

National Drug Code Reporting Requirements

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Presented by

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Purpose

To familiarize participants with the procedures and timeline for National Drug Code (NDC) reporting requirements

Objectives

- Provide background information – the reason for NDC Reporting
- Define physician-administered and physician-dispensed drugs
- Explain how to identify the NDC
- Illustrate required NDC format for Medi-Cal claims
- Identify the NDC reporting implementation date

Objectives

- Review the impact of NDC reporting on the Medi-Cal claim process
- Illustrate NDC information on the CMS-1500 and UB-04 claim forms
- Convey how NDC information is included with HIPAA 837 Professional and Institutional transactions
- Explain the 340B Drug Pricing Program

Background

- Federal Deficit Reduction Act of 2005
- Medicaid agencies to collect rebates from drug manufacturers for physician-administered or physician-dispensed drugs

Background

- Applicable to products manufactured by companies participating in the federal Medicaid rebate program
- Part 2 provider manual, *Drugs: Contract Drugs List Part 5 (drugscdlp5)*
- Inclusion of the NDC on Medi-Cal claims will enable the rebate collection

Physician-Administered Drugs

- Physician-administered or physician-dispensed drugs include:
 - Any covered outpatient drug, otherwise dispensed only upon prescription and approved as a prescription drug under the Federal Food, Drug and Cosmetic Act

Physician-Administered Drugs

- Physician-administered or physician-dispensed drugs include:
 - Dispensed or administered to a recipient by a provider other than a pharmacy (physician's office, clinic, hospital for outpatient services, etc.)
 - Any method of administration, not limited to injectable drugs
 - *Not required* for drugs included in a global billing

National Drug Code (NDC)

- The NDC identifies a specific prescription drug
- Up to 11 digits in length
- Separated by hyphens (-) into three segments
- Complete NDC is formatted 5-4-2, for a total of 11 digits:

12345-1234-12

National Drug Code (NDC)

- The NDC is found on the drug container (vial, bottle, or tube)
- The NDC submitted to Medi-Cal must be the actual NDC on the package/ container from which the medication was administered
- Do not list any NDC other than the product that was actually dispensed or administered

NDC Format for Claims

- NDCs with fewer than 11 digits must have leading zeros added to complete the 5-4-2 format, 12345-1234-12:

1234-5678-91 = 01234-5678-91

98765-43-21 = 98765-0043-21

67-34-9 = 00067-0034-09

Convert These NDCs!

1234-567-89

12-34-56

98765-4-3

Drug Identification

- How to determine whether a product is a drug:
 - The NDC on the vial or box that contained the drug
 - Lot number and expiration date
 - Statement: “Caution: Federal law prohibits dispensing without prescription”, “Rx only”, or similar statements

April 1, 2009 Implementation

- Beginning with dates of service on or after September 1, 2008 providers encouraged to include NDC on applicable claims
- Claims submitted without the NDC for dates of service September 1, 2008 through March 31, 2009 will not be denied

April 1, 2009 Implementation

- The NDC for physician-administered drugs must be listed in conjunction with the HCPCS Level I, II, or III code on Medi-Cal claims
- Claims with dates of service on or after April 1, 2009 that do not include the NDC in conjunction with the HCPCS code will be denied

Medi-Cal Claims

- Claims will continue to be priced based on the HCPCS code, with corresponding NDC information used for drug rebate processing
- Medi-Cal will use only the HCPCS quantities/units for claim reimbursement
- Only those products manufactured by participating companies are reimbursable by Medi-Cal

Medi-Cal Claims

- In some instances, it may be necessary to list multiple NDCs for a single HCPCS procedure code
 - Appropriate dosage requires different strengths or different manufacturers of the same drug
- Include all NDCs on the claim, repeating the HCPCS procedure code

NDC Product ID Qualifier

- For all claim types (CMS-1500, UB-04, HIPAA 837 Professional and Institutional transactions), the NDC information must include the Product ID Qualifier:

N4

Unit of Measurement Qualifier

- For all claim types (CMS-1500, UB-04, HIPAA 837 Professional and Institutional transactions), the NDC information must include the appropriate Unit of Measurement Qualifier:

F2 = International Unit

GR = Gram

ML = Milliliter

UN = Unit

NDC Information on the CMS-1500

- The NDC Product ID Qualifier and NDC 11-digit number (without hyphens) will be entered in the shaded area of Box 24A (Dates of Service)

