



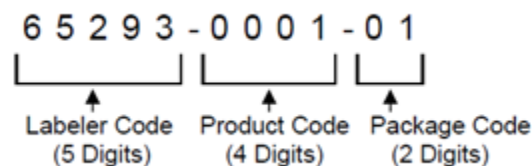
NDC Billing Requirement

Overview

The National Drug Code (NDC) is required to be reported on Medicaid claims or Medicare claims when Medicaid is the secondary payer, and is reported for any Healthcare Common Procedure Coding System (HCPCS) codes for physician-administered drugs, biologics, or drug-related revenue codes. This is necessary to ensure we comply with all federal drug rebate program requirements. Providers that purchase drugs through the Federal Supply Schedule Service, such as IHS, are exempt from this edit. Inpatient and Long-term Care claims are also exempt from this requirement.

National Drug Code

The NDC is a unique eleven-digit identifier assigned to a drug product by the labeler/manufacturer under Federal Drug Administration (FDA) regulations. It is comprised of three segments configured in a 5-4-2 format.



The **Labeler Code** is the first **five digits** assigned by the Food and Drug Administration (FDA) to uniquely identify each firm that manufactures, repack, or distributes drug products.

The **Product Code** is the next **four digits** that identify the specific drug, strength, and dosage form.

The **Package Code** is the last **two digits** that identify the package size.

Billing the Appropriate NDC

A drug may have multiple manufacturers so it is vital to use the NDC of the administered drug and not another manufacturer's product, even if the chemical name is the same. It is not permissible to bill SD Medicaid with any NDC other than the one administered.

Invalid and discontinued drugs are not acceptable for payment. Self-administered or oral medications are not covered under South Dakota Medicaid and should be shown as a non-covered charge using revenue code 637. Take-home drugs should be billed using revenue code 253. If these drugs are billed under a different revenue code the claim will deny.

Do not enter an NDC if you are NOT billing for pharmacy or drugs. Please do not enter the NDC for nutritional supplements or special supplies. Please do not enter the NDC for vaccines supplied by the [Department of Health \(DOH\)](#) because the requirement does not apply. To designate a DOH supplied vaccine providers must add an SL modifier to the vaccine procedure code.

Data Elements Required to Report NDC

1. Service Procedure Information if it is required (HCPCS or CPT code)
2. Drug Information (NDC)
 - NDC must match HCPCS or CPT description
3. Drug Quantity (Units Billed)
 - Determined by HCPCS code for professional claims (HCFA 1500)
 - Determined by NDC for institutional claims (UB-04)
4. Accepted units of measure
 - F2 = International Unit
 - GR=Gram
 - ME=Milligram
 - ML=Milliliter
 - UN=Unit

Enter the **N4 Qualifier** code followed by the **11 character NDC**, the **unit of measure qualifier**, and **quantity**, without hyphens or spaces.

Example: N4xxxxxxxxxxxML5

Drug quantity is determined by the HCPCS for the professional (CMS 1500) and is determined by the NDC for the institutional (UB-04).

If a patient is given 1000 mg Ceftriaxone Sodium:

- HCPCS: J0696 Injection, Ceftriaxone sodium 250 mg
- NDC: 00409-7338-01 Ceftriaxone sodium 500 mg / vial
 - HCPCS unit = 4 (CMS 1500)
 - NDC quantity = 2 (UB – 04)

If milliliters are administered, then the total number administered is the quantity reported:

1. NDC - 0002-1407-01 Quinidine gluconate, 10 ml / vial
 - If 10 ml were given, then the NDC unit = 10ML

“Each” in the NDC description indicates a vial or tablet and the quantity reported is one each.

Electronic Submissions

Institutional

An 837 for a single drug will have one 2400 loop with the HCPCS code in SV202-2 and the associated units in SV205. When required by situational rules, the 2410 loop is sent with the NDC number in LIN03 and the associated quantity in CTP04. Loop ID-2410 REF02 contains a prescription number when the drug is provided under prescription.

Professional

An 837 for a single drug will have one 2400 loop with the HCPCS code in SV101-2 and the associated units in SV104. When required by situational rules, the 2410 loop is sent with the NDC number in LIN03 and the associated quantity in CTP04. Loop ID-2410REF02 contains a prescription number when the drug is provided under prescription.

Billing Examples

To report an NDC on the CMS-1500 enter the NDC information into the shaded portion of field 24A.

CMS-1500 (08/05) - ONE NDC PER PROCEDURE CODE

24. A. DATE(S) OF SERVICE				B. PLACE OF SERVICE	c.	D. PROCEDURES, SERVICES, OR SUPPLIES	E. DIAGNOSIS POINTER	F.	G. DAY	H. EPSDT	I. ID.	J. RENDERING					
From				To													
N460574411301																	
03	01	16	03	01	16	11	90378				13	500	00	2	N	NPI	0123456789

To report an NDC on the UB-04 enter the NDC information into Form Locator 43 (Description).

UB-04 - ONE NDC PER PROCEDURE CODE

42 REV. CD.	43 DESCRIPTION	44 HCPCS/ RATE / HIPPS CODE	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES	48 NON-COVERED CHARGES	49
0636	N460574411101	90378	030107	2	500.00		

Claims Processing

HCFA Medicare Crossover and Medicaid Claims:

If required data elements are missing or incorrect each line will deny until corrected

Outpatient Medicare Crossover Claims:

If required data elements are missing or incorrect each claim will deny until corrected

Outpatient Medicaid Claims:

Each line that required data elements are missing or incorrect will pay at \$0 and the rest of the claim will pay as appropriate

How to Resolve Denials

1. Research drug NDC to ensure accuracy of billing
2. Correct claim and resubmit
3. Resubmit electronically unless it is a Medicare Crossover claim. These claims must be re-filed on paper.

Additional Resources

- SD Medicaid Website: <http://dss.sd.gov/medicaid/>
- SD Medicaid Listserv: <https://listserv.sd.gov/scripts/wa.exe?SUBED1=SDMEDICALSERVICES&A=1>
- South Dakota Provider Billing Manuals: <http://dss.sd.gov/medicaid/providers/billingmanuals/>
- Noridian Crosswalk File: <https://www.dmepdac.com/crosswalk/2016.html>
- Medicaid Drug Rebate Program: <https://www.medicare.gov/medicaid/prescription-drugs/medicaid-drug-rebate-program/index.html>

Telephone Service Unit for Claims Inquiries

In State Providers: 1-800-452-7691
Out of State Providers: (605) 945-5006