

Operations Bulletin⁰⁸⁻¹³



Date: August 20, 2013

To: GHP Family Participating Providers

Re: **National Drug Code (NDC) Reporting Requirements**

The Patient Protection and Affordable Care Act (PPACA) requires the Commonwealth's Department of Public Welfare (DPW) to ensure Medicaid MCOs, like GHP Family, report the National Drug Code (NDC) information needed to bill drug manufacturers through the Medicaid Drug Rebate Program. Inclusion of NDC information on professional outpatient drug claims was a standing DPW requirement before the inception of GHP Family on March 1, 2013. Earlier this year, to accommodate PPACA enhancements to the Medicaid Drug Rebate Program, DPW expanded the NDC reporting requirement to include all institutional outpatient drug claims effective July 1, 2013.

In accordance with DPW directives, the NDC number, quantity, and unit of measure are required on all drug claims for GHP Family Members, including institutional outpatient drug claims. Outpatient drug claims for GHP Family Members submitted without the appropriate NDC information are subject to denial. GHP Family continues to retrospectively evaluate outpatient drug claims that have been submitted and adjudicated without DPW mandated NDC information. GHP Family guidance regarding these claims will be communicated in a separate upcoming communication.

Again, in order to facilitate DPW encounter reporting requirements, GHP Family must require that the following NDC information be included on all drug claims for GHP Family Members:

- **The appropriate HCPCS code and HCPCS code units (for reimbursement purposes)**
- **The corresponding and valid 11-digit NDC**
- **The drug Unit of Measure (UOM)**
- **The drug unit quantity**

The NDC reporting requirement applies to both paper and electronic claims. Please reference the following grid for instructions on appropriate NDC reporting for GHP Family Members:

CMS-1500 & UB-04 – Paper Claims		
Form	Field	Format
CMS-1500	24A - 24G (shaded area)	N4 Qualifier + NDC + UOM Qualifier + Drug Quantity <u>Example:</u>

Form	Field	Format																																																		
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UB-04	43	<p>N4 Qualifier + NDC + UOM Qualifier + Drug Quantity</p> <p><u>Example:</u></p> <table border="1"> <thead> <tr> <th>42 REV. CD.</th><th>43 DESCRIPTION</th><th>44 HCPCS / P</th></tr> </thead> <tbody> <tr> <td>1 250</td><td>N400517490125 ML4</td><td>J1100</td></tr> <tr> <td>2</td><td></td><td></td></tr> </tbody> </table>	42 REV. CD.	43 DESCRIPTION	44 HCPCS / P	1 250	N400517490125 ML4	J1100	2																																											
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Billing Tips	<p>Please note:</p> <ul style="list-style-type: none"> Do <u>not</u> enter hyphens or spaces within NDC. Do <u>not</u> enter a space between N4 Qualifier and NDC. Only enter NDC of the actual medication that was administered. Only enter actual units administered. Valid UOM Qualifiers include: <ul style="list-style-type: none"> F2 – International Unit GR – Gram ME – Milligram ML – Milliliter UN – Unit Use decimal point when reporting a fraction of a unit. Some drug packaging displays NDCs less than 11 digits or in a format other than the standard 5-4-2 format. In these cases, leading zeros should be assumed for reporting purposes. <p>Example:</p> <ul style="list-style-type: none"> XXXX-XXXX-XX = 0XXXX-XXXX-XX XXXXX-XXX-XX = XXXXX-0XXX-XX XXXXX-XXXX-X = XXXXX-XXXX-0X 																																																			
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NDC	2410	LIN03																																																		
UOM		CTP05-01																																																		
Unit Price		CTP03																																																		
Quantity		CTP04																																																		

Reimbursement Still Based on HCPCS Codes

Reimbursement for drug claims submitted to GHP Family will continue to be based on HCPCS codes and service units. The federally mandated Medicaid Drug Rebate Program is based on reported NDC codes and the NDC UOM. Although provider reimbursement is not based on NDC codes, drug claims submitted to GHP Family without the NDC information listed above will be subject to denial.

Exclusions from NDC Reporting Requirement

All drug claims submitted to GHP Family require a NDC code except for inpatient claims and claims that are paid as part of a bundled rate.

NDC Reporting for Radiopharmaceuticals/Contrast Media

Whether or not a contrast agent must be reported on a GHP Family claim is determined by the circumstances of the related diagnostic procedure. Contrast media do not require an NDC when the diagnostic procedure is conducted during an inpatient hospital stay; nor when an outpatient diagnostic procedure is part of a bundled service paid at an all-inclusive rate that combines payment for the technical, drug, and professional components.

For more information on how to bill GHP Family in compliance with the NDC requirement, please reference the GHP Family General Billing Guideline at www.GHPFamily.com. The DPW notice regarding NDC reporting requirements is available at:

<http://dpwintra.dpw.state.pa.us/HealthChoices/custom/post/sysnotice/2013/sys2013-007.asp>.

If you have any questions regarding NDC reporting requirements for your GHP Family patients, please call your Provider Relations Representative at (800) 876-5357. Information contained in this Operations Bulletin amends the GHP Family Provider Manual.