	24. A. DATE(S) OF SERVICE						B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)			
	From		To		YY	CPT/HCPCS			MODIFIER			
	MM	DD	YY	MM			DD	YY				
1	N498765004321											
2												
3												

NDC Information on the CMS-1500

- The NDC Unit of Measurement Qualifier and 10-digit numeric quantity administered will be entered in the shaded area of Box 24D (Procedures, Services or Supplies)
- The 10-digit numeric quantity consists of the seven-digit whole number (leading zeros), followed by the three-digit decimal (ending zeros), without the decimal point

NDC Information on the CMS-1500

- Five units administered will be entered as follows:

	24. A. DATE(S) OF SERVICE						B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)				
	From			To					CPT/HCPCS	MODIFIER			
	MM	DD	YY	MM	DD	YY							
1	N498765004321								UN0000005000				
2													
3													

NDC Information on the CMS-1500

- Enter the following NDC information:
 - The NDC number on the box is 7811-54-33
 - The quantity administered to the patient is 12.25 grams

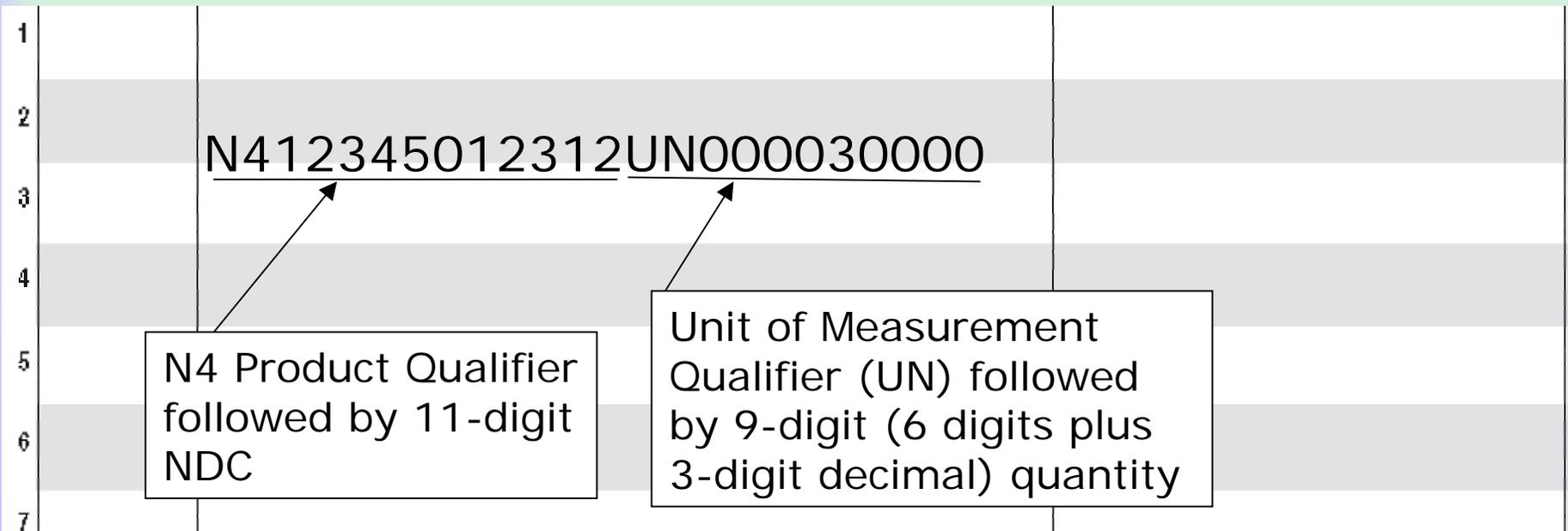
24.	A. DATE(S) OF SERVICE						B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)				
	From			To					CPT/HCPCS	MODIFIER			
	MM	DD	YY	MM	DD	YY							
1													
2													

NDC Information on the UB-04

- All NDC information will be entered in Box 43 (Description) of the UB-04 claim form:
 - N4 Product ID Qualifier
 - Immediately followed by the 11-digit (without hyphens) NDC number
 - Immediately followed by the Unit of Measurement Qualifier
 - Immediately followed by the 9-digit (6-digit whole number plus 3-digit decimal) quantity

