



P.O. Box 30042 • Reno, NV 89520 • (800) 884-3238

MEMORANDUM

TO: All Pharmacy Providers
FROM: First Health Services Corporation
DATE: February 25, 2005
SUBJECT: **Implementation of NCPDP Version 5.1 Compound Segment and Partial Fill, per the State of Nevada's Department of Human Resources, Division of Health Care Financing and Policy**

This notice is to advise you of important changes that will impact the Point-of-Sale (POS) system used for processing pharmacy claims for the Nevada Medicaid program. These changes, effective **April 15, 2005**, may require alterations to your software. **Please contact your software vendor immediately in order to ensure that you will be able to submit your claims without interruption.**

First Health Services Corporation will continue to receive claims electronically in the National Council for Prescription Drug Programs (NCPDP) standardized Version 5.1. On April 15, 2005, First Health Services will begin to accept and process the NCPDP Version 5.1 for Multi-Ingredient Compounds Segment as well as Partial Fill claims. To facilitate your implementation efforts, we are enclosing an updated Appendix B – Specifications for NCPDP Version 5.1 of the Nevada Medicaid and Nevada Check Up Pharmacy Billing Manual. This Appendix contains the Compound Segment and the required field information to support billing of Partial Fill claims.

Important Notes for Multi-Ingredient Compound claims:

1. The claim segment product ID (i.e., NDC) is defined as a mandatory field and therefore must be submitted for all claims, including multi-ingredient compounds. A non-space value is expected in this field for field validation. The pharmacy will submit all zeroes in this field for a multi-ingredient compound. For compound segment transactions, the claim will be rejected if all zeroes are not submitted as the product ID.
2. A Submission Clarification Code value of "8" will allow a claim to continue processing if at least one ingredient is covered.

Provider Instructions

Compounds

Compounds should be processed online using “multiple ingredient functionality”. All edits apply to each NDC. Providers should enter the following:

On Claim Segment:

- SUBMISSION CLARIFICATION CODE (NCPDP field # 420-DK) = 8.
(Process Compound for Approved Ingredients) will allow a claim to continue processing if at least one ingredient is covered.
- Enter PRODUCT CODE/NDC (NCPDP field # 407-D7) as “000000000000” on the claim segment to identify the claim as a multi-ingredient compound.
- Enter COMPOUND CODE (NCPDP field # 406-D6) of “2”.
- Enter QUANTITY DISPENSED (NCPDP field # 442-E7) of entire product.
- Enter GROSS AMOUNT DUE (NCPDP field # 430-DU) for entire product.

On Compound Segment:

- Enter COMPOUND DOSAGE FORM DESCRIPTION CODE (NCPDP field # 450-EF).
- COMPOUND DISPENSING UNIT FORM INDICATOR (NCPDP field # 451-EG).
- COMPOUND ROUTE OF ADMINISTRATION (NCPDP field # 452-EH).
- COMPOUND INGREDIENT COMPONENT COUNT (NCPDP field # 447-EC) (Maximum of 25).

For each line item:

- COMPOUND PRODUCT ID QUALIFIER (NCPDP field # 488-RE).
- COMPOUND PRODUCT ID (NCPDP field # 489-TE), i.e. NDC.
- COMPOUND INGREDIENT QUANTITY (NCPDP field # 448-ED).
- COMPOUND INGREDIENT DRUG COST (NCPDP field # 449-EE).

Example Transaction A: Salicylic Acid 10gm, Lactic Acid 3ml, Flexible Collodion qs 40ml.

On Claim Segment:

- SUBMISSION CLARIFICATION CODE (NCPDP field # 420-DK) = 8.
- Enter PRODUCT CODE/NDC (NCPDP field # 407-D7) as “000000000000” on the claim segment to identify the claim as a multi-ingredient compound.
- Enter COMPOUND CODE (NCPDP field # 406-D6) of “2”.
- Enter QUANTITY DISPENSED (NCPDP field # 442-E7) of entire product.
- Enter GROSS AMOUNT DUE (NCPDP field # 430-DU) for entire product.

On Compound Segment (see Payer Specifications for field values):

- Enter COMPOUND DOSAGE FORM DESCRIPTION CODE (NCPDP field # 450-EF).
- COMPOUND DISPENSING UNIT FORM INDICATOR (NCPDP field # 451-EG).
- COMPOUND ROUTE OF ADMINISTRATION (NCPDP field # 452-EH).
- COMPOUND INGREDIENT COMPONENT COUNT (NCPDP field # 447-EC) (Maximum of 25).

For each line item (i.e., for Salicylic Acid, Lactic Acid and Flexible Collodion):

- COMPOUND PRODUCT ID QUALIFIER (NCPDP field # 488-RE).
- COMPOUND PRODUCT ID (NCPDP field # 489-TE), i.e., NDC of each ingredient.
- COMPOUND INGREDIENT QUANTITY (NCPDP field # 448-ED), i.e., quantity of each ingredient.
- COMPOUND INGREDIENT DRUG COST (NCPDP field # 449-EE), i.e., ingredient cost of each ingredient.

Example Transaction B: Bacitracin ointment 5 gm, Polymyxin B 10 gm, Neomycin ointment 5 gm.

