TEXAS Health and Human Services

Clinician-Administered Drugs

Frequently Asked Questions

Updated: Nov. 1, 2020

General

1. **Why do I have to bill with National Drug Codes in addition to Healthcare Common Procedure Coding System codes?**

   The Deficit Reduction Act of 2005 (DRA) includes provisions regarding State collection of data to collect Medicaid drug rebates from drug manufacturers for clinician-administered drugs. Also, section 1927(a)(7) of the Social Security Act requires States to collect rebates on clinician-administered drugs. For Federal Financial Participation (FFP) to be available for payment of these drugs, the State must collect and submit utilization data to secure rebates.

   There are often several National Drug Codes (NDC) linked to a single Healthcare Common Procedure Coding System (HCPCS) code. The Centers for Medicare and Medicaid Services (CMS) Stress using NDC numbers is critical to correctly identify the drug and manufacturer to invoice and collect the rebates.

2. **Is this requirement for outpatient claims only?**

   Yes, this requirement applies to all drug products administered by a clinician in an outpatient setting, including physicians' offices, clinics, or hospitals. The only exceptions to the NDC requirement are institutional inpatient claims.

3. **Do radiopharmaceuticals or contrast media require an NDC?**
   No. Texas Medicaid does not consider diagnostic products such as vaccines, devices, and radiopharmaceuticals "covered outpatient drugs" because the CMS drug database does not include them.

National Drug Code

4. **What is the National Drug Code?**

   The National Drug Code (NDC) is the number uniquely identifying each drug. The NDC number consists of 11 digits in a 5-4-2 format:

   - The first five digits identify the labeler code and represent the drug manufacturer, as assigned by the Food and Drug Administration (FDA)

- The next four digits identify the specific drug product, as assigned by the manufacturer
- The last two digits define the product package size, as assigned by the manufacturer

Some packages may display less than 11 digits. In those cases leading zeroes can be assumed and are required for billing. For example:

Table 1: NDC Configuration Table

NDC on Label	Format Configuration on Label	NDC Converted to 5-4-2 Format
05678-123-01	5-3-2	05678-**0**123-01
5678-0123-01	4-4-2	**0**5678-0123-01
05678-0123-1	5-4-1	05678-0123-**0**1

Note: the NDCs listed in Table 1 show hyphens between the segments for easier visualization. NDCs submitted on claims should not include hyphens or spaces between the segments.

5. **Which NDC do we use, the one from the package or the vial?**

Providers must submit the NDC listed on the vial of the product dispensed. Manufacturers print the NDC on the drug container (i.e., vial, bottle, or tube). The NDC submitted to Medicaid must be the actual NDC number on the package or vial from the drug administered. If you remove the vial from a carton of similar vials, use the NDC on the individual bottle (inner package NDC) and not the NDC from the carton (outer package NDC). The only exception to this is if the vial is part of a kit containing multiple products. In those situations, you should use the NDC on the kit.

Do not bill for one manufacturer's product and dispense another. The benefits of accurate billing include reduced audits, telephone calls, and manufacturers' disputes of their rebate invoices. It is considered a fraudulent billing practice to bill using an NDC other than the one administered.

6. **Do all J-code claims (or other drug codes) require an NDC, NDC Quantity, and NDC Unit of Measure?**

No, not all J-code claims require submitting an NDC, NDC Quantity, and NDC Unit of Measure. All procedure codes listed on the Texas NDC-to-HCPCS Crosswalk require an NDC. Texas Medicaid has required the NDC Quantity and NDC Unit of Measure fields since June 1, 2015.

Units of Measure

7. **What are the differences between the HCPCS Unit of Measure to the NDC Unit of Measure?**

HCPCS units are billed by the number of units actually administered. The HCPCS procedure code description identifies the unit amount to calculate the number of billable units.

NDC units are based on the volume of the quantity administered to the patient and the unit of measurement. Texas Medicaid requires the actual metric decimal quantity and the NDC Unit of Measurement for billing the NDC units. Providers should use a decimal point when reporting a fraction. The allowable NDC Unit of Measurement values are:

- UN – Unit
- ML – Milliliter
- GR – Gram
- F2 – International unit
- ME – Milligram (do not use "MG" for a milligram unit of measure).

