



Division of Medical Assistance Programs

Information Memorandum Transmittal

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Authorized Signature

Issue Date: 04/27/2011

Topic: Medical Benefits

Subject: **Provider and managed care plan announcement:** National Drug Code reporting resources and updates

Applies to:

- All DHS employees
- Area Agencies on Aging
- Children, Adults and Families
- County DD Program Managers
- County Mental Health Directors
- Seniors and People with Disabilities
- Other (please specify): DHS and OHA staff and others identified on the SPD, CAF, AMH and DMAP transmittal lists

Message:

DMAP will post the following announcement and send it to the OHP Provider Announcement and Managed Care Organization Updates eSubscribe lists.

- The announcement tells providers and OHP Medical Plans that they are required to report National Drug Code information to DMAP for most outpatient medical claims beginning July 1, 2011.
- Providers cannot report this information on claims submitted via the ProviderWeb Portal at <https://www.or-medicaid.gov>. However, they can report this information on electronic data interchange (EDI) and paper (UB-04, CMS-1500 and DMAP 505) claims.

For DMAP fee-for-service medical and hospital program questions, contact:

Contact(s):	Angel Wynia, DMAP Hospital Services Policy Analyst
Phone:	503-945-5754
E-mail:	angel.wynia@state.or.us

For OHP Medical Plan questions, contact:

Contact(s):	DMAP Claims Unit, Encounter Data Team
E-mail:	See page 2 of this transmittal for contact information

For general NDC and drug rebate questions, contact:

Contact(s):	DMAP Pharmacy Program
E-mail:	dmap.rxquestions@state.or.us

DMAP Encounter Data Assignments, effective April 1, 2011

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OHP providers and medical plans

Review new resources about NDC reporting

To comply with the Deficit Reduction Act (DRA) of 2005 and the Patient Protection and Affordable Care Act (ACA) of 2010, the Division of Medical Assistance Programs (DMAP) will require National Drug Code (NDC) information for all physician-administered drugs billed to DMAP or an OHP Medical Plan beginning July 1, 2011.

- This requirement applies to all institutional (UB-04 or 837I) outpatient claims and (CMS-1500 or 837P) professional claims billed to DMAP or an OHP Medical Plan with dates of service on or after July 1, 2011.
- This means that providers must include the correct NDC information on all physician-administered drug claims for OHP clients, whether they are enrolled with an OHP Medical Plan or not.

This includes claims for clients with other health care coverage, including Medicare, where DMAP or the OHP Medical Plan is the payer of last resort.

Changes to DMAP claim and encounter processing effective July 1, 2011

Starting July 1, DMAP will review claims and encounters for the following information:

- HCPCS/CPT units of service for the drug billed (for professional/CMS-1500 claims);
- NDC and unit of measurement for the drug billed; and
- The actual metric decimal quantity administered.

If this information is missing or invalid:

- Fee-for-service claims billed to DMAP will deny. Providers will need to resubmit the claim with the required NDC information and/or correct number of units.
- Encounters (claims billed to OHP Medical Plans that are later reported to DMAP) will pend for correction. The Plan is then responsible for reporting corrected NDC information to DMAP.

Why is NDC reporting required?

DMAP has collected and reported NDC information for outpatient pharmacy claims since 1991. The DRA requires states to collect Medicaid drug rebates for non-pharmacy claims. The ACA additionally requires states to collect these rebates for managed care claims.

To collect these rebates, states must report NDC information for all drug claims for Medicaid clients to the federal Centers for Medicare and Medicaid Services (CMS).

Which codes require NDC information?

Drugs billed using HCPCS codes, including:

- A, C, J, Q, and S codes.
- “Not otherwise classified” (NOC) and “Not otherwise specified” (NOS) drug codes (*e.g.*, J3490, J9999 and C9399).

The only CPT codes that require NDC information are immune globulin codes 90281 through 90399.

Generally, diagnostics, radiopharmaceuticals and vaccines are exempt from the NDC reporting requirements.

Examples of codes subject to NDC requirements are on page 3 of this letter.

For more examples, refer to your coding books or DMAP’s Fee-for-Service Fee Schedule at www.oregon.gov/DHS/healthplan/data_pubs/feeschedule/main.shtml.



How to report NDC information to DMAP

Even though Medicare may not require the submission of an NDC, it must be included on all professional and institutional outpatient claims for non-vaccine drugs that will cross over to DMAP or the OHP Medical Plan.

- For specific paper billing instructions, see the CMS-1500 and UB-04 Claim Form Instructions at www.oregon.gov/DHS/healthplan/tools_prov/tips/main.shtml#handbooks
- For information required for electronic data interchange (EDI) 837P and 837I claims, see the 837 Companion Guides at www.oregon.gov/DHS/edi/resources.shtml#guides (updated April 2011 with NDC reporting information for the CTP - Drug Pricing segment).
- The Provider Web Portal does not support reporting NDC information on professional or institutional outpatient claims at this time. Improvements to support this requirement are planned for later this year.
- If you bill an OHP Medical Plan, refer to the Plan for their billing and reporting requirements.

How to enter NDC information on paper claims (Box 24 of CMS-1500 and FL 43 of UB-04)

- 1 1st two digits - Enter "N4"
- 2 Next 11 digits - Enter the NDC in 5-4-2 format.
 - The first 5 digits identify the drug manufacturer.
 - The next 4 digits identify the product.
 - The last 2 digits identify the package size.

