

April 10, 2008

Montana Healthcare Programs Update

THE FOLLOWING INFORMATION UPDATES AND REPLACES THE PROVIDER NOTICE DATED MARCH 10, 2008. NEW OR REVISED INFORMATION IS MARKED WITH A CHANGE BAR IN THE LEFT MARGIN.

Podiatry, Physician, Mid-Level Practitioner, IDTF, Laboratory and X-Ray, Public Health Clinic, Psychiatry, ASC, and Pharmacy

Billing Procedures Regarding National Drug Code (NDC) for Providers Using the CMS-1500 and 837P

Background Information

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-administered drugs. This mandate affects all providers who submit claims for procedure-coded drugs both electronically and manually.

Effective April 1, 2008, Montana Medicaid will require all claims submitted for physician-administered drugs to include the NDC(s), the corresponding CPT/HCPCS code, and the units administered for each procedure code and NDC. Montana Medicaid will reimburse only on drugs manufactured by companies that have a signed rebate agreement with CMS.

Remittance Advice

Remittance advices (RAs) will not display the NDC submitted on the claim. Providers are encouraged to contact Electronic Data Interchange (EDI) toll-free at 800-987-6719, or on the web at MTEDIHelpdesk@ACS-inc.com to obtain additional information about denied claims.

NDC Requirements

General

Effective April 1, 2008, Montana Medicaid will require all claims submitted for physician-administered drugs to include the NDC(s), the corresponding CPT/HCPCS code, and the units administered for each procedure code and NDC.

CPT/HCPCS codes that may require an NDC may be located within the following:

Axxxx Cxxxx Jxxxx Qxxxx Pxxxx Sxxxx

This potential list is not all inclusive and will change frequently. Providers are encouraged to consult a crosswalk for the corresponding NDC information and CPT/HCPCS code. The following web addresses may be helpful:

<http://www.palmettogba.com/palmetto/other.nsf/d760cae65baad70485257149007b604f/85256d430058d01d85257424006308b5?OpenDocument>

<http://www.fda.gov/cder/ndc/database/>

Formatting

The NDC is an 11-digit number the manufacturer or labeler assigns to a pharmaceutical product and attaches to the product container at the time of packaging. This 11-digit code is composed of a 5-4-2 grouping. The first grouping of five digits is the labeler code as assigned to the manufacturer by the Federal Drug Administration. The second grouping of four digits is assigned by the manufacturer and describes the ingredients, form of the dosage, and strength of the dosage. The last grouping of two digits describes the packaging size.

1 2 3 4 5	6 7 8 9	10 11
Labeler Code	Manufacturer's Code	Packaging Size

The NDC **must** be recorded (no spaces, no punctuation) as an 11-digit series of numbers in order to be valid. **Claims will be denied for drugs billed without a valid 11-digit NDC.**

It is possible that the labeler may have omitted any leading zeros in the NDC for a particular pharmaceutical which would result in an invalid NDC containing less than 11 digits. To ensure proper payment of the claim, the provider must add the appropriate number of leading zeros to the beginning of the affected segments. By doing so, the NDC will be reported as a valid 11-digit code following the 5-4-2 format.

Use the following methodology to convert 10-digit NDCs to 11-digit NDCs:

NDC Conversion: 10-Digit to 11-Digit		
If 10-digit NDC format is:	Then add a zero (0) in:	Report NDC as:
4-4-2 9999-9999-99	1st position 09999-9999-99	09999999999
5-3-2 99999-999-99	6th position 99999-0999-99	99999099999
5-4-1 99999-9999-9	10th position 99999-9999-09	99999999909

NDC Quantity

The procedure code units and NDC quantity may not always be the same amounts. The NDC quantity is based upon the strength of the drug administered per unit and the designated strength of the procedure code.

The provider is to report the full amount being billed under the CPT/HCPCS code. For example, if the NDC quantity is 50mg in a single dose vial (SDV), but the CPT/HCPCS code billing unit is 1mg and the provider gave 152mg, they would report the NDC quantity as 200mg (152mg + 48mg of waste).

When reporting multiple dose vials (MDV), bill the actual amount administered. For example, if the CPT/HCPCS code billing unit is 1mg and the provider gave 152mg, they would report the NDC quantity as 152mg.

The NDC quantity may be reported with up to three decimal places.

