

October 19, 2016

Centennial Care Reimbursement for Long-Acting Reversible Contraceptives

Presbyterian Health Plan, Inc. (PHP) is committed to keeping you updated about changes that may affect your organization. We would like to share some information on how PHP, per guidance from New Mexico Human Services Department (HSD) Supplement Number 16-09, will separately reimburse Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), and Hospital-based Rural Health Clinics (HB-RHCs) for the insertion of long-acting reversible contraceptives (LARC) for Centennial Care members, including those eligible for pregnancy related services only.

Effective for dates of services on or after Sept. 1, 2016, PHP will separately reimburse FQHCs, RHCs and HB-RHC for a LARC in addition to the encounter rate which will help assure that providers are reasonably reimbursed when using LARCs in this setting.

PHP will reimburse the LARC separately when billed with revenue code 0636 and the applicable HCPCS code on the UB-04 claim form which must include the National Drug Code (NDC) as described below. Prior authorization for the LARC procedure is not required.

The following is a listing of applicable LARC HCPCS codes that will be reimbursed as described above:

- J7298 – Levonorgestrel - Releasing intrauterine contraceptive system, 52mg, five year
- J7300 – Intrauterine device (IUD) copper contraceptive
- J7301 – Levonorgestrel - Releasing intrauterine contraceptive system, 13.5mg
- J7307 – Levonorgestrel- implant system including implant and supplies

Understanding the National Drug Code (NDC)

The NDC code, which is found on the label of a prescription drug item, must be included on the UB claim form or in the 837 electronic transactions.

The NDC is a universal number that identifies a drug. The complete NDC number consists of 11 digits with hyphens separating the number into three segments in a 5-4-2 format such as “123435-1234-12.”

However, sometimes the NDC as printed on the drug item omits a leading zero in one for the segments, requiring a leading zero to be entered the claim form. For example, instead of the digits and hyphens being in a 5-4-2 format, the NDC may be indicated in a 4-4-2 as in “1234-1234-1” or in a 5-3-2 format as in “12345-123-12”, or less commonly in a 5-4-1- format as in “12345-1234-1”.

For claims submissions to PHP, hyphens are not to be used. For further clarification, see the examples
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below:

- If the code printed on the package is in the 5-4-2 format, no zeros need to be added and it would be reported on the UB claim form as 12345123412.
- If the code printed on the package is in the 4-4-2 format, a leading zero must be added in order to put the NDC code in a 5-4-2 format. NDC 1234-1234-12 would need a leading zero in the first segment to be in the 5-4-2 digit format. 1234-1234-12 would be reported as NDC 01234123412 on the UB claim form.
- If the code printed on the package is in the 5-3-2 format, a leading zero must be added to the second segment in order to put in the 5-4-2 digit format. 1234-123-12 would be reported as NDC 12345012312 on the UB claim form.
- If the code printed on the package is in the 5-4-1 format, a leading zero must be added to the third segment to be in the 5-4-2 format. NDC 12345-1234-1 would be reported as NDC 12345123401 on the UB claim form.

When submitting your UB form a valid revenue code (0636) must be entered in form locator 42 and a valid HCPCS or CPT code must be entered in form locator 44. The NDC must be entered in box 43, which is currently labeled as “description.” Beginning at the left edge of the form locator 43, enter the 2-digit qualifier “N4” immediately followed by the 11 digit NDC. An example of an entry for NDC code 00054352763 would be “N400054352763”.

If the applicable HCPCS code, the N4 qualifier and the appropriate NDC code is not billed on the UB-04 claim form, along with revenue code 0636, no additional reimbursement will be made.

If your clinic has previously submitted claims for LARC services with dates of services on or after Sept.1, 2016, to PHP without the N4 qualifier or the NDC code, or if your clinic provided LARC services and did not bill for the LARC, a replacement claim will need to be submitted to PHP with the last digit of the bill type as “7.”

Your clinic may begin to file new or replacement claims on or after Oct. 17, 2016, which is when PHP’s claims payment system will be updated to reimburse for LARC’s

If you should have any questions regarding this notification, please feel free to contact me by email at sttafoya@phs.org, or by phone at (505) 923-8402. We appreciate your commitment to providing excellent care and service to our members. As always, thank you for partnering with us to improve the health of individual, families, and communities.

Sincerely,



Steve Tafoya
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