

WEST VIRGINIA MEDICAID
PRACTITIONER/OUTPATIENT FACILITY ADMINISTERED DRUGS
PROVIDER NOTICE
November 19, 2007

Overview

The Federal Deficit Reduction Act of 2005 mandates that all state Medicaid programs require the submission of National Drug Codes (NDCs) on claims submitted with certain procedure codes for physician (or other practitioner) administered drugs in an outpatient setting. This mandate affects all providers who submit claims for procedure coded drugs both electronically and on paper, except for FQHCs and RHCs which are excluded from this requirement. Because the states may pay Medicare coinsurance and deductibles for dual-eligible individuals, the NDC will also be required on Medicare primary claims for all applicable procedure codes.

Please contact your vendor to make the necessary software changes.

Claim Types

This requirement will apply to all professional and outpatient institutional claims, including the paper CMS 1500, electronic 837P, paper UB04, and electronic 837I, including Medicare primary claims, with dates of service on or after January 1, 2008. Warning messages appear on remittance advices for claims with dates of service on or after July 1, 2007 and through December 31, 2007.

Reimbursement Policy

The Bureau for Medical Services (BMS) is not changing reimbursement policy pertaining to procedure coded physician administered drugs at this time. Claims for such drugs will continue to be priced by using the submitted procedure code and procedure code units although the NDC number and the NDC units will be required.

Remittance Advice

The remittance advice (RA) will display the submitted NDC for claims processed on or after January 1, 2008. A comprehensive list of edits and remittance codes is listed on pages 5 and 6 of this notice. Providers may contact **Unisys Provider Services** toll-free at 1-888-483-0793 or access the Unisys website, www.wvmmis.com for more information.

Procedure Codes

The list of procedure codes requiring the submission of the product NDC and NDC quantity, along with the procedure code and procedure code billing units can be found on the Unisys website, www.wvmmis.com, and the BMS website, www.wvdhhr.org/bms.

This list will be reviewed and updated as needed. The list of procedure codes does not guarantee coverage of a particular procedure code or particular NDC. Please refer to www.wvdhhr.org/bms for current procedure code coverage policies.

Billing Instructions

About the NDC

Each medication listed under Section 510 of the U.S. Federal Food, Drug, and Cosmetic Act is assigned a unique 11-digit, three-segment number. This number, known as the National Drug Code (NDC), identifies the labeler or vendor, product, and package size. The first segment, known as the labeler code, is assigned by the Food and Drug Administration (FDA). A labeler is any firm that manufactures, repacks, or distributes a drug product. The second segment, known as the product code, identifies a specific drug, strength, and dosage form of that drug. The third segment, known as the package code, identifies the package size. Additional information regarding NDCs can be accessed at <http://www.fda.gov/cder/ndc/>.

For purposes of meeting the new billing requirement, NDCs must be configured in what is referred to as a '5-4-2' format; the first segment must include five digits, the second segment must include four digits, the third segment must include two digits. If an NDC segment is missing a number on the product label, the appropriate number of zeros must be added at the beginning of the segment. For example, 12345-1234-12 is a correctly configured NDC. Since a zero can be a valid digit in the NDC, this can lead to confusion when trying to reformat the NDC back to its FDA standard. Example: 12345-0678-09 (11 digits) could appear as 12345-678-09 or 12345-0678-9 on the label, depending on the labelers configuration. To ensure proper payment of claims, the NDC must be zero-padded as appropriate. Note: Claims should not be submitted with hyphens or spaces in the NDC.

The NDC can be found on the product as demonstrated below:

NDC Configuration

NDC From Label	Required Format
65293-001-01	65293-0001-01
0703-8771-03	00703-8771-03
00002-1420-1	00002-1420-01

Note: The NDC is not configured 5-4-2 on the label. In this case, the zero should be placed at the beginning of the second segment of the NDC. Therefore the correct configuration is 65293-0001-01



Only the NDC as specified on the label of the product that is administered to the member is to be billed to the program. It is considered a fraudulent billing practice to bill using an NDC other than the one administered. If an NDC requires configuration as explained in this notice, the properly configured NDC should be billed. It is not permissible to bill the program with any NDC other than as stated herein. For example, do not pre-program the billing system to automatically utilize a certain NDC for a procedure code that does not accurately reflect the product that was administered to the member.

