



PROVIDER BILLING ALERT

NATIONAL DRUG CODE (NDC) REPORTING REQUIREMENTS

**MARYLAND HEALTHCHOICE
AND
DISTRICT OF COLUMBIA HEALTHY FAMILIES AND HEALTHCARE ALLIANCE**

**REMINDER
NOVEMBER 18, 2022**

The purpose of this notice is to remind all providers of National Drug Code (NDC) reporting requirements to avoid any delays or denials of claim payments.

What is an NDC?

The NDC is a universal number that identifies a drug. The NDC consists of 11 digits in a 5-4-2 format. The first five digits identify the manufacturer of the drug and are assigned by the U.S. Food and Drug Administration (FDA). The remaining digits are assigned by the manufacturer and identify the specific product and package size. Some packages will display fewer than 11 digits, but leading zeros can be assumed and should be used when billing. **Do not bill using invalid or obsolete NDC numbers.**

Acceptable Units of Measure

There are different acceptable units of measurements that can be used when billing with NDC information. The appropriate one to use is based on the type of drug. See below for acceptable units of measure.

| Code | Unit Type | Description |
|-------------|--------------------|---|
| F2 | International Unit | Products described as IU/vial or micrograms |
| GR | Gram | Ointments, creams, inhalers, or bulk power in a jar |
| ML | Milliliter | Liquid, solution, or suspension |
| UN | Unit (EA/Each) | Powder for injection (needs to be reconstituted), pellet, kit, patch, tablet, device |
| ME | Milligram | ME is also a valid unit of measure, but we recommend using the more appropriate UN or ML unit of measure, as this is generally how drugs are priced |

When to include an NDC on a claim

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treat people.**

NDC numbers must be included in the correct NDC format on professional and institutional claims when billing for:

- Drug-related revenue codes
- Drug-related CPT codes, including miscellaneous and unlisted drug codes
- Drug-related HCPCS codes, including miscellaneous and unlisted related codes such as A, B, J, Q, and S HCPCS codes.

Discarded Drugs

Modifier JW is used on a drug claim to report the amount of drug or biological that is discarded and eligible for payment. The modifier is only used for drugs in a single dose or single use packaging.

Data Elements Required to Report NDC

- A valid NDC format allows for the entry of 61 characters, without skipping a space or adding hyphens
- Report the NDC Qualifier of “N4” in the first two positions, left justified
- Immediately followed by the 11-digit NDC number in the 5-4-2 format (do not use hyphens and pad w/zeros if needed)
- Immediately followed by one of the Unit of Measurement (UOM) Qualifiers listed below (2-digit):
 - F2 International Unit
 - GR Gram
 - ML Milliliter
 - UN Units (EA/Each)
 - ME Milligram
- Immediately followed by the NDC Unit Quantity administered to the patient. The Unit Quantity with a floating decimal for fractional units is limited to three (3) digits to the right of the decimal point. A maximum of seven (7) positions to the left of the floating decimal may be reported.
- When reporting a whole number, do not key the floating decimal.
- When reporting fractional units, you must enter the decimal as part of the entry.

Sample National Drug Code:

Whole Number Unit:

N 4 1 2 3 4 5 6 7 8 9 0 1 U N 1 2 3 4 5 6 7

Fractional Unit:

N 4 1 2 3 4 5 6 7 8 9 0 1 U N 1 2 3 4 . 5 6 7

Professional (CMS 1500) Paper Claim Submission

Providers are required to bill an NDC number, NDC unit of measure, and NDC units administered, as well as the HCPCS equivalent code on a claim. If the NDC number on the claim does not have a specific HCPCS or CPT code assigned to it, please assign the appropriate miscellaneous code.

The NDC number reported must be the actual NDC number on the package or container from which the medication was administered.

Using the CMS 1500 form, enter the NDC information in field 24. There are six service lines in field 24 with shaded areas. Place the NDC information in the claim line's top shaded part of field 24A.

Example

| 24. A. DATE(S) OF SERVICE | | | | B. PLACE OF SERVICE | C. EMG | D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) | | E. DIAGNOSIS POINTER | F. \$ CHARGES | G. DAYS OR UNITS | H. EPSDT Family Plan | I. ID. QUAL. | J. RENDERING PROVIDER ID. # |
|---------------------------|----|----|----|---------------------|--------|---|----------|----------------------|---------------|------------------|----------------------|--------------|-----------------------------|
| MM | DD | YY | MM | DD | YY | CPT/HCPCS | MODIFIER | | | | | | |
| N460793070010 ML1 | | | | | | | | | | | | | |
| 09 | 01 | 19 | 09 | 01 | 19 | 11 | J0561 | | A | 12 | 00 | 6 | NPI 123456789 |

When entering the supplemental NDC information for the NDC, add it in the following order:

- “N4” qualifier
- 11-digit NDC code
- Add one space
- Two-character unit of measure and the quantity

Professional (837P) Electronic Claim Submission

Providers are required to bill an NDC number, NDC unit of measure, and NDC units administered, as well as the HCPCS equivalent code on a claim. If the NDC number on the claim does not have a specific HCPCS or CPT code assigned to it, please assign the appropriate miscellaneous code.

| Loop | Segment | Element Name | Information |
|------|---------|--------------|---|
| 2410 | LIN | 02 | Product or Service ID Qualifier – If billing for an NDC, enter “N4” |
| 2410 | LIN | 03 | Product or Service ID – If billing for drugs, include the 11-digit NDC Sample: LIN**N4*12345678901 |
| 2410 | CTP | 04 | Quantity – If an NDC was submitted in LIN03, include the administered NDC quantity |
| 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 Sample: CTP****3*UN |

Facility (UB04) Paper Claim Submission

When billing a facility claim, include the applicable Revenue code, NDC number, NDC unit of measure, and NDC units administered, as well as the HCPCS equivalent code when appropriate.

The NDC number reported must be the actual NDC number on the package or container from which the medication was administered.

Using the UB04 form, enter the NDC information in Form Locator (FL) 43 and fill out the following fields:

- FL 42 – Include the appropriate revenue code
- FL 43 – Include the 11-digit NDC code, unit of measurement and quantity
- FL 44 – Include the HCPCS code if required



Example

| 42 REV. CD. | 43 DESCRIPTION | 44 HCPCS / RATE / HIPPS CODE | 45 SERV. DATE | 46 SERV. UNITS | 47 TOTAL CHARGES | 48 NON-COVERED CHARGES | 49 |
|-------------|--------------------|------------------------------|---------------|----------------|------------------|------------------------|----|
| 636 | N412345678901 UN12 | HCPCS | | 1 | 10 | 0 | |

When entering the supplemental NDC information for the NDC, add it in the following order:

- “N4” qualifier
- 11-digit NDC code
- Add one space
- Two-character unit of measure and the quantity

Facility (837I) Electronic Claim Submission

When billing a facility claim, include the applicable Revenue code, NDC number, NDC unit of measure, and NDC units administered, as well as the HCPCS equivalent code when appropriate.

| Loop | Segment | Element Name | Information |
|------|---------|--------------|---|
| 2410 | LIN | 02 | Product or Service ID Qualifier – If billing for an NDC, enter “N4” |
| 2410 | LIN | 03 | Product or Service ID – If billing for drugs, include the 11-digit NDC Sample: LIN**N4*12345678901 |
| 2410 | CTP | 04 | Quantity – If an NDC was submitted in LIN03, include the administered NDC quantity |
| 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 Sample: CTP****3*UN |

340B

Hospital facilities and Federally Qualified Health Centers participating in the 340B program are not required to bill an NDC number.

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