National Drug Code

Billing for Physician Administered Drug (PAD) Claims

Nevada Medicaid Provider Training

2019

Objectives

Objectives

- Learn about the National Drug Code (NDC)
- Locate the NDC
- Breakdown the NDC
- Discover why the NDC is required
- Review NDC pricing
- Determine who can bill separately for drugs
- Locate NDC reference materials
- Contact Information

National Drug Code

What is a National Drug Code (NDC)?

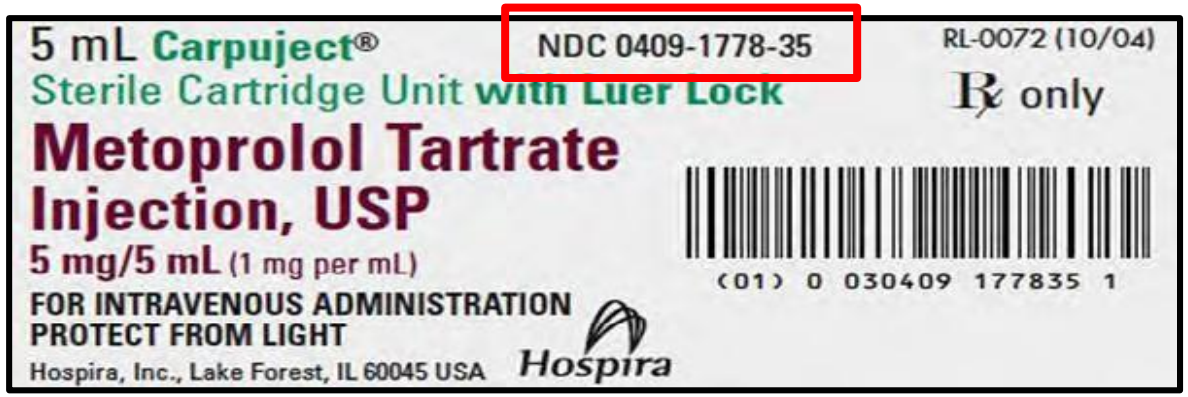
- Drug products are identified and reported using a unique number called the NDC, which serves as a universal product identifier.
- These codes are used for billing outpatient administered drugs.
- An NDC consists of 11 digits separated into 3 sections by a hyphen: XXXXX-XXXX-XX
- The first 5 digits identify the drug labeler/manufacturer, the next 4 digits identify the product and the last 2 digits identify the package size.

NDC 07777-3105-02

Labeler | Product Code | Package Code

Where is the NDC Found?

- The NDC is found on the drug container (e.g., vial, bottle or tube). The NDC submitted to Nevada Medicaid must be the **actual NDC on the package or container** from which the medication was administered.
- Do not bill for one manufacturer's product and dispense another. Do not bill using invalid or obsolete NDCs.
- Billing an NDC when it is not the actual drug being administered is considered fraudulent billing.



NDC Breakdown

- A drug's container label may display less than **1** NDC digit(s). In this instance, leading 0s must be added to each section to make 11 digits total when submitting the claim to Nevada Medicaid.
- For example: If the NDC shown on the label is 0409-1778-35, then submit NDC 00409-1778-35 on the claim.
- Additional examples:

NDC # Configuration XXXX-XXXX-XX 4 - 4 - 2	Leading Zero Placement for 5-4-2 Configuration 0XXXX-XXXX-XX 5 - 4 - 2
XXXXX-XXX-XX 5 - 3 - 2	XXXXX-0XXX-XX 5 - 4 - 2
XXXXX-XXXX-X 5 - 4 -1	XXXXX-XXXX-0X 5 - 4 - 2

Why is NDC Required?

- PAD claims cannot be paid without a valid NDC on the claim. If a claim is submitted without the NDC information, the claim will not pay.
- The Deficit Reduction Act (DRA) of 2005 requires State Medicaid programs to collect rebates for physician/outpatient-facility administered drugs and drugs sold through pharmacies.
- The Drug Rebate Program
  - Drug manufacturers who wish to participate must first sign a rebate agreement with the Centers for Medicare & Medicaid Services (CMS).
  - The drug manufacturers pay a rebate (monies) to Nevada Medicaid for the drugs covered by Nevada Medicaid. This is why it is so important to bill with the actual NDC that was administered.
  - This program was enacted out of concern for the costs Medicaid programs were paying for PAD claims.

Rebateable Drugs

- The State of Nevada Medicaid program will only reimburse for drugs if the manufacturer is participating in the CMS Drug Rebate Program.
- If a drug is listed on the CMS website as rebateable, it does not guarantee payment by Medicaid. See the Pharmacy Billing Manual for a list of non-covered pharmaceuticals.

