

July 23, 2018

Subject: The National Drug Code Is Required on All Medication Claims

Presbyterian Health Plan, Inc. and Presbyterian Insurance Company, Inc. (Presbyterian) are committed to notifying providers of any changes that may affect their business. We would like to take this moment to inform providers of Presbyterian's billing requirements for medications administered in an office or outpatient setting.

As a reminder, Presbyterian requires providers to bill with a valid National Drug Code (NDC) and Healthcare Common Procedure Coding System (HCPCS) code combination on all claims for all product lines. In order for Presbyterian to reimburse providers for claims, providers must include a valid combination of the following information on all claim submissions:

- The NDC
- The NDC quantity (e.g., gram, milliliter, unit)
- The NDC unit of measure (must be greater than zero)
- The corresponding HCPCS and Current Procedural Terminology (CPT) codes and units administered

This requirement applies to both paper and electronic claims. If providers do not include this information on their claim submissions, then their claims will be rejected/denied, and they will have to resubmit their claim with this information within timely filing guidelines to receive reimbursement. All other existing claim requirements will remain in place.

The NDC is a universal number that identifies a drug or related item and is the industry standard identifier for medications. It provides full transparency to the medication administered and accurately identifies the manufacture, medication name, dosage, strength, package size and quantity. The 11-digit NDC is separated into three segments in a 5-4-2 format (i.e., XXXXX-XXXX-XX). The Food and Drug Administration (FDA) assign the first five digits of the NDC, which are used to identify the manufacturer of the medication. The manufacturer assigns the remaining six digits of the NDC, which are used to identify the specific product and package size.

Reminder: Sometimes the NDC on the label does not include 11 digits. In some instances, the NDC may be in a 4-4-1 format (i.e., XXXX-XXXX-X), 5-3-2 format (XXXXX-XXX-XX), or less commonly in a 5-4-1 format (i.e., XXXXX-XXXX-X). If this occurs, providers must add a leading zero to the appropriate segment to ensure the NDC is submitted in a 5-4-2 format without hyphens.

PPC071809

Presbyterian exists to improve the health of the patients, members, and communities we serve.
www.phs.org

CMS-1500 Claim Form

When providers report the NDC on a CMS-1500 claim form, they must use both the upper and lower rows on a claim line. To ensure claims are paid accurately and in a timely manner, please make sure all characters are entered into the appropriate box and row. In addition, providers must also enter a valid HCPCS or CPT code. Please note that units billed for injections must be consistent with the HCPCS or CPT code description.

24. A. DATE(S) OF SERVICE			B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)		E. DIAGNOSIS POINTER	F. \$ CHARGES	G. DAYS OR UNITS	H. ICD-9-CM Family Plan	I. ID. QUAL.	J. RENDERING PROVIDER ID. #	SICIAN OR SUPPLIER INFORMATION
From	To												
MM	DD	YY	MM	DD	YY								
1											NPI		
2											NPI		
3											NPI		
4											NPI		
5											NPI		

Enter NDC in shaded area of box 24A

For guidance on reporting the NDC on a CMS-1500 claim form, please see the following table.

CMS-1500			
	How	Example	Where
Required:	Enter two-digit qualifier, such as "N4," immediately followed by 11-digit NDC.	NDC 00054352763 is entered as N400054352763	Beginning at left edge, enter NDC in the shaded area of box 24A.
Optional:	Enter one of four unit of measure qualifiers: <ul style="list-style-type: none"> • International Unit (F2) • Gram (GR) • Milliliter (ML) • Unites (UN) Include quantity and a decimal point for correct reporting.	GR0.045 ML1.0 UN1.000	Immediately following the 11-digit NDC, enter three spaces and then one of four units of measurement qualifiers, followed immediately by the quantity.
Required:	Enter a valid HCPCS or CPT code	J0610 "Injection Calcium Gluconate, per 10 ml" is billed as one unit for each 10 ml ampul used.	Non-shaded area of box 24D

UB-04 Claim Form

Even though an NDC is entered, a valid revenue code and a HCPCS or CPT code must be entered in the claim form.

42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATE / HPRS CODE	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES	48 NON-COVERED CHARGES
1 #####	N 4 ##### GR0.045	J #####	MMDDYY	1	## :##	0:00

For guidance on reporting the NDC on a UB-04, please see the following table.

UB-04			
	How	Example	Where
Required:	Enter a valid revenue code	Pharmacy revenue code 0250	Form locator box 42
Required:	Enter two-digit qualifier, such as “N4,” immediately followed by 11-digit NDC.	NDC 00054352763 is entered as N400054352763	Beginning at left edge of the box, enter the NDC in locator box 43, which is currently labeled as “Description.”
Optional:	Enter one of four unit of measure qualifiers: <ul style="list-style-type: none"> • International Unit (F2) • Gram (GR) • Milliliter (ML) • Unites (UN) Include quantity and a decimal point for correct reporting.	GR0.045 ML1.0 UN1.000	Immediately following the 11-digit NDC, enter three spaces and then one of four units of measurement qualifiers, followed immediately by the quantity.
Required:	Enter a valid HCPCS or CPT code	J0610 “Injection Calcium Gluconate, per 10 ml” is billed as one unit for each 10 ml ampul used.	Form locator box 44

For additional guidance and resources regarding the NDC and billing requirements, providers should review the following:

- Page 18-7 of Presbyterian’s Practitioner and Provider manual at www.phs.org/providermanual.
- The FDA’s searchable NDC directory, which is available at www.fda.gov/Drugs/InformationOnDrugs/
- The NDC/HCPCS crosswalk that the Centers for Medicare & Medicaid Services (CMS) publishes and updates annually, which is available at www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-B-Drugs/McrPartBDrugAvgSalesPrice/2018ASPFiles.html

By enforcing the NDC on all claims, Presbyterian will be able to easily differentiate and target medications that share the same HCPCS code for medication preferences. In addition, it will allow us to maintain consistent claims billing guidelines and quickly identify billing errors. Furthermore, it will help us improve our reimbursement process and ensure providers are accurately paid in a timely manner.

Should providers have any questions or need assistance, they may use the following information to contact their assigned relationship executive. Thank you for partnering with us to improve the health of the patients, members and communities we serve.

Provider Network Management



Hours: Monday through Friday, 8 a.m. to 5 p.m.



Phone: (505) 923-5141

Contact Guide: www.phs.org/ContactGuide



Mailing address: P.O. Box 27489, Albuquerque, NM 87125

Location: 9521 San Mateo Blvd NE, Albuquerque, NM 87113