New HCPCS NDC Requirement

The What, Why, When, Where, and How to use an NDC when billing physician administered drugs

SoonerCare
Fall 2008 Provider Training
What are we talking about?

- NDCs will be required on *SoonerCare* claims for drugs administered in an outpatient setting
  - Includes all secondary claims
    - Medicare Crossover Claims
    - Other Third Party Claims

When will NDCs be required?

- Effective w/ Dates of Service on or after **January 1, 2008** for claims billed on CMS 1500 or electronic equivalent
- Effective w/ Dates of Service on or after **July 1, 2008** for claims billed on UB-04 or electronic equivalent
What is an NDC?

- **National Drug Code (NDC):**
  a unique 11-digit, three-segment number assigned to drugs by the Food and Drug Administration (FDA)

Why is OHCA requiring an NDC?

- Deficit Reduction Act of 2005 (DRA) requires Medicaid agencies, including the Oklahoma Health Care Authority, to collect **NDC** numbers on pharmaceuticals
Who will be affected?

- Primary Care Providers
- Specialty Care Providers
- Outpatient Hospital Departments
- Federally Qualified Health Centers
- Rural Health Centers
- All other outpatient providers administering drugs to patients
What remains the same?

- Still use the same billing forms
  - CMS 1500
  - UB04
  - Electronic 837
  - Soonercare Secure Site
- All of the information is still placed in the same locations on the form
What remains the same?

- Reimbursement
  - Based on current HCPCS code rate
  - Unclassified and Not Otherwise Classified drugs still need the invoice sent in with the claim (i.e. J3490, J9999, etc.)
- Edits and audits
  - Still remain in place
What has changed?

- Some HCPCS codes will require a NDC
- New Data Elements required on *SoonerCare* Claims
- New fields on CMS 1500, Electronic 837, UB04, and *SoonerCare* Secure Site
Which HCPCS Codes Require a NDC?

- Generally – All drug products administered by a provider in outpatient settings
  - Exceptions: Vaccines, Devices, Radiopharmaceuticals

- A list of HCPCS codes requiring a NDC for billing can be found at [www.okhca.org/NDCbilling](http://www.okhca.org/NDCbilling)
What data elements will be needed?

- Qualifier – N4
- 11 digit NDC (Do Not Report Dashes)
- Unit of Measure
  - F2 (international units)
  - GR (gram)
  - ML (milliliter)
  - UN (unit)
- NDC Units Value (Quantity)
  - Example: 1.125 (up to 3 digits after decimal)
Where to place NDC on CMS 1500?

- The NDC is place in delineated block 24.
  - Upper shaded portion
- Additional information can be found at: www.nucc.org
Where to place NDC on UB 04?

- The NDC is placed in FL43
- Additional information can be found at: www.nucc.org
Where to place NDC on Soonercare Secure Site

Professional
Where to place NDC on Soonercare Secure Site?

Institutional-Outpatient

<table>
<thead>
<tr>
<th>Item</th>
<th>Rev. Code</th>
<th>Procedure</th>
<th>Units</th>
<th>Charges</th>
<th>Status</th>
<th>Allowed Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>250</td>
<td>J3370</td>
<td>2.00</td>
<td>$9.80</td>
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<td></td>
</tr>
</tbody>
</table>

NDC Code: 00409653301
NDC Qty: 1.000
NDC UOM: Gram

From DOS: 01/05/2008
To DOS: 
Modifiers: 1

Co-Pay: 0.00
Allowed Amount: 0.00
Paid Amount: 
Units Allowed: 
Units of Measurement: UN - Unit
Claims Examples
Claim with 1 NDC

- NDC: 00409653301 (vancomycin HCl Intravenous 1 GM)
- J3370 (Injection, vancomycin HCl, 500 mg)

<table>
<thead>
<tr>
<th>24. A. DATE(S) OF SERVICE</th>
<th>B. PLACE OF SERVICE</th>
<th>C. D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)</th>
<th>E. DIAGNOSIS POINTER</th>
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<tr>
<td>N400409653301</td>
<td>GR1</td>
<td>J3370</td>
<td>9 08 2</td>
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**UB-04**