Calculating the Dosage

The following examples show conversion from CPT/HCPCS quantities to NDC quantities:

HCPCS	NDC	Convert Quantity
Jyyyy	9999999999	HCPCS code is per 10mg
		Product is packaged as dry powder injection 500mg
		NDC units are "each vial"
		Dose is 100mg
		HCPCS quantity = 10
		NDC quantity = $100/500 = 0.2$
		On the CMS-1500, enter N4999999999 UN0.2
Jxxxx	9999999999	HCPCS code is for 10mcg
		Product is packaged as 250mcg/ml
		NDC unit of measure is ml
		Dose is 750mcg
		HCPCS quantity = 75
		NDC quantity = 3
		On the CMS-1500, enter N4999999999 ML3
Jzzzz	9999999999	HCPCS code is for 10mg
		Product packaged as dry powder injection 100mg
		NDC units are "each vial"
		Dose is 200 mg
		HCPCS quantity = $20 (20 \times 10\text{mg}) = 200\text{mg}$
		NDC quantity is 2
		On the CMS-1500, enter N4999999999 UN2

Additional information about quantity conversions may be obtained from the following web address:

<http://www.palmettogba.com/palmetto/other.nsf/d760cae65baad70485257149007b604f/85256d430058d01d85257424006308b5?OpenDocument>

Reporting NDC on the Electronic 837P

Filing claims electronically is the preferred method of claim filing as it allows for the fewest amount of errors and expedites claim processing and payment. To file electronically, providers must be enrolled as a Montana Medicaid Provider and must also enroll with ACS EDI Gateway.

Providers may create electronic claims using the 837 format and send these claims directly to ACS EDI Gateway Inc. at no charge to the provider. The software to facilitate electronic filing and to report NDC information must be the most recent version (WINSAP 2003, version 5.13), which is also provided at no charge.

Electronically, the NDC is reported in Loop 2410, Segment LIN, Data Element 03 of the 837. You may report up to 25 NDCs for each CPT/HCPCS line code.

The following information is required when filing claims using the 837P:

- National Drug Code – Enter the valid 11-digit code following the 5-4-2 format (the N4 qualifier is not applicable for electronic filing).
- Unit of Measurement – Enter the unit of measurement.
 - F2 – International Unit
 - GR – Gram (includes mg, mcg)
 - ML – Milliliter
 - UN – Units

Examples of how unit of measure qualifiers relate to NDC dose/volume:

NDC Dose/Volume	Unit Qualifier
1,000ml	ML
50,000IU	F2
1unit	UN
50mg	GR
100mg/4ml	ML

- NDC Quantity – Enter the NDC quantity, the administered amount, with up to three decimal places. For single dose vials (SDV), enter the amount administered plus waste. For multi-dose vials (MDV), enter the actual amount administered.

The drug unit price and prescription number are not required fields.

The NDC, unit of measure, and NDC quantity are entered without hyphens, commas, or spaces.

Reporting NDC on the Paper CMS-1500

On the paper CMS-1500 form, under Form Locator 24, enter the following for each CPT/HCPCS code (do not enter the name of the drug):

- NDC Qualifier – Enter the NDC qualifier of “N4” in the first two positions of the NDC.

NOTE: The N4 qualifier is not applicable for electronic filing.

- National Drug Code – Enter the valid 11-digit code using the 5-4-2 format without hyphens.

NOTE: Enter a space between the 11-digit NDC code and the Unit of Measurement. This only applies to the paper CMS-1500.

- Unit of Measurement – Enter the unit of measurement:

- F2 – International Unit
- GR – Gram (includes mg, mcg)
- ML – Milliliter
- UN – Units

Examples of how unit of measure qualifiers relate to NDC dose/volume:

NDC Dose/Volume	Unit Qualifier
1,000ml	ML
50,000IU	F2
1unit	UN
50mg	GR
100mg/4ml	ML

- NDC Quantity – Enter the NDC quantity, the administered amount, with up the three decimal places. For single dose vials (SDV), enter the amount administered plus waste. For multi-dose vials (MDV), enter the actual amount administered.

The drug unit price and prescription number are not required fields.

When using the paper CMS-1500, insert a space between the 11-digit NDC and the unit of measure. With the exception of this one space, enter the NDC qualifier, NDC code, unit of measurement, and NDC quantity without hyphens, commas, or spaces.

DO NOT include the name of the physician-administered drug when reporting the NDC.

Billing Requirements for Paper Claims Using an Attachment and a Modifier

The paper CMS-1500 will accept one NDC for each of its six lines of coding. Claims will be denied without a valid 11-digit NDC that follows the 5-4-2 format.

