



National Drug Codes Requirement to be Enforced for UnitedHealthcare Commercial and UnitedHealthcare Medicare Solutions Professional Claims, Effective Jan. 1, 2017

Overview:

Effective for claims with a date of service on or after Jan. 1, 2017, we will begin enforcing the [UnitedHealthcare Physician, Health Care Professional, Facility and Ancillary Provider Administrative Guide for Commercial and Medicare Advantage Products](#) national drug code (NDC) requirement. We will also be implementing a new NDC requirement reimbursement policy, effective Jan. 1, 2017. As a result, UnitedHealthcare Commercial and Medicare Solutions members' professional claims submitted for reimbursement for drug-related codes must include the NDC number, quantity and the unit of measure.

This requirement applies to paper claim form CMS-1500 and Electronic Data Interface (EDI) transaction 837P when billed for drug-related healthcare common procedure coding system (HCPCS) codes and drug related current procedure terminology (CPT) codes. The NDC, quantity and the unit of measure will be enforced in addition to the corresponding HCPCS and CPT codes and the units administered for each code.

If you do not include the NDC with your claims submission, your claim will be denied and you will be notified through a Provider Remittance Advice (PRA) to resubmit the claim with the NDC information.

Note: Hospital facility outpatient claims will not be subject to enforcement of the NDC requirement at this time.

Enforcing the NDC will allow us to differentiate and target drugs that share the same HCPCS code for drug preferences and rebates and will allow us to identify billing errors and improve reimbursement processes.

Frequently Asked Questions

Q1. Why is UnitedHealthcare enforcing the NDC on professional drug claims?

- A. We are enforcing this requirement as part of our effort to reduce overall costs to the health care system. NDCs are the industry standard identifier for drugs and provide full transparency to the medication administered. They accurately identify the manufacturer, drug name, dosage, strength, package size and quantity.

All other existing claim requirements will remain in place.

The NDC requirement has been included in the [UnitedHealthcare Physician, Health Care Professional, Facility and Ancillary Guide for Commercial and Medicare Advantage Products](#) since 2011.

Note: To maintain consistent claims billing guidelines, enforcement of the NDC requirement for UnitedHealthcare Commercial and Medicare Solutions Products hospital facility outpatient claims is under review and should be considered when updating

systems. Medicaid NDC requirements are being reviewed, communicated and enforced by the state.

Q2. What if a member is dual eligible for Medicare and Medicaid?

- A. The Centers for Medicare and Medicaid Services (CMS) requires collection of the NDC number on claims where the member is dual eligible, per CMS Transmittal 1401, which updates the Medicare Claims Processing Manual to state the following: “The Deficit Reduction Act (DRA) of 2005 required state Medicaid agencies to provide for the collection of National Drug Codes (NDC) on all claims for certain physician-administered drugs for the purpose of billing manufacturers for Medicaid drug rebates. In order to capture the information needed to fulfill the rebate requirements, Medicare providers billing for dual-eligible members will be required to submit the NDCs for physician-administered drugs in the red-shaded area of the service lines in field 24 of the CMS-1500 form in order for this data to be crossed over to Medicaid for the billing of Medicaid rebates.”

While CMS does not require the NDC on traditional Medicare claims, UnitedHealthcare will require it on professional Medicare claims, effective Jan. 1, 2017 to help ensure that it is captured if the member retroactively becomes a dual-eligible beneficiary.

Q3. Do drugs that are billed through a hospital outpatient department require an NDC?

- A. Not at this time. However, to maintain consistent claims billing guidelines, enforcement of the NDC requirement for UnitedHealthcare Commercial and Medicare Solutions products hospital facility outpatient claims are under review and should be considered when updating systems.

Q4. Is the NDC required for a complete claim?

- A. Yes. The following is stated in the [UnitedHealthcare Physician, Health Care Professional Facility and Ancillary Provider Administrative Guide for Commercial and Medicare Advantage Products](#):

Complete claims and encounter data submission requirements

Your claim may be pended or not processed if you omit any of the following:

Current NDC 11-digit number for all claims submitted with drug codes. The NDC number must be entered in the 24D field of the CMS-1500 Form or the LIN03 segment of the HIPAA 837 Professional Electronic form.

Q5. What drug codes require the NDC to be submitted on professional claims, effective Jan. 1, 2017?

- A. The following drug codes are required:
- J codes, including miscellaneous and unlisted drug codes
 - Drug-related CPT codes, including miscellaneous and unlisted drug codes, immunizations, Synagis and Immune Globulin
 - Drug-related Q codes, including miscellaneous and unlisted drug codes, Contrast
 - Drug-related S codes, including Testopel
 - Drug-related A codes, including miscellaneous and unlisted drug codes, and Radiopharmaceuticals

The NDC will not be enforced for G codes and P codes.

