

June 8, 2015

Montana Healthcare Programs Notice

**Outpatient Hospital, Emergency Room, Podiatrist, Physician,
Mid-Level Practitioner, Independent Diagnostic Testing Facility
(IDTF), Birthing Center, Laboratory and X-Ray, Pharmacy, Public
Health Clinic, Psychiatrist, and Ambulatory Surgery Center**

Effective Immediately

National Drug Code (NDC) Billing

NDC Requirements

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.

Montana Medicaid requires all claims submitted for physician administered drugs to include the NDCs, the corresponding CPT/HCPCS codes, and the units administered for each code. Montana Medicaid reimburses only in the case where a drug is manufactured by companies that have a signed rebate agreement with the Centers for Medicare and Medicaid Services (CMS).

A list of drug manufacturers who have a rebate agreement is on the Provider Information website at <http://medicaidprovider.mt.gov/Portals/68/docs/current/labelersrebatecurrent.pdf>.

When a procedure code requires an NDC, Montana Medicaid covers only those NDCs that are rebateable. **An NDC is considered rebateable only if all of the following conditions are met:**

- The drug is a Montana Medicaid covered drug.
- The dispensed NDC is valid.
- The drug dispensed is **not** terminated.
- The drug is a product of an eligible manufacturer.
- The DESI indicator is **not** 5 or 6.

The NDC on the claim must be the NDC that was dispensed to the member.

NDC Formatting

When billing Medicaid, the required NDC is 11 digits. The NDC should be structured in the 5-4-2 format. Some manufacturers omit leading zeros in one of the three positions. This results in a 10 digit number, which is invalid. To ensure proper payment, the provider must add the appropriate leading zero to the affected segment of the format.

The table below indicates where the leading zero should be placed in three separate examples.

NDC Example Conversion: 10-Digit to 11-Digit Format		
Leading Zero Location	10-Digit Examples	Add Zero
5-digit segment	XXXX-XXXX-XX	0 XXXX-XXXX-XX
4-digit segment	XXXXX-XXX-XX	XXXXX- 0 XXX-XX
2-digit segment	XXXXX-XXXX-X	XXXXX-XXXX- 0 X

Contact Information

If you have any questions regarding the Physician-Administered Drug Rebate Program, please contact Dani Green at 406-444-3457 or dgreen3@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.

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