NDC Pricing

- Payment for physician administered drugs is calculated on the NDC and NDC unit of measure – **NOT** the HCPCS codes and units
- Providers are still required to bill the remainder of the claim correctly in order to have the claim pay (NDC codes and quantities versus HCPCS codes and units)
- Payment is calculated on the lesser-of cost algorithm:
  - Wholesale Acquisition Cost (WAC) + 2%
  - Federal Upper Limit
  - State Maximum Allowable Cost (MAC)
  - Department of Justice (DOJ) minus 15%
  - Gross Amount Due
  - Usual and Customary
  - Actual Acquisition Cost (AAC)

Submitting a Claim with PAD Details

- All claims being submitted with an NDC also require a HCPCS code as well as the appropriate number of HCPCS units.

- NDC units are billed at the NDC level and **not** at the HCPCS level
  - Example: NDC Units = 9,999 and the HCPCS unit = 1. Claims cannot list 9,999 on the Procedure Code Line but must be input into the NDC Line and vice versa.

NDC Claim Processing

- Providers are required to submit claims to Nevada Medicaid electronically.
- Nevada Medicaid will review the claim and if NDC information is on the claim, the claim will suspend and must be reviewed by the Pharmacy Benefit Manager (PBM) as many claims are being reviewed against Medically Unlikely Edits (MUE) and pricing must then be determined by the PBM.
- After the claim is reviewed by the PBM, Nevada Medicaid will adjudicate the remainder of the claim.

Billing Separately

Providers billing separately for drugs

Providers who are able to bill separately

All providers who are required to bill for Physician Administered Drug (PAD) claims are able to bill separately and must bill for each unit.

Providers who are unable to bill separately

This billing information **does not apply** to PAD claims when an all-inclusive encounter rate, composite rate, per diem rate, or prospective payment includes pharmaceuticals, such as:

- Federally Qualified Health Centers (FQHCs)
- Rural Health Centers (RHCs)
- Indian Health Programs (IHP)
- End Stage Renal Disease Facilities (ESRDs)
- Inpatient Facilities

These providers do not use this process for submitting claims.

NDC Reference Materials

Web Announcement 507

August 15, 2012
Announcement 507

Reminders When Billing Physician-Administered Drugs

The following reminders are provided to ensure physician-administered drugs are billed appropriately.

- Use CPT codes to bill all covered vaccines that are not part of the Vaccines for Children (VFC) program. The administration fee is reimbursed for VFC drugs.
- Use HCPCS codes to bill Federal Drug Administration (FDA)-approved intrauterine devices (IUDs).
- Use HCPCS codes to bill radiopharmaceuticals and contrast agents.
- All other physician-administered drugs are reimbursed by National Drug Code (NDC) and the appropriate NDC unit of measure. Both items must be included on the claim form.

Web Announcement 1781

December 18, 2018

Web Announcement 1781

Modernization: Attention All Providers: Changes Regarding Physician-Administered Drug Claims

The Division of Health Care Financing and Policy (DHCFP) will implement a new, modernized Medicaid Management Information System (MMIS) on February 1, 2019. In preparation for the new MMIS, providers are advised that claims for physician/outpatient-facility administered drugs will require both National Drug Codes (NDCs) and Healthcare Common Procedural Coding System (HCPCS) codes, as well as the NDC quantity.

Not Otherwise Classified Drugs:

Correct coding requires an item be coded with the most specific code available that appropriately describes the item. Not Otherwise Classified (NOC) Healthcare Common Procedure Coding System (HCPCS) codes must only be used when a more specific HCPCS code is not available.

Providers who indicate procedure codes such as J3490 (Unclassified drugs), J3590 (Unclassified biologics) and J9999 (Not otherwise classified, antineoplastic drugs) on claims for NOC drugs must also indicate the following on the claim:

- The NDC of the drug dispensed,
- The drug name,
- The NDC quantity billed, and
- The NDC unit of issue (i.e., ea, gm, or ml).

If this information is not included on the claim or if there is a more specific HCPCS procedure code for the drug, the claim could be denied.

If there are any questions, please do not hesitate to contact Nevada Medicaid.

