



## Billing with National Drug Codes (NDCs) Frequently Asked Questions

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### **NDC Overview**

#### **1. What is an NDC?**

"NDC" stands for National Drug Code. It is a unique, 3-segment numeric identifier assigned to each medication listed under Section 510 of the U.S. Federal Food, Drug and Cosmetic Act. The first segment of the NDC identifies the labeler (i.e., the company that manufactures or distributes the drug). The second segment identifies the product (i.e., specific strength, dosage form, and formulation of a drug). The third segment identifies the package size and type. For billing purposes, the Centers for Medicare & Medicaid Services (CMS) created an 11-digit NDC derivative, which necessitates padding of the labeler (5 positions), product (4 positions) or package (2 positions) segment of the NDC with a leading zero, thus resulting in a fixed-length, 5-4-2 configuration. (See question 12 for details.)

#### **2. When should NDCs be entered on claims?**

Blue Cross and Blue Shield of Montana (BCBSMT) will require the use of NDCs and related information, along with the applicable Healthcare Common Procedure Coding System (HCPCS) or Current Procedural Terminology (CPT®) code(s) when drugs are billed on professional and ancillary electronic (ANSI 837P) and paper (CMS-1500) claims. **As of May 1, 2015, professional and ancillary electronic claims for drugs must include NDC data in order to be processed by BCBSMT.**

#### **3. Where do I find the NDC?**

The NDC is usually found on the drug label or outer packaging. The number on the packaging may be less than 11 digits. An asterisk may appear as a placeholder for any leading zeros. The label also displays information about the NDC unit of measure for that drug.

#### **4. 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?**

If the medication comes in a box with multiple vials, using the NDC on the box (outer packaging) is recommended.

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## **5. Which NDC units of measure should I submit on BCBSMT claims to help ensure appropriate reimbursement?**

Listed below are the preferred NDC units of measure with examples:

- **UN** (Unit) – Powder-filled vials for injection (needs to be reconstituted), pellet, kit, patch, tablet, device
- **ML** (Milliliter) – Liquid, solution, or suspension
- **GR** (Gram) – Ointments, creams, inhalers or bulk powder in a jar
- **F2** (International Unit) – Products described as IU/vial or micrograms

*Note: ME is also a recognized billing qualifier that may be used to identify milligrams as the NDC unit of measure; however, drug costs are generally created at the UN or ML level. If a drug product is billed using milligrams, it is recommended that the milligrams be billed in an equivalent decimal format of grams (GR). BCBSMT allows up to three decimals in the NDC Units (quantity or number of units) field.*

## **6. What are the advantages of using NDCs?**

Using NDCs on medical claims helps facilitate more accurate payment and better management of drug costs based on what was administered and billed. To save administrative time and effort in reviewing denials and resubmissions, BCBSMT systematically verifies the 11-digit NDC, and appropriate use of NDC units and HCPCS/CPT units submitted by providers. Also, NDC pricing is normally updated on a monthly basis to reflect changes in drug cost.

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## Converting HCPCS/CPT Units to NDC Units

### 7. What information do I need to have ready before converting HCPCS/CPT units to NDC units?

Before you can fill out the claim to bill for a drug, you will need to know the following information:

- Amount of drug to be billed
- HCPCS/CPT code
- HCPCS/CPT code description
- Number of HCPCS/CPT units
- NDC (11-digit billing format)
- NDC description
- NDC unit of measure

Consider the following example for Ciprofloxacin IV 1200 MG (1 day supply):

Amount of drug to be billed:	1200 MG
HCPCS/CPT code:	J0744
HCPCS/CPT code description:	Injection, Ciprofloxacin for intravenous infusion, 200 MG
Number of HCPCS/CPT units	6
NDC (11-digit billing format):	00409476586
NDC description:	Ciprofloxacin IV SOLN 200 MG/20 ML
NDC unit of measure	ML

### 8. How do I calculate the NDC units?

Billing the correct number of NDC units for the corresponding HCPCS/CPT codes on your claims is essential. There are two ways to calculate NDC units:

#### Option 1 – Use Our Online NDC Units Calculator Tool

BCBSMT contracted providers may access our online NDC Units Calculator Tool for assistance with converting HCPCS or CPT units to NDC units. This user friendly tool is available to BCBSMT contracted providers at no cost. (**See question 9 for more details on how to access the online NDC Units Calculator Tool.**)

#### Option 2 – Calculate the NDC Units Manually

If you prefer to calculate the NDC units manually, there are several steps you will need to take. **Here is a sample manual calculation, using elements from question #7 [Ciprofloxacin IV, NDC 00409476586, 1200 MG (1 day supply)]:**