Q6. What NDC information will be required, effective Jan. 1, 2017?

- A. The following information will be required when submitting an NDC:
- Valid 11-digit NDC number
 - NDC unit of measure (F2, GR, ML, UN)
 - NDC units dispensed (must be greater than 0)

Q7. Will the NDC information submitted be subject to any additional clinical edits?

- A. Yes. The following criteria will also be applied initially:
- NDC and HCPCS verification: identifies incorrect billing when the NDC and HCPCS codes are not a match on the drug claim.
 - NDC max unit: targets drugs that have specific strengths where an unexpected number of units are exceeded.
 - Inactive NDCs: targets inactive/obsolete drugs.

Q8. Do I have to bill with NCS information in addition to HCPCS/CPT codes?

- A. Yes. The NDC, NDC units of measure and NDC quantity must be submitted in addition to the applicable HCPCS or CPT code (s) and the number of HCPCS/CPT units.

A valid HCPCS or CPT code with units of service must continue to be entered on the claim form on the basis for reimbursement. Claims are priced based on HCPCS or CPT codes and the units of service. If the NDC does not have a specific HCPCS or CPT code assigned, please assign the appropriate miscellaneous code.

Note: There is no change for NDC-contracted care provided (typically home infusion and/or a specialty pharmacy provider). An NDC-contracted care provider is a provider contracted to be reimbursed by NDC methodology for professional claims submitted to UnitedHealthcare's NDC drug pricer.

Q9. Where is the NDC located?

- A. The NDC is found on the prescription drug label of the drug container (e.g. vial, bottle or tube). The NDC is a universal number that identifies a drug or a related drug item. The NDC number consists of 11 digits with hyphens separating the number into three segments in a 5-4-2 format. The first five digits identify the manufacturer of the drug and are assigned by the FDA. The remaining digits are assigned by the manufacturer and identify the specific product and package size.

Sometimes the NDC on the label does not include the 11 digits. If this occurs, it will be necessary to add a leading zero to the appropriate section to create a 5-4-2 configuration (i.e. 66733-0948-23 in the following sample). A valid NDC without spaces or hyphens should be placed on the medical claim. The NDC submitted must be the actual valid NDC number on the container from which the medication was administered.

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



Q10. What other resources offer information about NDCs?

- A. The FDA package insert includes the NDC, and the FDA publishes an online searchable [National Drug Code Directory](#) and a downloadable [NDC Database file](#).

Optum360⁰ NDC coding product for purchase:
<https://www.optum360coding.com/Product/22183/>

CMS publishes an [NDC to HCPCs crosswalk](#).

RJ Health Systems NDC coding product for purchase: reimbursementcodes.com

National Uniform Claim Committee Link: [NDC Billing Instructions](#)

Q11. Are the NDC units different from the HCPCS/CPT code units?

- A. Yes. Please continue the correct usage of HCPCS codes and service units as they will remain the basis for reimbursement. NDC units are based upon the numeric quantity administered to the patient and the unit of measure.

Discarded Drugs and Biologicals [Reimbursement Policy](#)

NDC Unit of Measure

UOM	Description	General Guidelines
F2	International unit	International units will mainly be used when billing for Factor VIII-Antihemophilic Factors
GR	Gram	Grams are usually used when an ointment, cream, inhaler, or bulk powder in a jar are dispensed. This unit of measure will primarily be used in the retail pharmacy setting and not for physician-administered drug billing.
ML	Milliliter	If a drug is supplied in a vial in liquid form, bill in millimeters.
UN	Unit	If a drug is supplied in a vial in powder form, and must be reconstituted before administration, bill each vial (unit/each) used.

Note: ME is also a valid unit of measure but we recommend using the appropriate UN or ML indicator as this is generally how drugs are priced.

NDC Units

The actual decimal quantity administered and the units of measurement are required on the claim. If reporting a partial unit, use a decimal point. (i.e. if three 0.5 ml vials are dispensed, report ML 1.5).

- GR0.045
- ML1.5
- UN2.0

The number of digits for the quantity is limited to eight digits before the decimal and three digits after the decimal. If entering a whole number, do not use a decimal. Do not use commas. Do not zero fill, leave remaining positions blank. Please refer to the following examples:

- 1234.56
- 2
- 12345678.123

Q12. What if there are multiple NDCs?

- A. If there is more than one NDC utilized within the HCPCS code (i.e. when multiple drug strengths are used), submit each applicable NDC as a separate claim line. Each drug code submitted must have a corresponding NDC on each claim line.

If the drug administered is comprised of more than one ingredient (i.e. compound or same drug with different strength), represent each NDC on a claim line with the appropriate drug code.

Standard HCPCS or CPT code billing accepts the use of the following modifiers to determine when more than one NDC is billed for a service code.