Web Announcement 1798

January 4, 2019

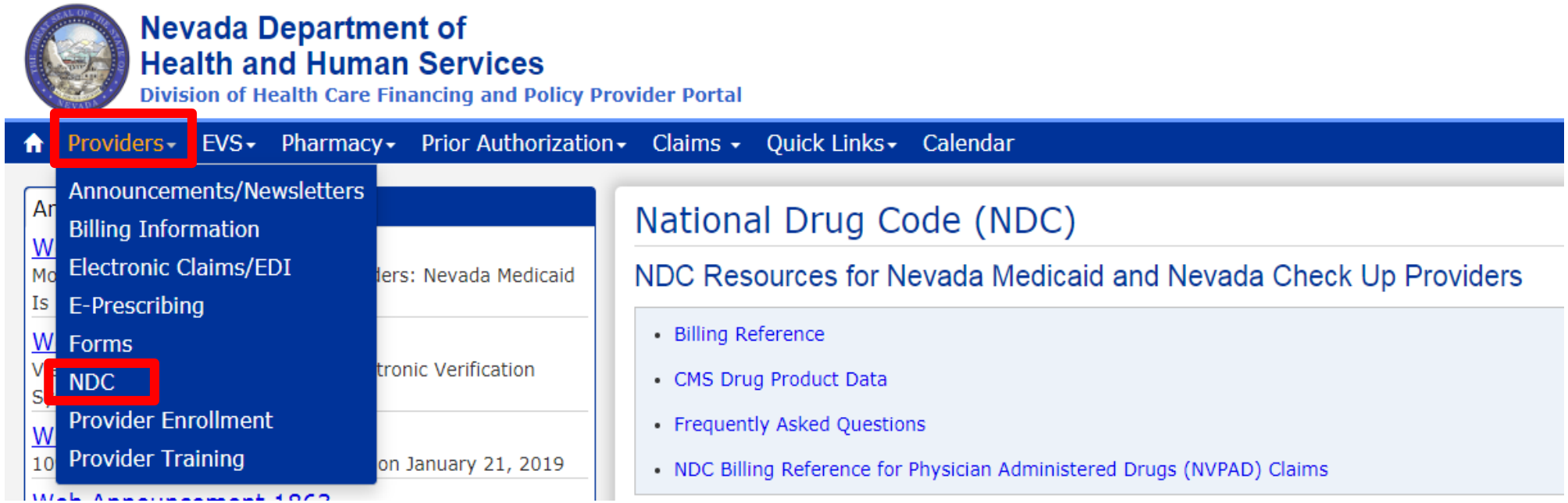
Web Announcement 1798

Modernization: Attention Providers Who Submit Claims with National Drug Codes: Changes Regarding Making Adjustments to Claims with Physician-Administered Drug Details

The Division of Health Care Financing and Policy (DHCFP) will implement a new, modernized Medicaid Management Information System (MMIS) on February 1, 2019. In preparation for the new MMIS, providers who submit claims with National Drug Codes (NDCs) are advised that beginning February 1, 2019, providers will not be able to adjust physician or outpatient claims that contain Physician-Administered Drug (PAD) details (i.e., details with NDCs). Providers must void and resubmit the entire claim if any details on the claim need to be adjusted. As of February 1, 2019, claim detail(s) must be submitted with the Healthcare Common Procedure Coding System (HCPCS) procedure code and associated NDC. If no NDC is present on that detail, the entire claim will deny.