- The amount of the drug to be billed is 1200 MG, which is equal to 6 HCPCS/CPT units.
- The NDC unit of measure for a liquid, solution or suspension is ML; therefore, the amount billed must be converted from MG to ML.
- According to the NDC description for NDC 00409476586, there are 200 MG of ciprofloxacin in 20 ML of solution (200 MG/20 ML).
- Take the amount to be billed (1200 MG) divided by the number of MG in the NDC description (200 MG).  $1200 \div 200 = 6$
- Multiply the result (6) by the number of ML in the NDC description (20 ML) to arrive at the correct number of NDC units to be billed on the claim (120).  $6 \times 20 \text{ ML} = 120$

(Additional billing examples are included in the [Submitting NDCs on Professional/Ancillary Claims section.](#))

### 9. How do I access the NDC Units Calculator Tool?

The NDC Units Calculator Tool is hosted by RJ Health, an independent third party pharmaceutical specialty company. BCBSMT contracted providers may access the NDC Units Calculator at no cost through the BCBSMT secure portal.

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## **10. How do I use the NDC Units Calculator Tool?**

Here is a quick overview of how to use the NDC Units Calculator Tool:

- 1) Enter your search criteria (i.e., fill in a HCPCS or CPT code and/or the drug name, or the NDC in the space provided).
- 2) Click **Search** to go to the next screen.
- 3) Select the specific NDC to be billed. If there are more drugs related to that HCPCS/CPT code than will fit on the screen, you may need to select the drug name first to see the full list displayed. The NDC selection will be on the next screen.
- 4) The NDC Units screen will prompt you for the number of HCPCS/CPT units to be billed. Fill in the number of units and click Submit.
- 5) A new box will appear. The Billable Units of Quantity Submitted is the number of NDC units to be entered on the claim.

For additional information on using the NDC Units Calculator Tool, please refer to our new NDC Billing Tutorial, which is available on the BCBSMT secure portal.

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## Submitting NDCs on Professional/Ancillary Claims

### 11. When submitting NDCs on my claim, what other information will I need to include?

When submitting NDCs on professional/ancillary electronic (ANSI 837P) or paper (CMS-1500) claims, you must also include the following related information in order for your claim to be processed for possible benefits at the NDC level:

- The applicable HCPCS or CPT code
- Number of HCPCS/CPT units
- NDC qualifier (N4)
- NDC unit of measure (UN, ML, GR, F2)
- Number of NDC units (up to three decimal places)

Note: As a reminder, you also must include your billable charge.

### 12. How should the NDC be entered on the claim?

You must enter the NDC on your claim in the 11-digit billing format (no spaces, hyphens or other characters). If the NDC on the package label is less than 11 digits, you must add a leading zero to the appropriate segment to create a 5-4-2 configuration. See the examples below:

Label Configuration	Add leading zero, Remove hyphens
4-4-2 (xxxx-xxxx-xx)	0xxxxxxxxxx
5-3-2 (xxxxx-xxx-xx)	xxxxx0xxxxx
5-4-1 (xxxxx-xxxx-x)	xxxxxxxxx0x

### 13. Where do I enter NDC data on electronic claim (ANSI 5010 837P) transactions?

Here are general guidelines for including NDC data in an electronic claim:

Field Name	Field Description	Loop ID	Segment
Product ID Qualifier	Enter <b>N4</b> in this field	2410	LIN02
National Drug Code	Enter the 11-digit NDC billing format assigned to the drug administered	2410	LIN03
National Drug Unit Count	Enter the quantity (number of NDC units)	2410	CTP04
Unit or Basis for Measurement	Enter the NDC unit of measure for the prescription drug given ( <b>UN</b> , <b>ML</b> , <b>GR</b> , or <b>F2</b> )	2410	CTP05

Note: The total charge amount for each line of service also must be included for the Monetary Amount in Loop ID, Segment SV102.

### 14. Are there any special software requirements to consider when NDCs are included on electronic claims?

If you have converted to ANSI 5010, there should be no additional software requirements. Please verify with your software vendor to confirm that your Practice Management System accepts and transmits the NDC data fields appropriately. If you use a billing service or clearinghouse to submit electronic claims on your behalf, please check with them to ensure that NDC data is not manipulated or dropped inadvertently.

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## **15. Where do I enter NDC data on a paper claim (CMS-1500)?**

In the **shaded portion** of line-item field 24A-24G, enter NDC qualifier **N4** (left-justified), immediately followed by the NDC. Enter one space for separation. Next enter the appropriate qualifier for the correct dispensing NDC unit of measure (UN, ML, GR or F2). Following this, enter the quantity (number of NDC units).