On Claim Segment:

- SUBMISSION CLARIFICATION CODE (NCPDP field # 420-DK) = 8.
- Enter PRODUCT CODE/NDC (NCPDP field # 407-D7) as “00000000000” on the claim segment to identify the claim as a multi-ingredient compound.
- Enter COMPOUND CODE (NCPDP field # 406-D6) of “2”.
- Enter QUANTITY DISPENSED (NCPDP field # 442-E7) of entire product.
- Enter GROSS AMOUNT DUE (NCPDP field # 430-DU) for entire product.

On Compound Segment (see Payer Specifications for field values):

- Enter COMPOUND DOSAGE FORM DESCRIPTION CODE (NCPDP field # 450-EF).
- COMPOUND DISPENSING UNIT FORM INDICATOR (NCPDP field # 451-EG).
- COMPOUND ROUTE OF ADMINISTRATION (NCPDP field # 452-EH).
- COMPOUND INGREDIENT COMPONENT COUNT (NCPDP field # 447-EC) (Maximum of 25).

For each line item (i.e., for Bacitracin ointment, Polymyxin B, and Neomycin ointment):

- COMPOUND PRODUCT ID QUALIFIER (NCPDP field # 488-RE).
- COMPOUND PRODUCT ID (NCPDP field # 489-TE), i.e., NDC of each ingredient.
- COMPOUND INGREDIENT QUANTITY (NCPDP field # 448-ED), i.e., quantity of each ingredient.
- COMPOUND INGREDIENT DRUG COST (NCPDP field # 449-EE), i.e., ingredient cost of each ingredient.

Example Transaction C: D5W 100 ml, Rocephin 1 GM 10 ml vial.

On Claim Segment:

- SUBMISSION CLARIFICATION CODE (NCPDP field # 420-DK) = 8.
- Enter PRODUCT CODE/NDC (NCPDP field # 407-D7) as “00000000000” on the claim segment to identify the claim as a multi-ingredient compound.
- Enter COMPOUND CODE (NCPDP field # 406-D6) of “2”.
- Enter QUANTITY DISPENSED (NCPDP field # 442-E7) of entire product.
- Enter GROSS AMOUNT DUE (NCPDP field # 430-DU) for entire product.

On Compound Segment (see Payer Specifications for field values):

- Enter COMPOUND DOSAGE FORM DESCRIPTION CODE (NCPDP field # 450-EF).
- COMPOUND DISPENSING UNIT FORM INDICATOR (NCPDP field # 451-EG).

- COMPOUND ROUTE OF ADMINISTRATION (NCPDP field # 452-EH).
- COMPOUND INGREDIENT COMPONENT COUNT (NCPDP field # 447-EC) (Maximum of 25).

For each line item (i.e., for D5W and Rocephin):

- COMPOUND PRODUCT ID QUALIFIER (NCPDP field # 488-RE).
- COMPOUND PRODUCT ID (NCPDP field # 489-TE), i.e., NDC of each ingredient.
- COMPOUND INGREDIENT QUANTITY (NCPDP field # 448-ED), i.e., quantity of each ingredient.
- COMPOUND INGREDIENT DRUG COST (NCPDP field # 449-EE), i.e., ingredient cost of each ingredient.

• **NOTE: Pharmacies must transmit the NDC number(s) that is/are being used to compound the medication.**

Partial Fill Fields:

Fields required for Partial Fill claim submission listed below are bolded on the attached Payer Specification:

- 456-EN ASSOCIATED PRESCRIPTION SERVICE REFERENCE #.
- 457-EP ASSOCIATED PRESCRIPTION/SERVICE DATE.
- 343-HD DISPENSING STATUS.
- 344-HF QUANTITY INTENDED TO BE DISPENSED.
- 345-HG DAYS SUPPLY INTENDED TO BE DISPENSED.

• **NOTE: Partial Fill functionality cannot be used with Multi-Ingredient Compound claims.**

TRAINING SCHEDULE

The Division of Health Care Financing and Policy (DHCFP), in conjunction with First Health Services Corporation, will present training sessions addressing the Multi-Ingredient Compound Segment and Partial Fill claims processing. Session dates, times and locations are:

Tuesday, March 8th : Reno
 First Health Services
 885 Trademark Drive, Suite 150
 Reno, NV

Thursday, March 10th : Las Vegas
 AARP Office
 5820 S. Eastern, Suite 190
 Las Vegas, NV

The sessions are scheduled to begin at 1:00 p.m. and are anticipated to last one hour. Light refreshments will be provided.

If you plan on attending one of the above sessions, please RSVP by Friday, March 4th to Shirley Hunting, First Health Services, 775-784-3983.

A special session will be offered via teleconference for those who cannot attend the above listed sessions. Participants from the above sessions are also invited to join the conference call. The call is scheduled for 10:00 a.m. Wednesday, March 16th.

Teleconference Instructions

Dial-In #: 1-800-824-7254

Guest Room #: 159350

- 1) Call dial-in number
- 2) Enter Guest Room Number
- 3) Record Name Followed by Pound (#) key

NOTE:

This memo and the enclosed guide have been mailed to one addressee per mailing address. If additional copies are needed, please contact Shirley Hunting at (775) 784-3983 or huntinsh@fhsc.com. This information is also available at the First Health Services' web site at <https://nevada.fhsc.com> by selecting "Billing Information" from the "Pharmacy" drop-down menu.

If you have any questions regarding billing for the Multi-Ingredient Compound Segment or Partial Fill claims, please contact First Health Services' Provider Relations department at (800) 884-3238.