

March 21, 2016

# Montana Healthcare Programs Notice

Hospital Outpatient, Emergency Room, Birthing Center, and  
Dialysis Clinic

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## National Drug Codes (NDC) Required for Physician-Administered Drugs: Billing Instructions for Montana Medicaid Crossover Claims

### Background

The Federal Deficit Reduction Act of 2005 mandates that all State Medicaid Programs require the submission of National Drug Codes (NDCs) on all claims submitted with physician-administered drugs. This mandate affects all providers who submit claims for drugs both electronically and on paper.

### Billing Instructions

The Department offers the following guidance to aid providers in claim submission and resolution when a claim crosses over to Medicaid from Medicare and denies in the Medicaid system as:

*Reason Code 211 – National Drug Codes (NDC) not eligible for rebate, are not covered and*

*Remark Code M199 – Missing/incomplete/invalid/deactivated/withdrawn National Drug Code (NDC).*

Crossover claims deny at the header level making it difficult identifying what drugs caused the denial. To assist in identifying the claim lines that caused the denial, here are key points to remember:

- **The NDC on the claim must be the NDC that was dispensed to the member.**
- **The Department will only reimburse drugs purchased from rebateable manufacturers.**
- **Crossover claims submitted with non-rebateable drugs will deny.**
- **The first 5 digits of the National Drug Code (NDC) identify the drug manufacturer.**

If your claim has denied:

1. Compare the 5-digit drug manufacturer code of the exact NDC of the drug dispensed to the [Eligible Drug Manufacturers](#) list. The list can be found on the Montana Medicaid provider information website under Drug and Pharmacy News at: <http://medicaidprovider.mt.gov/>
2. If the 5-digit drug manufacturer code is not found on the list the NDC is non-rebateable or terminated:
  - Remove the line(s)
    - If Medicare **paid** with a coinsurance and/or deductible
      - a. Submit the claim electronically with the non-rebateable line(s) removed from the claim and the Medicare payment/coinsurance/deductible of the line(s) subtracted from the total Medicare paid/coinsurance/deductible amount:
    - If Medicare **did not** pay or leave a coinsurance and/or deductible
      - a. Submit the claim electronically with the non-rebateable line(s) removed from the claim and the total Medicare payment /coinsurance/deductible shown on the EOB.
3. Occasionally a packaged drug will have two NDCs. An outer (package) NDC on the box or container, and an inner package (drug) NDC on the bottle or vial. Use the inner package NDC found on the bottle or vial.

## Contact Information

If you have any questions, please contact:

- **Erica Lewis** - Prospective Payment System (PPS) Hospital Program Officer 406-444-7018 or [elewis@mt.gov](mailto:elewis@mt.gov)
- **Valerie StClair** - Critical Access Hospitals (CAH), Federally Qualified Health Centers (FQHC), and Rural Health Clinics (RHC) Program Officer 406- 444-4834 or [vstclair@mt.gov](mailto:vstclair@mt.gov)

For claims questions or additional information, contact Provider Relations at 1-800-624-3958 (toll-free, in/out of state) or 406-442-1837 (Helena) or via e-mail at [MTPRHelpdesk@xerox.com](mailto:MTPRHelpdesk@xerox.com).

Visit the Montana Healthcare Programs Provider Information website at <http://medicaidprovider.mt.gov/>.