24. A. DATE(S) OF SERVICE From MM DD YY To MM DD YY						B. PLACE OF SERVICE EMG	C. D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) MODIFIER	E. DIAGNOSIS POINTER	F. \$ CHARGES	G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL.	J. RENDERING PROVIDER ID. #
N400409476586 ML120						01 01 13	01 01 13	11	J0744	1	17.94	6	N	12345678901
01	01	13	01	01	13							N	NPI	123456789

## **16. Can you give some billing examples?**

### **Example #1**

HCPCS code J9400 provides a good billing example. The HCPCS code description for J9400 is "Injection, ziv-alfibercept, 1 MG." A patient receives Ziv-Alfibercept ZALTRAP 400 MG. Zaltrap is available as 200 MG per 8 ML (25 MG per ML) solution, single-use vial, NDC 00024-5841-01.

For this sample scenario:

- The NDC is 00024-5841-01 (the qualifier is N4)
- The unit of measure is ML
- The quantity (number of J-code units administered) is 400
- The quantity (number of NDC units administered) is 16

On the CMS-1500, the data would be entered as follows: **N400024584101 ML16**

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### **Example #2 (Billing with a single dose vial)**

The HCPCS code description for J0692 is "Injection, cefepime HCl, 500 MG." A patient receives Cefepime 500 MG. Cefepime is available as a 1 gram reconstitutable powder-filled single-use vial (i.e., sterile powder in a vial, not premixed). You can use NDC 60505-0834-04.

For this sample scenario:

- The NDC is 60505-0834-04 (the qualifier is N4)
- The unit of measure is UN
- The quantity (number of NDC units administered) is 1\*
- The quantity (number of J-code units administered) is 2\*

On the CMS-1500, the data would be entered as follows: **N460505083404 UN1**

\*Please note: You can bill for the entire vial size of the single-use vial, even though the actual dose administered is less than the entire package size. Multi-use vials are not subject to payment for drug waste.

## **17. How many decimal places are allowed in the NDC units field?**

BCBSMT allows **up to three decimals** in the NDC units (quantity or number of units) field. The more specific your claim is, the more accurate the reimbursement, if any, will be.

## **18. How do I determine if the NDC is valid for the date of service?**

When billing with NDCs on professional/ancillary electronic (837P) or paper (CMS-1500) claims, it is important to ensure that the NDC used is valid for the date of service. This is because NDCs can expire or change. An NDC's inactive status is determined based on a drug's market availability in nationally recognized drug information databases.

Additionally, an NDC is considered to be obsolete two years after its inactive date. It is a good idea to conduct a periodic check of records or automated systems where NDCs may be stored in your office for billing purposes. To help ensure that correct reimbursement is applied, the 11-digit NDC on your claim should correspond to the active NDC on the medication's outer packaging. Inactive products will continue to be reimbursed until they become obsolete.

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**19. What if I do not include the NDC and/or related data?**

Professional/ancillary claims for drugs, with dates of service on or after May 1, 2015, must include NDC data in order to be processed by BCBSMT. If the NDC data is not included, BCBSMT will deny any service line(s) associated with this missing information. A corrected claim will need to be submitted in order to avoid duplicate returns.

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## **Reimbursement Details**

### **20. How do I obtain NDC pricing information?**

The reimbursement schedule will be posted on the BCBSMT secure portal within seven days of the monthly effective date. You also may submit a BCBSMT NDC Reimbursement Schedule Request form, available in the Provider Forms section of our website at [bcbsmt.com/provider/education-and-reference/forms-and-documents](http://bcbsmt.com/provider/education-and-reference/forms-and-documents).

### **21. What if the reimbursement does not match the NDC allowable amount on the BCBSMT Reimbursement Schedule?**

First, review the NDC information you submitted. The NDC allowance on the NDC Reimbursement Schedule equals one NDC unit of measure. Reimbursement will be based on the actual ratio of HCPCS/CPT to NDC units of the product/service billed.

While some drugs may be administered as partial NDC units (i.e., 0.5 or 0.7), others may be 1 unit or multiple NDC units (i.e., 2 or 5). The correct NDC units billed (whether partial, single or multiple) should be used as the multiplier to determine the actual allowed amount.

If you have additional reimbursement questions, contact your Provider Network Representative for assistance.

### **22. How will I be reimbursed for discarded drugs?**

Reimbursement for discarded drugs applies only to single-use vials. Multi-use vials are not subject to payment for discarded amounts of the drug.

## **For More Information**

### **23. What if I have additional questions?**

We have a variety of resources to assist you.

- An NDC Billing tutorial is available to registered users on our BCBSMT secure portal. Once logged in, look for the NDC Billing Resources link in the left-hand navigation.
- For quick reference purposes, visit the Claims and Eligibility/Claim Submission section of our Provider website at [bcbsmt.com/provider/claims-and-eligibility/claim-submission](http://bcbsmt.com/provider/claims-and-eligibility/claim-submission), where you will find an NDC Billing Guidelines document.
- Watch the *Capsule News* newsletter and online *News and Updates* at [bcbsmt.com/provider/education-and-reference](http://bcbsmt.com/provider/education-and-reference) for additional BCBSMT information.
- As always, your Provider Network Representative is available to provide personalized assistance to you and your staff.

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