<table>
<thead>
<tr>
<th>REV.CD</th>
<th>DESCRIPTION</th>
<th>HCPCS / RATE / HIPS CODE</th>
<th>DATE</th>
<th>UNITS</th>
<th>TOTAL CHARGES</th>
<th>NON-COVERED CHARGES</th>
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<td>J3370</td>
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</table>
### Claim with 1 NDC
Soonercare Secure Site
Institutional – Outpatient

<table>
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<tr>
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<td>2.00</td>
<td>$9.80</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Detail Information**

- Item: 1
- Revenue Code*: 250
- NDC Code: 00409653301
- Units*: 2.00
- Charges: $9.80
- Status: 
- Units Allowed: 
- Allowed Amount: 
- Co-Pay: 0.00
- Paid Amount: 
- From DOS*: 01/05/2008
- To DOS: 
- HCPCS / Rates: J3370
- NDC Qty: 1.000
- NDC UOM: GR-Gram
- Modifiers: 1
Claim with more than 1 NDC per HCPCS code (up to 3 NDCs)

- **Modifiers**
  - KP (FIRST DRUG OF A MULTIPLE DRUG UNIT DOSE FORMULATION)
  - KQ (SECOND OR SUBSEQUENT DRUG OF A MULTIPLE DRUG UNIT DOSE FORMULATION)

- **NDCs:**
  - 00703301812 (Adrucil 50 MG/ML 50 ML VIAL)
  - 00703301513 (Adrucil 50 MG/ML 10 ML VIAL)

- **J9190** (Fluorouracil, 500 mg)
<table>
<thead>
<tr>
<th>Supplier Information</th>
<th>NPI</th>
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<tr>
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**Date(s) of Service**

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<tr>
<th>Date From</th>
<th>Date To</th>
<th>Procedure Code</th>
<th>Place of Service</th>
<th>CPT/HCPCS Code</th>
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## UB-04

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<th>HICOPS / RATE / HIPPS CODE</th>
<th>SER. DATE</th>
<th>SER. UNITS</th>
<th>TOTAL CHARGES</th>
<th>NON-COVERED CHARGES</th>
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<td>J9190</td>
<td>5</td>
<td>$24.25</td>
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<td>0.00</td>
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<td>2</td>
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<td>1</td>
<td>$4.85</td>
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<td>0.00</td>
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</tr>
</tbody>
</table>

**Detail Information**

- **Item**: 1
- **From DOS**: 01/09/2008
- **To DOS**: 01/09/2008
- **POS**: 49 - Independent Clinic
- **Procedure**: J9190
- **Diag. Cross-Ref**: J9190
- **NDC Code**: 00703301812
- **NDC Qty**: 50.000
- **NDC UOM**: ML - Milliliter
- **Charges**: $24.25
- **EPSDT**: [ ]
- **Pregnancy?**: [ ]
- **Emergency?**: [ ]
- **Rendering Physician**: [ ]
- **NPI**: [ ]
- **Status**: Allowed Amount 0.00 Co-Pay Amount 0.00
- **CLIA Number**: [ ]
- **Contract Code**: [ ]
NDC Format Explained
Required NDC Format

- 11 digit format (5-4-2 format)

5 4 2

9999999-99999-99

Labeler
Product Code
Package Code
NDC Format

- NDC may be displayed in a 10 digit format on the package or vial.

- The required format is an 11 digit format.
Converting NDCs to 11 digits

- 10 digit formats include:
  - 4-4-2
  - 5-3-2
  - 5-4-1

- Requires strategically placed zero to convert to 11 digit format
Examples of NDC Conversion

- **4-4-2 to 5-4-2**
  - 10 digit NDC: 0002-7597-01
  - 11 digit conversion: 00002-7597-01

- **5-3-2 to 5-4-2**
  - 10 digit NDC: 50242-040-62
  - 11 digit conversion: 50242-0040-62

- **5-4-1 to 5-4-2**
  - 10 digit NDC: 50242-0040-1
  - 11 digit conversion: 50242-0040-01
Why is the NDC important?

- Collection is required by the Deficit Reduction Act of 2005

- Medicaid agencies can identify drugs in the Medicaid Drug Rebate Program
What is the Medicaid Drug Rebate Program?

