

Billing with National Drug Code Requirement

Due to recent changes in the Healthcare National Drug Code (NDC) reimbursement policy your claims may be denied. This policy now requires that claims submitted for reimbursement for drug-related revenue codes, Healthcare Common Procedure Coding System (HCPCS) and Current Procedural Terminology (CPT®) codes must include:

- A valid NDC number
- The quantity
- A unit of measure (UOM)

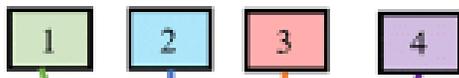
If a claim for a drug administered doesn't include a valid NDC number, the quantity and a unit of measure, we may deny your claim.

By requiring NDC numbers, we can differentiate and target drugs that share the same revenue or HCPCS code for drug preferences and rebates. NDC numbers provide full transparency of the medication administered and allow for accurate identification of the manufacturer, drug name, dosage, strength, package size and quantity.

To submit a claim with the NDC code, unit of measure and the quantity, here are instructions for submitting paper claims and submitting claims electronically.

Submitting Paper Claims

Using the CMS 1500 form, enter the NDC information in field 24. There are six service lines in field 24 with shaded areas. Place the NDC information in the line's top shaded part.



24. A.	DATE(S) OF SERVICE						B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)		
	MM	DD	YY	MM	DD	YY			CPT/HCPCS	MODIFIER	
1	N4	57894003001	UN	3.5					J1745		
2	N4	57894003001	UN	0.5					J1745		JW

When entering the supplemental NDC information for the NDC, add it in the following order:

1. "N4" qualifier
2. 11-digit NDC code
3. NDC Unit of Measure
4. NDC Units administered/used

Using the UB 04 form, fill out the following fields:

- Field 42: Include the appropriate revenue code
- Field 43: Include the 11-digit NDC code, unit of measurement and quantity
- Field 44: Include the HCPCS code if required

Claims submitted electronically or on paper (CMS 1500 or UB) which contain CPT/HCPCS codes for vaccines, drugs and some radiopharmaceuticals per Health Plan requirements must contain a valid NDC number for each CPT/HCPCS code billed on the claim. The NDC number must be submitted following the standardized billing formats for NDC numbers. Claims not containing this information or claims submitted with handwritten NDC numbers will be denied for payment.

EDI Requirements for Professional (837p) and Institutional (837i) Claims

When submitting electronically, include:

Loop	Segment	Element Name	Information	
2410	LIN	2	Product or Service ID Qualifier	If billing for an NDC, enter "N4".
2410	LIN	3	Product or Service ID	If billing for drugs, include the 11-digit NDC. Sample: LIN**N4*12345678901
2410	CTP	4	Quantity	If an NDC was submitted in LIN03, include the administered NDC quantity. See Q5 for unit information.
2410	CTP	43586	Unit or Basis for Measurement Code	If an NDC was submitted in LIN03, include the unit or basis for measurement code for the NDC billed. See Q6 for unit information. Sample: CTP* * * * 3* UN
2410	REF	1	VY: Link Sequence Number XZ: Prescription Number	The Link Sequence Number is used to report components for compound drug.
2410	REF	2	Link Sequence Number or Prescription	Sample: REF01*VY* 123456

For any further questions regarding billing requirements for NDC codes contact your PMGSJ Provider Services Representative.

Converting NDCs from 10-digits to 11-digits

It should be noted that many NDCs are displayed on drug packaging in a 10-digit format. Proper billing of a NDC requires an 11-digit number in a 5-4-2 format. Converting NDC from a 10-digit to an 11-digit format requires a strategically placed zero, dependent upon the 10-digit format.

The following table shows common 10-digit NDC formats indicating on packaging and the associated conversion to an 11-digit format, using the proper placement of a zero. The correctly formatted, additional "0" in in a bold font and underlined. Note that hyphens indicated below are used solely to illustrate the various formatting examples for the NDC.

Converting NDCs from 10-digits to 11-digits					
10-Digit Format on Package	10-Digit Format on Example	11-Digit Format	11-Digit Format Example	Actual 10-digit NDC Example	11-Digit Conversion of Example
4-4-2	9999-9999-99	5-4-2	<u>0</u> 9999-9999-99	0002-7597-01	<u>0</u> 0002-7597-01
5-3-2	99999-999-99	5-4-2	99999- <u>0</u> 999-99	50242-040-62	50242- <u>0</u> 040-62
5-4-1	99999-9999-9	5-4-2	99999-9999- <u>0</u> 9	60575-4112-1	60575-4112- <u>0</u> 1

For any further questions regarding converting NDC codes, please contact your PMGSJ Provider Services Representative at providerservices@excelmso.com.