8. How do I convert the HCPCS Unit of Measure to the NDC Unit of Measure?

Generally, the NDC unit of measure follow the examples below:

- If the drug is in powder form and the provider reconstitutes before administration, then the submitted quantity is the "UN" designation for each vial (unit/each) used.
- If the drug is in a kit, then the submitted quantity is the "UN" designation.
- If the drug is in a liquid dosage form, then the quantity should be submitted on the claim using the "ML" designation for milliliters.
- If the drug is in the dosage form of an ointment, cream, inhaler, or a bulk powder in a jar, the unit of measure primarily used is Gram (GR).
- If the drug dosage form is in International Units, then the quantity should be submitted on the claim using the "F2" designation. Blood factor products use the International Unit to delineate the dosage of the product.

Examples:

a. A patient receives 4 mg Zofran IV in the physician's office. The NDC of the product used was 00173-0442-02 (Zofran 2 mg/ml in solution form). There are 2 milliliters per vial. The provider should bill J-2405 (ondansetron hydrochloride, per 1 mg) with 4 HCPCS units and NDC units as 2 ML because this drug comes in liquid form.
b. A patient receives 1 gm Rocephin IM in the physician's office. The NDC of the product is 00004-1963-02 (Rocephin 500 mg vial in a powder form reconstituted before injection). The provider should bill J-0696 (ceftriaxone sodium, per 250 mg) with 4 HCPCS units and NDC units as 2 UN because this drug comes in powder form.

The conversion chart may help providers determine which NDC unit of measurement code is applicable for a given claim.

NDC UNIT OF MEASURE DESCRIPTION	DOSAGE ADMINISTERED TO PATIENT	NDC INFORMATION ON VIAL/BOX	NDC BILLING UNIT	HCPCS CODE DESCRIPTION	HCPCS CODE BILLING UNIT
ML= Milliliters Any liquid form of anything (syrups, IV solutions, injectable in liquid form, etc.)	4 mg	2 mg/ml	2 ml	1 mg	4

NDC UNIT OF MEASURE DESCRIPTION	DOSAGE ADMINISTERED TO PATIENT	NDC INFORMATION ON VIAL/BOX	NDC BILLING UNIT	HCPCS CODE DESCRIPTION	HCPCS CODE BILLING UNIT
EA = Each Any single unit (for single dosage units like capsules, tablets, kits, vials with powder for reconstitution, etc.).	5 gm	500 mg	10 un	250 mg	20
GR= Grams Powders, ointments, creams, etc.	3 gm	1 gm	3 gm	500 mg	6
F2= (International Units) International units pertain to a product's strength and not volume	6192 IU	516 U/VL	12 IU	Per IU	6192

9. Are the corresponding unique quantity and units of measure required along with the NDC?

Yes, Medicaid claims without the proper NDC quantity and units of measurement associated with the NDC will deny, for both managed care and fee-for-service Medicaid claims. Claims will edit for the value submitted in the NDC Unit Quantity field. To convert the HCPCS units to the NDC Unit Quantity, use the Texas NDC-to-HCPCS Crosswalk to review the "HCPCS Description", the "NDC Label" description, and the "NDC Package Measure" columns to calculate the NDC Unit Quantity. The submitted Unit of Measurement should reflect the volume measurement administered in the NCPDP (pharmacy) unit of measure. Refer to the "NDC Package Measure" column on the Texas NDC-to-HCPCS Crosswalk.

Both the CMS 1500 and the UB04 CMS 1450 claim forms allow the inclusion of these fields.

Claim Processing

10. Do I bill the HCPCS code and NDC if I just administer the drug?

No. If the patient has a prescription filled and brings the drug into the facility to have the physician administer it, the physician may not bill it. The physician should only bill for the administration of the drug. The retail pharmacy would have already billed for the drug.

11. Is the NDC required for services billed to the Medicaid MCO for assigned members?

Yes, Medicaid includes managed care claims in the CMS requirement. Under section 2501(c) of the Patient Protection and Affordable Care Act (PPACA), States must collect manufacturers' rebates for drugs dispensed to individuals (including clinician-administered drugs) enrolled with a Medicaid MCO. To facilitate rebate collection states must include utilization data, which consists of the NDC, NDC Quantity, and NDC Unit of Measure reported by each MCO.

12. Should the entire claim reject when a single line item is missing the NDC?

The requirement for inclusion of rebate eligible NDCs apply to both fee-for-service and Medicaid managed care. Some managed care health plans may only reject the line item, while others may reject the entire claim. Plans may include this as a clean claim element, as allowed by the Texas Department of Insurance, under their clean claim rules.

Only the line item will reject for Medicaid fee-for-service claims.

Medicaid MCOs will use the same list of procedure codes as TMHP when processing claims for clinician-administered drugs. Providers must refer to the individual MCO for specific questions or details regarding the enforcement of this requirement in managed care.

13. Some MCO reject claims for vaccines when they are submitted without NDC. Can you instruct them not to reject vaccines without NDC's?