- Part of Omnibus Reconciliation Act of 1990
  - requires labelers (manufacturers) to give Federal Agencies the “best” price on pharmaceuticals.
- Drug manufacturers who wish to participate, sign a National Drug Medicaid Rebate Agreement with CMS.
  - Required for states to receive Federal funding for outpatient drugs dispensed to Medicaid patients.
What is the Medicaid Drug Rebate Program?

- Non-participating labelers’ drugs are non-rebatable and cannot be covered by Medicaid.

- CMS has a reference list of labelers with an active agreement.
  - Large companies typically have more than one labeler code; so check the actual labeler code.
  - DO NOT look at the manufacturers name.

- Link to labeler reference list can be found at: [www.okhca.org/NDCbilling](http://www.okhca.org/NDCbilling)
Soonercare Secure Site

The secure site may also be used to verify if an NDC is covered.

Reference Search

Pricing and eligibility listed does not guarantee payment of a claim. Please refer to Provider Rules for coverage by specific provider type.

- Procedure
- Drug
- DRG

NDC: 00703301513  Benefit Package: Title 19  Date of Service: 01/09/2008

Search

For Title 19 Benefit Package, on date of service 01/09/2008:

00703301513 - ADRUCIL
Where to place NDC on Electronic 837?

- The NDC is placed in 2410 loop
  - LIN**N4*01234567891

- CTP***2.50*2*UN

- For additional information please contact your software vendor
The modifiers are placed behind the procedure code using a colon to separate (i.e. J9190:KP).

For each additional service add LX*2, LX*3

LX*2
SV1*HC:J9190:KP*3.60*UN*1*11**1~
DTP*472*RD8*20080327-20080327~
LIN**N4*00703301513~
CTP***4.85*10*ML~
# List of EOBs

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<thead>
<tr>
<th>EOB Code</th>
<th>EOB Description</th>
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<th>EOB Description</th>
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<tbody>
<tr>
<td>146</td>
<td>HCPC/REVENUE CODE MISSING</td>
<td>804</td>
<td>POSSIBLE DUPLICATE OF ANOTHER CLAIM</td>
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<tr>
<td>152</td>
<td>MISSING DRUG CODE</td>
<td>806</td>
<td>EXACT DUPLICATE OF ANOTHER CLAIM</td>
</tr>
<tr>
<td>153</td>
<td>INVALID DRUG CODE</td>
<td>807</td>
<td>POSSIBLE DUPLICATE OF ANOTHER CLAIM</td>
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<tr>
<td>155</td>
<td>MISSING DRUG QUANTITY</td>
<td>814</td>
<td>POSSIBLE CONFLICT OF ANOTHER CLAIM</td>
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<tr>
<td>157</td>
<td>INVALID DRUG QUALIFIER</td>
<td>823</td>
<td>EXACT DUPLICATE OF ANOTHER CLAIM</td>
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<tr>
<td>183</td>
<td>MISSING UNITS OF SERVICE</td>
<td>824</td>
<td>POSSIBLE DUPLICATE OF ANOTHER CLAIM</td>
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<tr>
<td>331</td>
<td>THIS DRUG NOT COVERED FOR THE RECIPIENT</td>
<td>826</td>
<td>EXACT DUPLICATE OF ANOTHER CLAIM</td>
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<td>NDC IS DEACTIVATED AND NOT PAYABLE ON DATE FILLED</td>
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<td>POSSIBLE CONFLICT OF ANOTHER CLAIM</td>
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<td>INACTIVE DRUG</td>
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<td>POSSIBLE DUPLICATE OF ANOTHER CLAIM</td>
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<td>360</td>
<td>THIS NATIONAL DRUG CODE IS NOT ON FILE</td>
<td>5001</td>
<td>THIS IS A DUPLICATE OF ANOTHER CLAIM</td>
</tr>
</tbody>
</table>
Info

- OHCA Provider Services
  - (405) 522-6205 or (800) 522-0114
    - Option 1 – claim Status, eligibility, or policy questions
    - Option 2 – Internet Help Desk or EDI
    - Option 3 – Adjustments or Third Party Liability (TPL)
    - Option 4 – Pharmacy Issues

- Electronic 837 Help
  - EDS-EDI Help Desk – (405) 416-6801