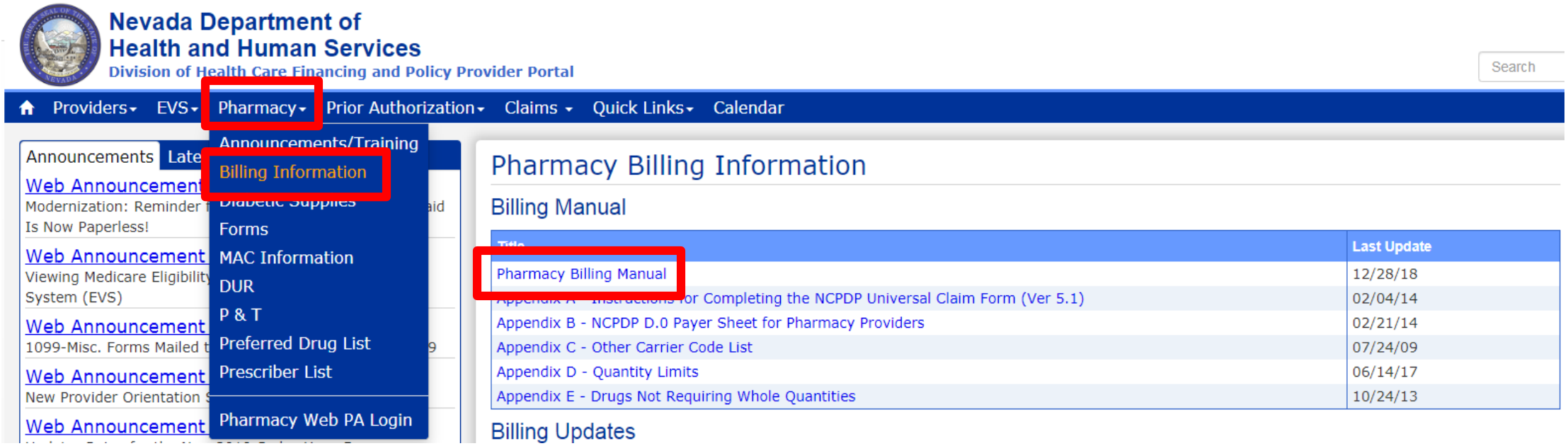
NDC Reference Materials

- Reference material for NDC is located at: www.medicaid.nv.gov.
- Select **Providers** from the menu bar, then **NDC** from the sub-menu.

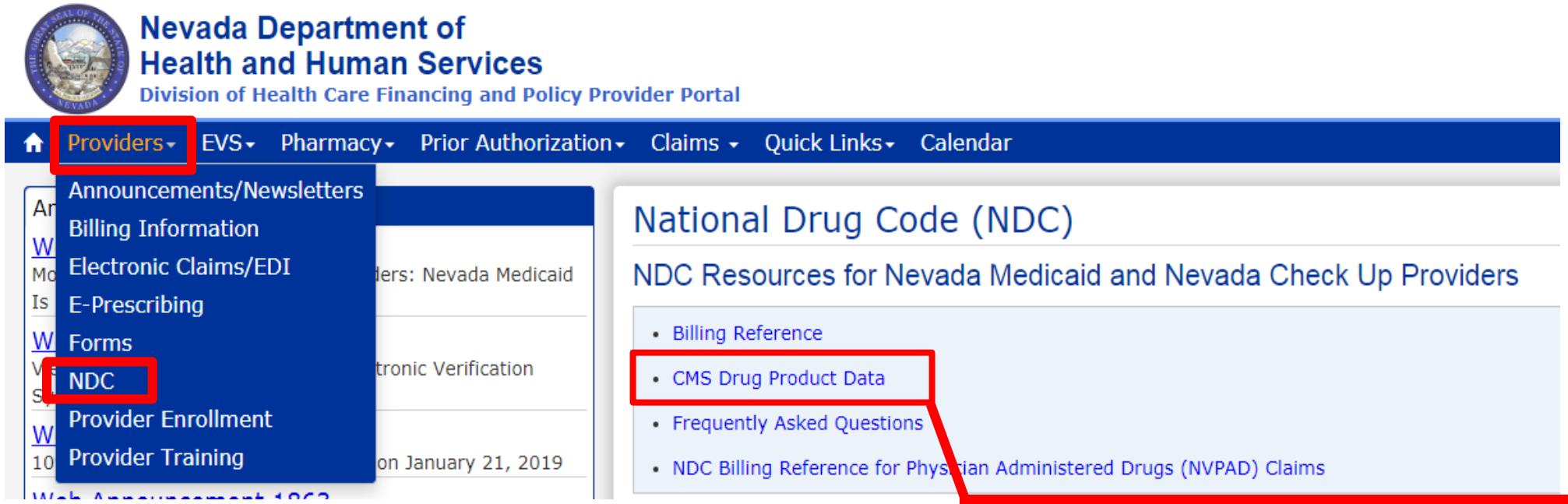


NDC Reference – Limitations

- The Pharmacy Billing Manual contains additional information regarding billing.
- Select **Pharmacy** from the menu bar, select **Billing Information,** then the **Pharmacy Billing Manual**.



Is the NDC Rebateable?



After selecting this link, users will be re-directed to the CMS website.

Medicaid Drug Rebate Program

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  - National Drug Rebate Agreement
  - New & Terminated Labeler
  - Unit Rebate Calculation

Medicaid Drug Rebate Program

The Medicaid Drug Rebate Program (MDRP) is a program that includes Centers for Medicare & Medicaid Services (CMS), state Medicaid agencies, and participating drug manufacturers that helps to offset the Federal and state costs of most outpatient prescription drugs dispensed to Medicaid patients. Approximately 600 drug manufacturers currently participate in this program. All fifty states and the District of Columbia cover prescription drugs under the MDRP, which is authorized by Section 1927 of the Social Security Act.