Paper Claim:

- KP – First drug of a multiple drug unit dose formulation
- KQ – Second or subsequent drug of a multiple drug unit dose formulation

Electronic Claim:

The compound drug should be reported by repeating the LIN and the CPT segments in the 2410 identification loop.

Q13. If the medication comes in a box with multiple vials, should I use the NDC number on the box or the NDC number on the individual vial?

- A. The NDC required is from the vial that was administered to the member along with the appropriate unit of measure and NDC quantity administered.

Q14. Can a physician or health care provider resubmit a charge if it is initially rejected for failure to bill with an NDC?

- A. Yes. All charges for HCPCS drug codes that require NDCs can be resubmitted with NDCs, within timely filing guidelines, for reconsideration of payment.

Q15. How should the NDC, unit of measure and quantity be submitted?

A To submit the NDC, unit of measure and the quantity, please do the following:

Paper Claim Requirements

CMS 1500 form:

- Enter the NDC in the shaded area of the service lines in Field 24
- The six service lines in section 24 have been divided horizontally to accommodate submission of supplemental information to support the billed service. The top portion in each of the six service lines is shaded and is the location for reporting supplemental information.
- Submit the NDC code in the red-shaded portion of the detail line item starting in positions 01.
- The NDC is to be preceded with the qualifier N4 and followed immediately by the 11 digit NDC code (e.g. N412345678901).

When entering supplemental information for NDC, add in the following order: N4 qualifier, 11 digit NDC code, one space, 2 character unit/basis of measurement qualifier (units ‘UN’, international units ‘F2’, gram ‘GR’ or milliliter ‘ML’, and quantity.

24. A. DATE(S) OF SERVICE			B. PLACE OF SERVICE		C.	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)		E.	F.		G.	H.	I.	J.
From	To				EMG	CPT/HCPCS	MODIFIER	DIAGNOSIS POINTER	\$ CHARGES	DAYS OR UNITS	POST Family Plan	ID. QUAL.	RENDERING PROVIDER ID. #	
MM	DD	YY	MM	DD	YY									
N459148001665 UN1														
10	01	05	10	01	05	11	J0400		A	500	00	1	N	12345678901
													NPI	0123456789

The actual decimal quantity administered and the units of measurement are required on the claim. If a care provider is reporting a partial unit, they should use a decimal point (i.e. if three 0.5 ml vials are dispensed, report ML1.5). Please refer to the following for examples:

- GR0.045
- ML1.5
- UN2

The number of digits for the quantity is limited to eight digits before the decimal and three digits after the decimal. If entering a whole number, do not use a decimal. Do not use commas. Do not zero fill, leave remaining positions blank. Please refer to the following for examples:

- 1234.56
- 2
- 12345678.123

UB 04 form (no change in enforcement for Jan. 1, 2017):

- Field 42: Revenue code
- Field 43: NDC 11 digit number, Unit of Measurement Qualifier and Unit Quantity
- Field 44: HCPCS code

EDI Requirements – Professional Claims (837p)

- Loop is 2410
- NDC qualifier N4 and NDC code are sent in the LIN segment
 - LIN02 – NDC Qualifier

- LIN03 – NDC Code
- Quantity and Unit of Measure are sent in the CTP segment
 - CTP04 – Quantity
 - CTP05-1 – Unit of Measure
- Prescription number or Link Sequence number (to report components for compound drug)
 - REF01 - VY: Link Sequence Number, XZ: Prescription Number
 - REF02 – Link Sequence Number or Prescription Number

Loop	Segment	Element Name	Information	
2410	LIN	02	Product or Service ID Qualifier	If billing for a national drug code (NDC), enter N4.
2410	LIN	03	Product or Service ID	If billing for drugs, include the NDC. Sample - LIN**N4*12345678901
2410	CTP	04	Quantity	If an NDC was submitted in LIN03, include the quantity for the NDC billed.
2410	CTP	05-1	Unit or Basis for Measurement Code	If an NDC was submitted in LIN03, include the unit or basis for measurement code for the NDC billed. F2 - International unit GR - Gram ML - Milliliter UN - Unit Sample - CTP****3*UN
2410	REF	01	VY: Link Sequence Number, XZ: Prescription Number	Link Sequence # (to report components for compound drug)
2410	REF	02	Link Sequence Number or Prescription Number	Sample - REF01*VY*123456

Q16. What if I need assistance?

- A. For general contact information, please click [here](#).

For EDI-related issues, including but not limited to electronic claims (837), payer level rejections, electronic payments and statements (835), issues with eligibility (270/271) or claim status (276/277), please call 800-842-1109 or complete the [EDI Transaction Support Form](#).

For UnitedHealthcare Community Plan EDI Support, please call 800-210-8315 or complete the [EDI Transaction Support Form](#). You may also email us at ac_edi_ops@uhc.com.