About the NDC Quantity

The procedure code billing units and NDC quantity do not always have a one-to-one relationship. The procedure code quantity must be converted to the NDC quantity. Procedure codes must be billed in whole units. NDCs are to be billed in fractions of units rounding to three decimal points if applicable. The NDC units may be billed with or without a leading zero. (Example: ten units may be submitted as 010 or as 10)

Examples of Procedure Code Quantity to NDC Quantity

Procedure Code	Procedure Code Description	Procedure Code Strength or Amount	Procedure Code Quantity Billed	NDC Dose/Volume	NDC Quantity Billed	NDC Unit Qualifier
J9035	Injection, Bevacizumab, 10mg	10mg	1	100mg/4ml	0.4	ML
J2505	Injection, Pegfilgrastim, 6mg	6mg	1	6mg/0.6ml	0.6	ML
J9355	Trastuzumab, 10mg	10mg	1	440mg/vial	0.023	UN
J9265	Paclitaxel 30mg	30mg	1	100mg/16.7ml	5.01	ML
J7030	Infusion, Normal Saline Solution, 1000ml	1000ml	1	1000ml	1000	ML

CMS 1500 (08/05)

For complete billing instructions for the CMS 1500 form, please refer to the billing instructions found on the Unisys website, www.wvmmis.com. Click on "Manuals" on the left side of the screen. From the "Choose a Category" dropdown menu, select "Billing Instructions" and click on "Submit". Then you may choose the instructions you need. The billing instructions are also available at www.wvdhhr.org/bms. Click on "Manuals and Instructions" and then click on "Provider Manuals". Proceed to appendix H for new claim forms. Please note, the procedure code billing units, as well as the NDC quantity, are required. To report the NDC on the CMS 1500 claim form, enter the following information into the shaded portion of fields 24A and 24D.

1. Enter the NDC qualifier of N4
2. Enter the NDC 11-digit numeric code (no hyphens or spaces)
3. Enter the NDC Unit qualifier
 - F2 – International Unit
 - GR – Gram
 - ML – Milliliter
 - UN – Unit
4. Enter the NDC Quantity (Administered Amount) including decimals if appropriate. The maximum amount of characters allowed in this field is 999999.999.

24. A.	DATE(S) OF SERVICE						B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES	
	From			To					(Explain Unusual Circumstances)	
MM	DD	YY	MM	DD	YY			CPT/HCPCS	MODIFIER	
1	N412345678901								ML010	
2	07	01	07	07	01	07	11	J0123		

UB04

For complete billing instructions for the UB04 form, please refer to the billing instructions found on the Unisys website, www.wvmmis.com. Click on "Manuals" on the left side of the screen. From the "Choose a Category" dropdown menu, select "Billing Instructions" and click on "Submit". Then you may choose the instructions you need. The billing instructions are also available at www.wvdhhr.org/bms. Click on "Manuals and Instructions" and then click on "Provider Manuals". Proceed to Appendix H for new claim forms. Please note, the procedure code billing units, as well as the NDC quantity, are required. To report the NDC on the UB04 claim form, enter the following information into the form locator 43:

1. Enter the NDC qualifier of N4
2. Enter the NDC 11-digit numeric code (no hyphens or spaces)
3. Enter the NDC Unit qualifier
 5. F2 – International Unit
 6. GR – Gram
 7. ML – Milliliter
 8. UN – Unit
4. Enter the NDC Quantity (Administered Amount) including decimals if appropriate. The maximum amount of characters allowed in this field is 999999.999.

42 REV. CD	43 DESCRIPTION	44 HCPCS / RATE / HPPS CODE	45 SERV. DATE	46 SERV. UNITS
1				
2				
3	.250 N412345678901 ML10	J0123	070107	1
4				

837P and I

Electronic transaction formats have designated fields for the procedure code, procedure code units, NDC, NDC quantity, and units of measure. Please refer to the Companion Guide for additional information found on the Unisys website, www.wvmmis.com under Documents.

Compounds

When billing compounds, only one NDC can be used per procedure code. For this situation, providers must use the procedure code and procedure code units and corresponding NDC and NDC units of each

ingredient within the compound. Each line submitted for the compound is subject to the claims processing edits.