Related Resources

Program Releases

State Drug Utilization Data

The program requires a drug manufacturer to enter into, and have in effect, a national rebate agreement with the Secretary of the Department of Health and Human Services (HHS) in exchange for state Medicaid coverage of most of the manufacturer's drugs. When a manufacturer markets a new covered outpatient drug, it must also submit product and pricing data concerning the drug to CMS via the Drug Data Reporting for Medicaid (DDR) system. This ensures that states are aware of the newly marketed drug. In addition, Section II(g) of the Rebate Agreement explains that manufacturers are responsible for notifying states of a new drug's coverage. Manufacturers are required to report all covered outpatient drugs under their labeler code to the MDRP. Manufacturers may not be selective in reporting their National Drug Code's (NDC) to the program. Manufacturers are then responsible for paying a rebate on those drugs for which payment was made under the state plan. These rebates are paid by drug manufacturers on a quarterly basis to states and are shared between the states and the Federal government to offset the overall cost of prescription drugs under the Medicaid Program.

Medicaid Drug Rebate Program Data

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Medicaid Drug Rebate Program Data

Product Data for Drugs in the Medicaid Drug Rebate Program

Related Resources

State Drug Utilization Data

The rebat drug product data ontains the active drugs that have been reported by participating drug manufacturers as of the most recent rebate reporting period under the Medicaid Drug Rebate Program (MDRP). All drugs are identified by the following data fields:

In order to view the Drug Product Data, from the left hand side, select “Program Data” and then select the “drug product data” link in order to open the program.

CMS Drug Product Data List

Data.Medicaid.gov

Search

Home | Data Catalog | Help | For Developers | Medicaid.gov | Sign In

Drug Products in the Medicaid Drug Rebate Program

Active drugs that have been reported by participating drug manufacturers under the Medicaid Drug Rebate Program. All drugs are

Find in this Dataset

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Year	Quar...	Labeler Name	NDC	Label...	Prod...	Package ...	Drug Cate...	Drug Ty...	Termina...	Unit Ty...	Units Per Pkg S...	FDA Approval Da...	Market Date	FDA Therapeutic Eq...	FDA Product Name
2018	1	VIRTUS PHARMACEUTICALS, LLC	76439021090	76439	0210	90	N	1		TAB	90000	01/02/2013	01/02/2013	NR	VIRT-VITE PLUS
2018	1	VIRTUS PHARMACEUTICALS, LLC	76439021712	76439	0217	12	N	2		TAB	120000	04/01/2012	04/01/2012	NR	Magnesium Oxide
2018	2	ELI LILLY AND COMPANY	00002418230	00002	4182	30	S	1		TAB	1000	05/31/2018	06/11/2018	NR	OLUMIANT
2018	2	ELI LILLY AND COMPANY	00002418402	00002	4184	02	I	1		TAB	1000	12/09/1997	01/06/1998	NR	EVISTA
2018	2	ELI LILLY AND COMPANY	00002418407	00002	4184	07	I	1		TAB	1000	12/09/1997	01/06/1998	NR	EVISTA
2018	2	ELI LILLY AND COMPANY	00002418430	00002	4184	30	I	1		TAB	1000	12/09/1997	01/06/1998	NR	EVISTA
2018	2	ELI LILLY AND COMPANY	00002441530	00002	4415	30	I	1		TAB	1000	09/09/1997	01/10/2000	NR	ZYPREXA
2018	2	ELI LILLY AND COMPANY	00002442030	00002	4420	30	I	1		TAB	1000	09/09/1997	12/05/2000	NR	ZYPREXA
2018	2	ELI LILLY AND COMPANY	00002445301	00002	4453	01	I	1		TAB	1000	04/06/2000	08/29/2000	NR	ZYPREXA ZYDIS
2018	2	ELI LILLY AND COMPANY	00002445385	00002	4453	85	I	1		TAB	1000	04/06/2000	08/29/2000	NR	ZYPREXA ZYDIS
2018	2	ELI LILLY AND COMPANY	00002445401	00002	4454	01	I	1		TAB	1000	04/13/2000	08/29/2000	NR	ZYPREXA ZYDIS
2018	2	ELI LILLY AND COMPANY	00002445485	00002	4454	85	I	1		TAB	1000	04/13/2000	08/29/2000	NR	ZYPREXA ZYDIS
2018	2	ELI LILLY AND COMPANY	00002445501	00002	4455	01	I	1		TAB	1000	04/06/2000	09/17/2001	NR	ZYPREXA ZYDIS
2014	4	AMERICAN HEALTH PACKAGING	62584074111	62584	0741	11	N	1		CAP	10000	09/30/1990	05/06/1999	AB	HYDROXYZINE PAMOATE
2018	2	ELI LILLY AND COMPANY	00002445585	00002	4455	85	I	1		TAB	1000	04/06/2000	09/17/2001	NR	ZYPREXA ZYDIS
2018	2	ELI LILLY AND COMPANY	00002445601	00002	4456	01	I	1		TAB	1000	04/06/2000	09/17/2001	NR	ZYPREXA ZYDIS
2018	2	ELI LILLY AND COMPANY	00002445685	00002	4456	85	I	1		TAB	1000	04/06/2000	09/17/2001	NR	ZYPREXA ZYDIS
2018	2	ELI LILLY AND COMPANY	00002446230	00002	4462	30	S	1		TAB	1000	11/21/2003	11/26/2003	NR	CIALIS
2018	2	ELI LILLY AND COMPANY	00002446234	00002	4462	34	S	1		TAB	30000	11/21/2003	11/26/2003	NR	CIALIS
2018	2	ELI LILLY AND COMPANY	00002446279	00002	4462	79	S	1		TAB	15000	11/21/2003	11/26/2003	NR	CIALIS
2014	4	AMERICAN HEALTH PACKAGING	62584074601	62584	0746	01	N	1	02/28/2015	TAB	1000	09/30/1990	04/30/1997	AB	IBUPROFEN 400MG 10X1