NDC Information on the UB-04

- Thirty units of product with NDC 12345-123-12 is entered on the UB-04 claim form as follows:



NDC Information on the UB-04

- Enter the following NDC information:
 - The NDC number on the vial is 3354-11-87
 - The quantity administered to the patient is 124.5 milliliters

	42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATE / HIPPS CODE
1			
2			
3			
4			

NDC on the HIPAA 837 P Transaction

- The NDC is reported in Loop 2410:
 - Field LIN02, enter the Product ID Qualifier “N4”
 - Field LIN03, enter the 11-digit NDC, without hyphens
 - Field CTP04, enter the quantity
 - Field CTP05, enter the Unit of Measurement Qualifier (F2, GR, ML or UN)

NDC on the HIPAA 837 I Transaction

- The NDC is reported in Loop 2410:
 - Field LIN02, enter the Product ID Qualifier “N4”
 - Field LIN03, enter the 11-digit NDC, without hyphens
 - Field CTP04, enter the quantity
 - Field CTP05, enter the Unit of Measurement Qualifier (F2, GR, ML or UN)

340B Drug Pricing Program

- Section 340B of the Public Health Service Act
- Limits the costs of covered outpatient drugs to some providers
- Results in cost savings on pharmaceuticals to those entities/providers
- Pharmaceutical pricing agreement between manufacturer and the Secretary of Health and Human Services

340B Drug Pricing Program

- Manufacturer agrees to charge those entities/providers no more than the average manufacturer price, less a rebate percentage
- Those entities/providers must charge Medicaid no more than the actual acquisition cost, plus a dispensing/administration fee
- Excludes these pharmaceuticals from the collection of rebates by Medi-Cal

340B Drug Pricing Program, UD Modifier

- Providers identify 340B outpatient drugs by including the “UD” modifier
- Medi-Cal will identify claims from 340B entities and exclude those claims from rebate collection
- Applicable HCPCS code is billed with the “UD” modifier
- This is the only use of the “UD” modifier

UD Modifier on the HIPAA 837 P Transaction

- The HCPCS procedure code is reported in Loop 2400, Field SV1
- If the drug was obtained under the 340B Program, the modifier “UD” will be entered in Loop 2400, Field SV101-3

UD Modifier on the HIPAA 837 I Transaction

- The HCPCS procedure code is reported in Loop 2400, Field SV202-2
- If the drug was obtained under the 340B Program, the modifier "UD" will be entered in Loop 2400, Field SV202-3

Resources

- Telephone Service Center at 1-800-541-5555
- NDC instructions on the Medi-Cal Web site:
http://files.medi-cal.ca.gov/pubsdoco/ndc/articles/ndc_9630.asp
- Online claim completion tutorials, CMS-1500 and UB-04: <http://files.medi-cal.ca.gov/pubsdoco/eo/elearning.asp>
- ASC X12N 837 v.4010A1, Companion Guides:
http://files.medi-cal.ca.gov/pubsdoco/hipaa/hipaaspecs_home.asp#837

Resources

- NDC instructions in the Medi-Cal Part 2 provider manuals:
 - *Physician-Administered Drugs: NDC*
 - *Physician-Administered Drugs – NDC: CMS-1500 Billing Instructions*
 - *Physician-Administered Drugs – NDC: UB-04 Billing Instructions*
- Part 2 provider manuals, *Drugs: Contract Drugs List Part 5* (drugscdlp5)

Summary

- Definition of physician-administered or physician-dispensed drugs
- Identification of the NDC
- Report the NDC in 11-digit format
- Implementation date of April 1, 2009 date of service
- Processing of claims with NDC information

Summary

- Placement of NDC information on CMS-1500 and UB-04 claim forms
- Placement of NDC information in HIPAA 837 P and 837 I transactions
- 340B Drug Pricing Program and use of the “UD” modifier

Thank You!!

Answer Key

Slide #12, Convert NDCs:

01234-0567-89

00012-0034-56

98765-0004-03

Answer Key

Slide #24, NDC on the CMS-1500

	24. A. DATE(S) OF SERVICE						B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)				
	From			To					CPT/HCPCS	MODIFIER			
	MM	DD	YY	MM	DD	YY							
1	N407811005433								GR0000012250				
2													

Answer Key

Slide #27, NDC on the UB-04

42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATE / HIPPS CODE
1	N403354001187ML000124500	
2		
3		
4		
5		
6		