If the line has more than one NDC associated with it and the provider is billing on paper, the NDC that lists the **greatest** number of units should be listed on the claim form. The modifier KP (first drug of multi drug) will indicate that there is an attachment with additional NDC information. The CPT/HCPCS code must have the KP modifier attached to it as well.

The attachment must include the following information:

Patient's name	Patient's I.D. number
Rendering NPI and taxonomy	
Date of service	CPT/HCPCS code
N4 qualifier	11-digit NDC
Unit of measure	NDC quantity

When reporting the NDC using the attachment, please remember to enter a space between the 11-digit NDC code and the unit of measure. Other than this one exception, enter the NDC information without hyphens, commas, or spaces.

Use one line per NDC when filling out the attachment.

A copy of the attachment is enclosed with this update (Attachment 1).

DO NOT list the actual name of the physician-administered drug when recording the NDC on either the attachment or the paper CMS-1500.

Compound Drugs

Professional providers that bill compound drugs using the CMS-1500 must bill them using CPT/HCPCS code J3490 to include the KP modifier on paper claim forms and must attach the supplier's invoice. The invoice must contain an NDC for each component of the compound. Invoices that do not include NDCs will be denied. Payment will be made from the NDCs listed on the invoices that qualify for rebates.

Crossover Claims

Dual-eligible claims billed to Medicare with an NDC will cross to Medicaid with the NDC. Any claim with a physician-administered drug crossing to Medicaid from Medicare without an NDC will be denied. Claims denied for this reason may be re-billed with the proper NDC within one year of the date of service.

Reimbursement Policy

At this time, there will be no change in the reimbursement methodology.

Clearinghouse Advisement

Providers that utilize a clearinghouse are advised to consult with their clearinghouse in regard to specific requirements when billing physician-administered drugs.

Vaccines

All vaccines are exempt from the NDC requirements mentioned in this update.

Contact Information

Should providers have questions about the information included in this bulletin, please feel free to contact the following resources:

Provider Relations toll-free in- and out-of-state: 1-800-624-3958

Helena: (406) 442-1837

Fax: (406) 442-4402

Written inquiries addressed to:

Provider Relations

Box 4936

Helena, MT 59604

EDI Technical Help Desk toll-free in- and out-of-state: 1-800-987-6719

Helena: (406) 442-1837

Fax: (406) 442-4402

Written inquiries addressed to:

ACS

Attn: MT EDI

Box 4936

Helena, MT 59604

Additional Information

- Deficit Reduction Act of 2005
frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_bills&docid=f.s1932enr.txt.pdf
- CMS Final Rule-42 CFR Part 447
www.cms.hhs.gov/quarterlyproviderupdates/downloads/cms2238fc.pdf
- Drug Manufacturers Enrolled in the Drug Rebate Program
cms.hhs.gov/MedicaidDrugRebateProgram/10_DrugComContactinfo.asp

NDC ATTACHMENT INSTRUCTIONS

NAME: _____ Patient ID _____

Rendering Provider NPI: _____ Rendering Provider Taxonomy: _____

Claim type Line #	Date of Service	CPT / HCPCS	Qualifier NDC units of measure quantity (without hyphens, commas or spaces)
1500 Line 2	01/01/08	Jyyyy	N410987654332 ML2
			N410987654333 ML3
			N410987654334 ML1
1500 Line 3	01/01/08	Jzzzz	N412345678999 UN1
			N412345678998 UN1

1500 Form

	24. A. DATE(S) OF SERVICE						B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES		E. DIAGNOSIS POINTER	F. \$ CHARGES	G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL.	J. RENDERING PROVIDER ID. #
	From	To	(Explain Unusual Circumstances)		MODIFIER											
	MM	DD	YY	MM	DD	YY										
1	N400026064871	GR150					11	0	Jxxxx			250.00	1		ZZ 0123456	
	01	01	08	01	01	08								NPI	123456789	
2	N410487654321	ML20					11	0	Jyyyy	KP		50.00	1		ZZ 0123456	
	01	01	08	01	01	08								NPI	123456789	
3	N412345678910	UN2					11	0	Jzzzz	KP		300.00	1		ZZ 0123456	
	01	01	08	01	01	08								NPI	123456789	
4														NPI		
5														NPI		
6														NPI		

PHYSICIAN OR SUPPLIER INFORMATION

Line 1 is a single NDC.
 Line 2 is three additional NDCs.
 Line 3 is two additional NDCs.