24. A. DATE(S) OF SERVICE	
From	To
MM DD YY	MM DD
N412345678901 UN20	

1 2 3 4

Each drug package shows the NDC for the drug. If the NDC on the drug package contains less than 11 NDC digits, add a leading zero (0) to the section(s) that do not meet the 5-4-2 format.

Bill the NDC for the actual drug administered. Billing an NDC from a reference file (*e.g.*, Redbook) instead of the actual drug is considered fraudulent billing.

- 3 Next 2 digits - Unit of Measure. Enter the appropriate unit of measure (as listed on the drug package). There are 4 standard units of measure: "UN" (unit), "ML" (milliliter), "GR" (gram) and "F2" (international unit).
- 4 Remaining digits - NDC Quantity.
 - If a drug's HCPCS/CPT quantity is provided, convert it to NDC quantity and enter it on the claim.
 - The HCPCS quantity may not match the NDC quantity listed on the drug package or be the actual quantity administered (examples on next page).

Other fee-for-service billing reminders

- Drug reimbursement for professional claims is based on Medicare Average Sale Price (ASP) rates. Please be sure CPT and HCPCS drug code units are accurately reported.
- For multi-ingredient compounds, list each component separately on its own claim line.
- DMAP will only pay for rebateable drugs (where the manufacturer is participating in the federal Medicaid Drug Rebate Program). For a complete list of these drugs, see the "Drug Product Data" posted at www.cms.hhs.gov/MedicaidDrugRebateProgram/09_DrugProdData.asp.

NDC reporting examples

The following table lists examples of how to convert to the NDC quantity for various codes. Please note that not all drugs billed may have a rebatable NDC.

HCPCS billing information		NDC reporting information		
Code	Description	NDC	Measure	Quantity
A9581	GADOXETATE DISODIUM INJECTION (EVOIST)	50419-0320-01	ML	10
C9113	PROTONIX 40 MG	00008-1030-16	EA	1
J2820	INJECTION, SARGRAMOSTIM (GM-CSF), 50 MCG	50419-0002-33	MCG	1
J9202	GOSERELIN ACETATE IMPLANT, PER 3.6 MG (ZOLADEX)	00310-0950-36	EA	1
J3480	INJECTION, POTASSIUM CHLORIDE, PER 2 MEQ	00338-0695-04	ML	1000
Q0163	DIPHENHYDRAMINE HYDROCHLORIDE, 50 MG, ORAL	00185-0649-01	EA	1
S0020	INJECTION, BUPIVICAINE HYDRO	00409-1162-02	ML	30
S0023	INJECTION, CIMETIDINE HYDROC	00409-7444-01	ML	2
S0074	INJECTION, CEFOTETAN DISODIU	63323-0385-10	EA	1

NDC conversion resources

All codes on the following crosswalks must have an open end date for the dates of service you are billing:

- Noridian HCPCS to NDC crosswalk: <https://www.dmeptac.com/crosswalk/index.html>
- HCPCS to NDC conversion factor help: https://www.dmeptac.com/docs/crosswalk/ndc_crosswalk_q_and_a.pdf
- CMS crosswalk: www.cms.gov/McrPartBDrugAvgSalesPrice/01a18_2011ASPFiles.asp#TopOfPage

When using the Noridian or CMS crosswalks to find conversion information for CPT codes, and “S” or “C” HCPCS codes, search by NDC description for the drug as described in your HCPCS codebook.

“C” series HCPCS codes are to be used only by outpatient hospitals to report NDC information. “C” series HCPCS codes are not listed on DMAP’s fee schedule and do not affect hospital pricing or payment.

HCPCS to NDC conversion example

Adenosine injection (Adenoscan 3mg/ml):

1. Bill HCPCS J0152 (injection Adenoscan for diagnostic use per 30mg), 1 unit of service
2. Report NDC administered (00469-0871-30)
3. Use NDC unit of measure ML
4. Report quantity as NDC (3mg/ml) = 30mg/10ML
5. Report as N400469087130 ML10

Resources and helpful links

Other drug references

- CMS Top 20 multiple source drugs, effective 1/1/2011: www.cms.gov/Reimbursement/15_PhysicianAdministeredDrugs.asp
- CMS HCPCS table of drugs: www.cms.gov/HCPCSReleaseCodeSets/ANHCPCS/list.asp

OHP billing references

- NDC Frequently Asked Questions: www.oregon.gov/DHS/healthplan/data_pubs/faqs/ndc.shtml
- Billing instructions and NDC billing tips: www.oregon.gov/DHS/healthplan/tools_prov/tips/main.shtml#handbooks
- 837P Companion Guide and 837I Companion Guide: www.oregon.gov/DHS/edi/resources.shtml#guides

DMAP NDC training

www.oregon.gov/DHS/healthplan/tools_prov/training/ndc-webinar.pdf

Questions?

- **Follow-up questions from DMAP NDC training:** E-mail DMAP's Pharmacy Program at dmap.rxquestions@state.or.us.
- **About billing OHP Medical Plans:** Contact the Plan.
- **About this announcement or the Provider Web Portal:** Please call the Provider Services Unit at 1-800-336-6016, Monday through Thursday from 8:30 a.m. to 4:30 p.m. and 10 a.m. to 4:30 p.m. on Friday.

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