HHSC clarified vaccines are exempt from this requirement to the MCOs. Contact the MCO directly for further issues. If you are unable to resolve, you may submit an official complaint to hpm_complaints@hhsc.state.tx.us.

14. What do I do when receiving a denial for an invalid NDC/HCPCS combination but believe the NDC should be included on the Texas Crosswalk?

Providers believing NDCs are missing for a specific HCPCS procedure code may send an email to **vdp-cad@hhsc.state.tx.us** to request research. Providers should include the procedure code in question and the corresponding NDCs they believe are missing from the Texas NDC-to-HCPCS Crosswalk.

15. Is NDC reporting required for outpatient Ambulatory Surgical Centers (ASC) billing on the UB04, which is one-line claim reporting?

At this time, ASC surgical billing claims are not required to submit informational details regarding the services bundled into the group rate. This requirement does not apply to ASC surgical claims. However, the NDC requirement does apply to outpatient facility claims submitted on the UB-04 inpatient claim form.

16. Itemization can cause a claim to contain more than 28 charge lines. How do we bill more charge lines to include all NDCs?

If claim details exceed 28 charge lines, the provider submits multiple claims with the wording "Continued" at the bottom of the claim form. Please refer to the Texas Medicaid Provider Procedures Manual for appropriate billing instructions. This existing rule did not change with the implementation of NDC requirements.

17. Does the TMHP Portal accept NDCs?

The TMHP claims portal uses the ANSI standard X12 5010 format, which accommodates 11-digit NDC submissions. If the provider cannot enter the NDC for a clinician-administered drug through the portal, then the provider should contact the software provider interfacing with the portal.

18. Are Medicare primary claims excluded from the NDC requirement?

No, Medicare primary claims require NDCs with the HCPCS codes.

19. Do I bill the HCPCS code and NDC of a drug if I just administer the drug?

No. If the patient has a prescription filled and brings the drug into the facility to have the physician administer it, then the drug may not be billed by the physician. The physician should only bill for the administration of the drug. The retail pharmacy would have already billed for the drug.

20. How do I bill for a drug when only a partial vial was administered?

Providers may bill and receive reimbursement for the unused portion of weight-based or variable dosing CADs manufactured only in single-dose vials. Medicaid does not reimburse for drug discard portion from multi-dose or multi-use vials. Providers must use the modifier JW to identify the discarded amount of drug or biological. The provider must bill the discarded amount with the JW modifier on a separate claim line.

21. I am a 340B participating hospital. Do I need to submit NDC codes for drug claims?

Yes. While 340B purchased claims are not eligible for drug rebates, NDCs are required to receive federal funding to pay the claim.

22. Is the NDC required for services billed to the Medicaid managed care health plans?

Yes, CMS requirements include Medicaid MCOs. Under section 2501(c) of the Patient Protection and Affordable Care Act (PPACA), states must collect manufacturers' rebates for drugs dispensed to individuals (including clinician-administered drugs) enrolled in Medicaid managed care. To facilitate the collection of these rebates, states must include utilization data, which includes the NDC, reported by each health plan.

23. How do I bill for compounded prescriptions?

When billing for a HCPCS code where the administered drug is compounded using multiple NDCs, report the procedure code once along with the primary rebate eligible NDC code. Providers must document all ingredients used for compounds in corresponding medical records.

When reporting compound drugs with more than one corresponding procedure code, report each procedure code, corresponding rebate eligible NDCs, and quantity administered on separate lines.

24. How come my crossover claim is rejecting for an invalid unit of measure? I used the one on the Medicare Part B crosswalk.

The Medicare crosswalk and the Texas Medicaid NDC-to-HCPCS crosswalk have different purposes and measurements. Federal law requires HHSC capture information related to the NDC as well as the HCPCS code. The Medicare crosswalk has the column header 'HCPCS Dosage' and is used to determine the appropriate number of HCPCS billable units. The additional fields needed for Medicaid are related to the NDC. Medicaid requires

the NDC, the NDC unit of measure (usually a volume measurement), and the NDC quantity.

Providers should refer to both the *Medicare* crosswalk and the Texas *Medicaid* NDC-to-HCPCS crosswalk available on http://www.txvendordrug.com/formulary/clinician-administered-drugs.shtml to complete their claim forms properly. The NDC-to-HCPCS crosswalk uses the NCPDP standard unit of measure for drugs because it is tied to the outpatient drug rebate program. Providers should use the value in Column J ("NDC Package Measure") from the Texas NDC-to-HCPCS Crosswalk to populate the NDC Unit of Measure field.