquisition cost data to a billing claim when needed, and Sentry offers multiple options to consider. This graphic shows where each of Sentry's options applies the required data, and the back page provides detail about how each option works.

DRA Tool



hospital claims

Charge Manager

hospital billing charges



Charge Connect



charge master

Three ways to meet claim requirements

DRA Tool

- > Appends claims in HCFA 1500, UB04, & Electronic 837 formats
- > Adds NDCs, modifiers & allocated costs from prior purchases when needed
- > Requires tight mapping control and exception queue management

Charge Manager

- > Updates cost data at the charge level by utilizing most recent price paid for NDC on the appropriate account type
- > Requires hospital to ingest data or manually enter it into hospital billing system

Charge Connect

- > Data-rich extract links charge master codes to purchases
- > Provides a reference for historical cost data by last, lowest, or average price paid
- > Requires entity to ingest data or manually enter into hospital HIS system

	DRA Tool	Charge Manager	Charge Connect
Applies the appropriate JG/TB modifier for status indicator (SI), K & G drugs for Medicare Part B	●		
Adds AAC, UD modifiers, and NDCs for Medicaid	●		
Applies rules for any payer to add NDCs and costs	●		
Allocates charges to historical invoices	●	●	
Updates cost information for charge-level reporting	●	●	
Reflects price paid on the appropriate account	●	●	
Requires manual billing modification by hospital		●	●
Applies costs for 340B, GPO and WAC accounts	●		●
Shows historical pricing by last, lowest or average price			●