< Previous Next >

Showing rows 1-100 out of 686,214

Users can now sort information based on the header information.

Users can also use the navigation buttons at the bottom to search.

CMS Drug Product Data List, continued

Data.Medicaid.gov

Home | Data Catalog | Help | For Developers | Medicaid.gov

Drug Products in the Medicaid Drug Rebate Program

Active drugs that have been reported by participating drug manufacturer

Year	Quar...	Labeler Name	NDC
2018	1		76439021090
2018	1		76439021712
2018	2		00002418230
2018	2		00002418402
2018	2		00002418407
2018	2		00002418430
2018	2	ELI LILLY AND COMPANY	00002441530

Sort Ascending

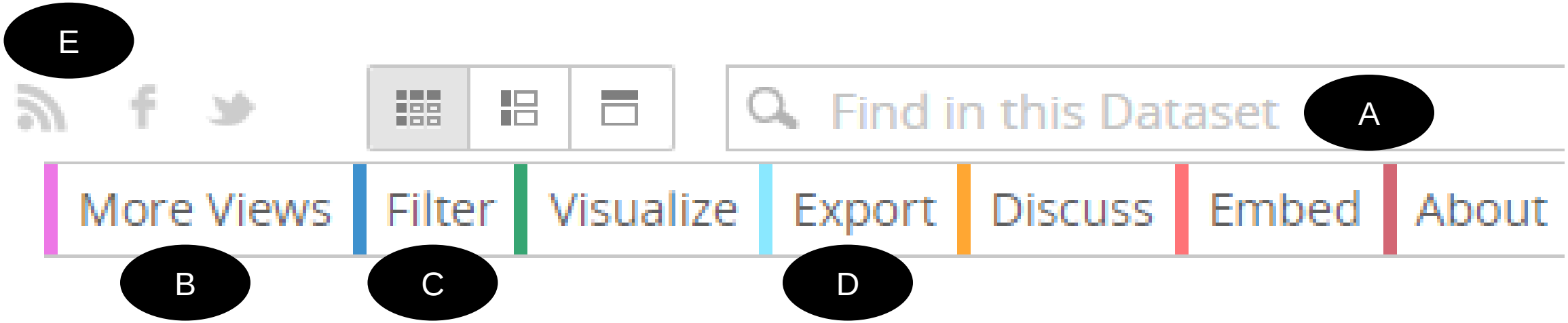
Sort Descending

Description

The corporate name of the entity identified by the labeler code.

The user can also select a Heading and then click on the 3 vertical dots in order to filter data

CMS Drug Product Data List, continued



A. Search allows user to search the Dataset with specific key information.
B. “More Views” will allow the user to view updates or archived versions of the Product Data List.
C. “Filter” will allow the user to format and filter results.
D. “Export” will allow users to download or print the list.
E. To receive notifications, user can select the symbol.

Breakdown and Units of Measure

NDC Units of Measure

- The NDC Billing Unit Standard was created to eliminate translation conflicts between manufacturers, CMS and State Medicaid programs. This is called the NDC unit of measure.
- Three units of measure describe ALL drugs:
  - Each (EA)
  - Milliliter (ML)
  - Grams (GM)
- Use the following rules for guidance:
  - If a drug comes in a vial in powder form and has to be reconstituted before administration, bill each vial (unit/each) used (EA).
  - If a drug comes in a vial in liquid form, bill in milliliters (ML).
  - Grams are usually used when an ointment, cream, inhaler or bulk powder in a jar are dispensed. (GR).
- For additional information, refer to the NDC Billing Reference at www.medicaid.nv.gov. Select "NDC" from the "Providers" tab.

