

How to Submit National Drug Codes (NDC)

Arizona Complete Health-Complete Care Plan has noticed a significant increase in provider claims denying for missing or invalid National Drug Code (NDC). In accordance to the Federal Deficit Reduction Act of 2005, all claims containing procedure codes for physician-administered drugs in an outpatient clinical setting must be billed with an NDC.

Providers receiving the following claim denial: EXN5–NDC Missing/Invalid should thoroughly review this communication as a means to prevent further denials.

NDC DEFINITION

The NDC is the number that identifies a drug. The NDC number consists of 11 digits in a 5-4-2 format. The first 5 digits identify the labeler code representing the manufacturer of the drug and are assigned by the Food and Drug Administration (FDA). The next 4 digits identify the specific drug product and are assigned by the manufacturer. The last 2 digits define the product package size and are also assigned by the manufacturer. Some packages will display less than 11 digits, but leading “0’s” can be assumed and need to be used when billing.

For example:

XXXX-XXXX-XX = 0XXXX-XXXX-XX
XXXXX-XXX-XX = XXXXX-0XXX-XX
XXXXX-XXXX-X = XXXXX-XXXX-0X

The NDC is found on the drug container, e.g., vial, bottle or tube. The NDC submitted to the AHCCCS FFS Program and/or MCO Contractors must be the actual NDC number on the package or container from which the medication was administered. Claims may not be submitted for one manufacturer when a different manufacturer’s product was administered. It is considered a fraudulent billing practice to bill using an NDC other than the one assigned to the drug administered.

When submitting a Medicaid claim for administering a drug, providers must submit the 11-digit NDC **without dashes or spaces** between the numbers. Claims submitted with NDCs in any other configuration may fail.

NDC QUANTITY

NDC units are based on the numeric quantity administered to the patient and the unit of measurement. The actual metric decimal quantity administered and the unit of measurement is required for billing. If reporting a fraction, use a decimal point. The units of measurement codes are as follows:

- NDC of the drug administered as described above
- NDC Unit of Measure
 - F2 = International Unit
 - GR = Gram - usually for products such as ointments, creams, inhalers, or bulk. This unit of measure is typically used in the retail pharmacy setting.
 - ML = Milliliter - for drugs that come in vials which are in liquid form
 - UN = Unit (each) - for unit of use preparations, generally those that must be reconstituted prior to administration
- Quantity administered equals number of NDC units

THIS UPDATE APPLIES TO THE FOLLOWING **AzCH-Complete Care Plan** PROVIDER TYPES:

- Physicians
- Medical Groups/IPAs
- Hospitals
- Ancillary Providers
- Behavioral Health Physicians
- FQHC

PROVIDER SERVICES

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PROVIDER DISPUTES

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STATE FAIR HEARINGS

AzCH-Complete Care Plan Provider State Fair Hearings
1870 W. Rio Salado Parkway, Ste. 2A
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PAPER BILLING INSTRUCTIONS

All institutional (UB04/837I) and professional (CMS1500/837P) claims must include the following information:

- NDC and unit of measurement for the drug billed, and
- HCPCS/CPT code and units of service for the drug billed, and
- The actual metric decimal quantity administered.

UB04 CLAIM FORM

To report the NDC on the UB04 claim form, enter the following information into the Form Locator 43 (Revenue Code Description):

- The NDC Qualifier of N4 in the first 2 positions on the left side of the field.
- The NDC 11-digit numeric code, without hyphens.
- The NDC Unit of Measurement Qualifier (as listed above).
- The NDC quantity, administered amount, with up to three decimal places (i.e., 1234.456). Any unused spaces are left blank.
- Form Locator 44 (HCPCS/Rate/HIPPS code): Enter the corresponding HCPCS code associated with the NDC.
- Form Locator 46 (Serv. Units/HCPCS Units): Enter the number of HCPCS units administered.

Example of UB04 Claim Form:

	42. REV. CD.	43. DESCRIPTION	44. HCPCS/RATES	46. SERV. UNITS
1	0250	N400074115278 ML10	J1642	2.00
2				
3				

CMS-1500 CLAIMS FORM

To report the NDC on the CMS-1500 claim form, enter the following information:

- In Field 24A of the CMS-1500 Form in the shaded area, enter the NDC Qualifier of N4 in the first 2 positions, followed by the 11-digit NDC (no dashes or spaces) and then a space and the NDC Units of Measure Qualifier, followed by the NDC Quantity. All should be left justified in the pink shaded area above the Date of Service.
- The billed units in column G (Days or Units) should reflect the HCPCS units and not the NDC units. Billing should not be based off the units of the NDC. Billing based on the NDC units may result in underpayment to the provider.

Example of CMS-1500 Claim Form:

24. A						B	C	D
DATE(S) OF SERVICE						Place of Service	EMG	PROCEDURE, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS MODIFIER
From	To							
MM DD YY	MM	DD	Y					
N400074115278 ML10								
07	01	12	07	01	12	11	J1642	

ELECTRONIC BILLING INSTRUCTIONS

837 Claims Submission for NDC:

837 Drug Identification			
Loop	Segment	Field Name	Requirement
2410	LIN02	Prod/Serv ID Qualifier	A value of "N4" is expected.
2410	LIN03	Prod/Service ID	An 11-digit NDC number is expected and will be mapped to the CPDNDC Prod/Service ID.
2410/2400	CTP04/ SV104	Quantity	The quantity is expected and will be mapped to CPDNDC quantity. If the unit price on segment CTP03 is different than the unit price on the SV102, then map CTP04; otherwise map SV104.
2410/2400	CTP05/ SV103	Composite Unit of Measure	The composite unit of measure is expected and will be mapped to CPDNDC composite unit of measure. If the unit price on segment CTP03 is different than the unit price on the SV203, then map CTP04; otherwise map SV103.

ADDITIONAL INFORMATION

For more information regarding National Drug Code Billing requirements please visit:

<https://www.azahcccs.gov/PlansProviders/Downloads/FINALSTAKEHOLDERJCODEMEMO.pdf>

If you have questions regarding the information contained in this update, please contact your Provider Engagement Specialist or email AzchProviderEngagement@azcompletehealth.com.