Multiple NDCs

At times it may be necessary for providers to report multiple NDCs for a single procedure code. For codes that involve multiple NDCs (other than compounds, see above), providers must bill the procedure code with KP modifier and the corresponding procedure code units, NDC qualifier, NDC, NDC unit qualifier and NDC units. The claim line must be billed with the charge for the amount of the drug dispensed for the NDC identified on the line. The second line item with the same procedure code must be billed utilizing KQ modifier, the procedure code units, the charge and NDC information for this portion of the drug.

Examples of Multiple NDCs for a single procedure code

Procedure Code	Modifier	Procedure Code Quantity	NDC	NDC Quantity Billed
90378	KP	2	60574-4113-01	1
90378	KQ	1	60574-4114-01	0.5

Editing and Auditing the NDC

CLAIMS ERROR	DESCRIPTION	CLAIMS ACTION	RESUBMISSION ADVICE
NDC is invalid	An NDC number has eleven numeric characters	A claim billed with an invalid NDC will reject	Correct the NDC number and resubmit the claim. (Do not add hyphens or spaces in the NDC number).
NDC is missing	A claim line without a required NDC will deny.	A claim line without a required NDC will deny. The remittance advice codes are 16 (Claim/service lacks information which is needed for adjudication) and M119 (Missing/incomplete/invalid/deactivated/withdrawn National Drug Code (NDC))	Resubmit the claim with the NDC.

CLAIMS ERROR	DESCRIPTION	CLAIMS ACTION	RESUBMISSION ADVICE
Quantity dispensed or quantity billed is missing	When submitting the NDC, the quantity dispensed must be included in the claims submission.	Claims will deny and the remittance advice codes are 125 (Payment adjusted due to a submission/billing error(s).) and M53 (Missing/incomplete/invalid days or units of service.).	Add the NDC quantity dispensed and resubmit the claim.
Less than effective drugs are not covered under the West Virginia Medicaid Program	These drugs are sometimes referred to as "DESI" drugs and are not eligible for Federal matching funds.	Claims will deny and the remittance advice code will be 204 (This service/equipment/drug is not covered under the patient's current benefit plan.)	These drugs will not be covered by WV Medicaid.
Non-Covered NDC due to CMS Termination	Claims with an NDC that has been terminated by CMS, are not reimbursable.	Claims must be billed with NDC numbers that are valid on the date of service otherwise they will reject.	Locate correct/valid NDC and resubmit the claim if appropriate.
Invalid NDC to procedure code combination	The NDC submitted does not match the CPT/HCPCS code submitted.	Claims with NDCs that do not match the corresponding procedure code billed will deny and the remittance advice codes are 16 (Claim/service lacks information which is needed for adjudication) and M119 (Missing/incomplete/invalid/d eactivated/withdrawn National Drug Code (NDC)).	Resubmit the claim with the appropriate CPT/HCPCS code and the NDC number of the drug.
NDC Unit Qualifier (unit of measure is missing)	NDC Unit Qualifiers include F2 – International Unit; GR – Gram; ML – Milliliter; UN – Unit	Claims will deny and the remittance advice codes are 125 (Payment adjusted due to a submission/billing error (s).) and M53 (Missing/incomplete/invalid days or units of service.).	Check HCPCS code and NDC to determine the error. Resubmit with the appropriate NDC unit of measurement.
Non-Participating Manufacturer	Drugs from a manufacturer that does not participate in the Federal Rebate Program are not covered.	Claims with an NDC from a non-rebating manufacturer will deny and are not reimbursable. The remittance advice code is 211 (National Drug Codes (NDC) not eligible for rebate, are not covered.) *.	These NDCs are not reimbursed by WV Medicaid.

*Note: CMS maintains a list of rebating labelers that can be found by visiting: http://www.cms.hhs.gov/MedicaidDrugRebateProgram/10_DrugComContactInfo.asp. Providers can also

contact their wholesaler or drug supplier to determine if products supplied are from CMS rebating labelers.

Contact Information

Please direct your questions about this notice to Unisys Provider Services toll free at 1-888-483-0793. You may also find more information and updates on the Unisys website, www.wvmmis.com and the BMS website, www.wvdhhr.org/bms.