NDC Unit of Measure

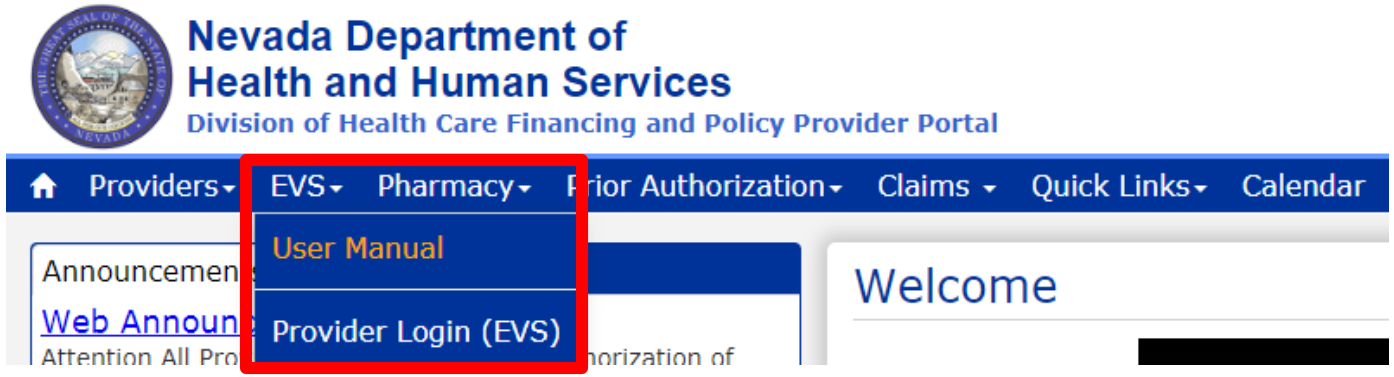
- The NDC and the NDC unit of measure must be provided on all claims.
- The NDC unit of measure must be expressed in metric units.
- Partial units may be entered using up to three decimal places.
  - Partial quantities are only accepted for specific drugs listed in the Appendix of the Pharmacy Billing Manual.

Examples:

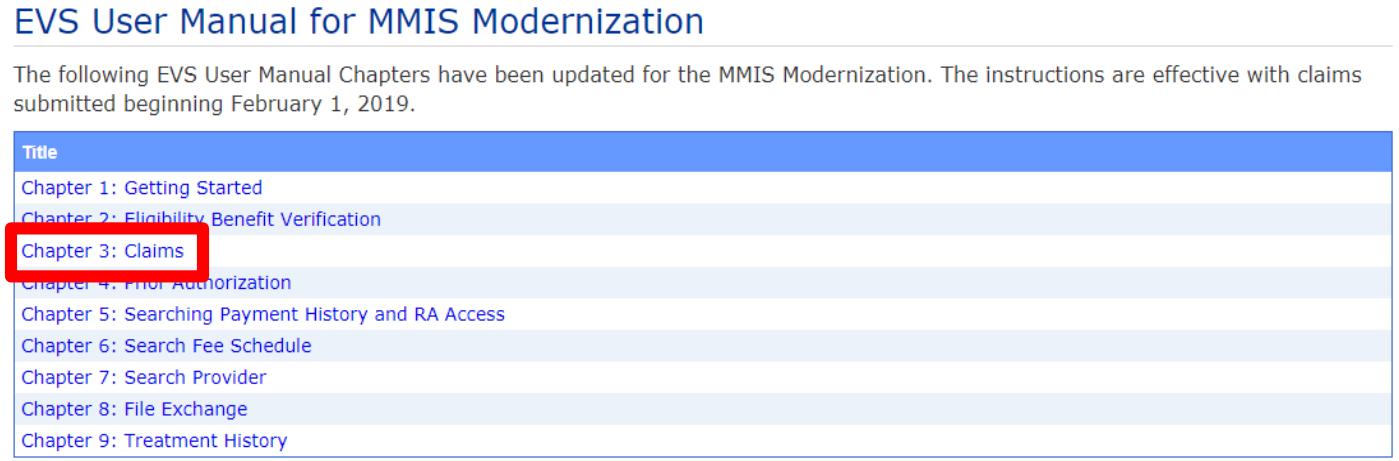
- Epogen is packaged as a 3000u/ML injection (55513-0267-01), 2000u were administered = NDC unit of measure of .667 ML
- Ketorolac is packaged as a 60mg/2ml injection (00409-3796-01), 60 mg were administered = NDC unit of measure of 2 ML
- Venofer is packaged as a 20mg/ML injection (00517-2340-10), 100 mg were administered = NDC unit of measure of 5 ML

Billing Claims in the EVS Secure Portal via Direct Data Entry (DDE)

Billing Instructions



For instructions on billing NDC information to Nevada Medicaid, highlight “EVS” from the top blue tool bar and select “User Manual” from the drop-down menu.



