



Provider Notice 2010-01

To: All Providers
Issued: August 16, 2010
Effective: Immediately
Subject: Physician Administered Drug NDC Codes- MSA Bulletin 10-26
Product Lines: Medicaid

This notice is to inform providers of the requirement to report the National Drug Code (NDC) and its corresponding information, with the procedure code billed for a physician administered drug on paper CMS 1500, UB-04 and electronic professional and institutional claim formats for Medicaid beneficiaries. Drugs that are packaged or bundled in an OPSS payment are excluded.

This requirement is effective immediately. It is mandated to ensure the Michigan Department of Community Health's compliance with the Patient Protection and Affordable Care Act (PPACA). The PPACA requires Medicaid to collect rebates for certain drugs .

The NDC is a unique eleven digit (11 digit) identifier assigned to a drug product by the labeler/manufacturer under Federal Drug Administration (FDA) regulations. Claims submitted with invalid or missing NDC information will be denied. The NDC-HCPCS Crosswalk is available at [.totalhealthcareonline.com](http://totalhealthcareonline.com) ; Provider tab; Important Announcements.

ELECTRONIC BILLING INSTRUCTIONS

Providers must report the 11 digit NDC and its corresponding information in addition to the procedure code in the LIN Segment of LOOP ID 2410 to specify the physician administered drug that is part of the service described in SV1 for the professional and institutional 837 4010A1 claim formats. Providers must also report the quantity and unit of measure of the NDC as outlined below.

Reporting NDC Information in 837 Professional & Institutional Formats LIN Segment – Drug Identification		
e.g., LIN**N4*01234567891		
LIN02	N4	N4 Qualifier identifies NDC being billed
LIN03	Actual NDC e.g., 01234567891	Report NDC in the 11 digit format (5-4-2). Do not use hyphens or spaces.

Reporting NDC Information in 837 Professional & Institutional Formats CTP Segment – Drug Segment		
e.g., CTP***2.50*2*UN		
CTP03	Unit Price	e.g., 2.50 Do not report the dollar sign.
CTP04	Dispensing Quantity	e.g., 2

CTP05	Unit of Measure Value	Values are: F2 = International Unit GR = Gram ML = Milliliter UN = Unit
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Reporting Multiple NDCs (Including Compound Drugs)

To bill a procedure code with multiple NDCs:

- Report the first NDC and its information as instructed above; and
- Report the additional NDC(s) and its information in the NTE Segment of LOOP ID 2300.

PAPER BILLING INSTRUCTIONS

Providers submitting on the **CMS1500** should refer to the following resources for instruction on reporting NDCs:

- National Uniform Claim Committee (NUCC) 1500 Health Insurance Claim Form Reference Manual for Version 08/05,
- Bulletin MSA 07-09, and
- July 2007 version of the Billing & Reimbursement for Professionals Chapter in the Michigan Medicaid Provider Manual (www.michigan.gov/mdch>> Providers >> Information for Medicaid Providers >> Medicaid Provider Manual).

Providers submitting on the **UB 04** should refer to the following resource for instructions on reporting NDC's:

- The National Uniform Billing Committee (NUBC) at www.nubc.org
- Bulletin MSA 07-61

UB 04 instructions are summarized as:

- Using the Revenue Description Field (Form Locator 43) on the UB-04:
 - Report the N4 qualifier in the first two (2) positions, left-justified.
 - Followed immediately by the 11 character National Drug Code number in the 5-4-2 format (no hyphens).
 - Immediately following the last digit of the NDC (no delimiter) the Unit of Measurement Qualifier. The Unit of Measurement Qualifier codes include:

F2 -International Unit
GR-Gram
ML-Milliliter
UN- Unit
 - Immediately following the Unit of Measurement Qualifier, the unit quantity with a floating decimal for fractional units limited to 3 digits (to the right of the decimal).
 - Any spaces unused for the quantity are left blank.
- To bill multiple NDCs (including compounded drugs), report the appropriate revenue code and the first NDC and its supplemental information in Form Locator 43. Report the additional NDCs and their supplemental information in the Remarks Field in Form Locator 80.

If you have any questions, please contact Marcie Johnson at 313/871-7876.