From the next page, select “Chapter 3: Claims” for more information.

Professional Claim – NDC Billing Information

Submit Professional Claim: Step 3

* Indicates a required field.

Claim Type Professional

Provider Information

Billing Provider ID **ID Type** NPI

Patient and Claim Information

Recipient ID
Recipient **Gender**
Birth Date **Total Charged Amount**

Expand All | Collapse All

Diagnosis Codes

Service Details

Select the row number to edit the row. Click the **Remove** link to remove the entire row.

Svc #	From Date	To Date	Place of Service	Procedure Code	Charge Amount	Units	Action
1	01/01/2019	01/01/2019	11-Office	T1019-Personal care ser per 15 min	$1.00	1.000 Unit	Remove

1 *From Date 01/01/2019 To Date 01/01/2019 *Place of Service 11-Office EMG

*Procedure Code T1019-Personal car Modifiers *Diagnosis Pointers 1

*Charge Amount 1.00 *Units 1.000 *Unit Type Unit EPSDT Family Plan

Clia Number

Rendering Provider ID ID Type

Rendering Provider Service Location

Referring Provider ID ID Type

NDCs for Svc. # 1

If applicable, only one NDC/UPN is allowed per service detail line. When adding an NDC/UPN, the Code Type, Quantity and Unit of Measure fields are required. Additionally, NDC/UPN information is required when adding or saving NDC/UPN with prescription information (Prescription Number, Prescription Type, Prescription Date).

Code Type

NDC/UPN

Quantity Unit of Measure

Save Reset Cancel

During Step 3 of submitting a Professional Claim, the user will input all necessary information into the Service Details portion of the claim and then select the + symbol next to NDCs for Svc and input the NDC information into the available fields.

Once all information is input, select the “Save” button.

Note: Bill for waste on one claim line. The amount administered plus waste equals the total amount billed.

Institutional Claim – NDC Billing Information

Submit Institutional Claim: Step 3

* Indicates a required field.

Claim Type Outpatient

Provider Information

Billing Provider ID 1316162795 **ID Type** NPI

Patient and Claim Information

Recipient ID 00001996751
Recipient WYATT L WRIGHT **Gender** Male
Birth Date 03/26/2015 **Total Charged Amount** $0.00
Covered Dates 04/01/2019 - 04/02/2019

Expand All | Collapse All

Diagnosis Codes

Service Details

Select the row number to edit the row. Click the **Remove** link to remove the entire row.

Svc #	Revenue Code	HCPCS/Proc Code	From Date	To Date	Units	Charge Amount	Non-Covered Charge Amount	Action
1					0.000			

1 *Revenue Code HCPCS/Proc Code
Modifiers
From Date To Date *Units 0.000 *Unit Type Unit
*Charge Amount Non-Covered Charge Amount

NDCs for Svc. # 1

If applicable, only one NDC/UPN is allowed per service detail line. When adding an NDC/UPN, the Code Type, Quantity and Unit of Measure fields are required. Additionally, NDC/UPN information is required when adding or saving NDC/UPN with prescription information (Prescription Number, Prescription Type).

Code Type
NDC/UPN
Quantity Unit of Measure

Add Reset

During Step 3 of submitting an Institutional Outpatient claim only, the user will input all necessary information into the Service Details portion of the claim and then select the + symbol next to NDCs for Svc and input the NDC information into the available fields.

Once all information is input, select the “Add” button.

Note: Bill for waste on one claim line. The amount administered plus waste equals the total amount billed.

Third Party Liability and Medicare Crossover Claims

NDC and Other Insurance

The NDC and NDC unit of measure must be on the claim when the claim is submitted to Medicaid.

This includes:

- Medicare Crossover Claims
- Claims involving commercial or private carriers

Contact Information

Contact Information – OptumRx

For questions regarding NDC pricing, NDC unit of measure or limitations, contact:

OptumRx Technical Call Center
(866) 244-8554

Prior Authorizations:

OptumRx Customer Service Center
(855) 455-3311

Contact Nevada Medicaid

Prior Authorization Department: 800-525-2395

Customer Service Call Center: 877-638-3472 (Monday through Friday 8 am to 5 pm Pacific Time)

Provider Field Representative:
Email: NevadaProviderTraining@dxc.com

Thank You