National Drug Code (NDC) Requirement for Clinician-Administered Drugs

December 2013 Provider Training
Since 2009, National Drug Codes (NDCs) have been required on medical claims for drugs administered in outpatient settings.

The NDC requirement will be fully enforced on all claims with a date of service on or after January 1, 2014.
What is an NDC

- A unique 11-digit, three segment number assigned to drugs by the Food and Drug Administration (FDA)

- Deficit Reduction Act of 2005 (DRA) requires Texas Medicaid agencies to collect NDC numbers on pharmaceuticals administered in an outpatient setting
Why the NDC is Important

• Collection required by the Deficit Reduction Act of 2005
• Center for Medicare & Medicaid Services (CMS) will not pay the federal share of claims submitted without an NDC
• Medicaid agencies can identify drugs in the Medicaid Drug Rebate Program
  • Non-rebateable drugs cannot be covered by Medicaid
  • Drug manufacturers who wish to participate sign a National Drug Medicaid Rebate Agreement with CMS
Who is Affected

• Primary Care Providers
• Specialty Care Providers
• Outpatient Hospital Departments
• All other providers administering drugs to patients in an outpatient setting
What Remains the Same

• **Reimbursement**
  • Providers will be reimbursed at their current rate

• **Providers will use the same billing forms**
  • UB-04
  • CMS-1500
  • FP2017
  • 837P electronic claims
  • 837I electronic claims
What Healthcare Common Procedure Coding System (HCPCS) will Require an NDC

- All drug products administered by a provider in outpatient settings
  - Including long acting reversible contraceptives (i.e. intrauterine devices (IUDs), hormone patches, vaginal rings, and sub dermal implants) and the intra uterine copper device

- Exceptions:
  - Vaccines, Durable Medical Equipment (DME), Limited Home Health Supplies (LHHS), and Radiopharmaceuticals
Resources

• Please visit http://www.txvendordrug.com/downloads/index.asp to access the following resources:
  • List of HCPCS codes requiring an NDC (HHSC will review and update this list quarterly)
  • List of drug manufacturers that do participate in the CMS National Drug Medicaid Rebate Program
  • List of drug manufactures that do not participate in the CMS National Drug Medicaid Rebate Program
  • Top 30 HCPCS by utilization
  • Top 30 HCPCS by dollars
  • Provider Education Presentation

• Please submit any additional questions to VDPAdmin@hhsc.state.tx.us
• The NDC is placed in delineated block 24
  • Upper shaded portion
• Additional information can be found at: www.nucc.org

Note: On the 2017 family planning claim form the NDC is placed in delineated block 32
NDC Placement on UB 04

- The NDC is placed in FL43
- Additional information can be found at: www.nucc.org

<table>
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<th>43 DESCRIPTION</th>
<th>44 HCPCS / RATE / HPPS CODE</th>
<th>45 SERV. DATE</th>
<th>46 SERV. UNITS</th>
<th>47 TOTAL CHARGES</th>
<th>48 NON-COVERED CHARGES</th>
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NDC Format Explained
Required NDC Format

- 11 digit format (5-4-2 format)

\[ 999999-99999-99 \]

- Labeler
- Product Code
- Package Code
• NDC may be displayed in a 10 digit format on the package or vial

• The 11 digit format is required or the claim (or claim line item) will be denied
Converting NDCs to 11 digits

• 10 digit formats include:
  • 4-4-2
  • 5-3-2
  • 5-4-1

• Requires strategically placed zero to convert to 11 digit format
Examples of NDC Conversion

- **4-4-2 to 5-4-2**
  - 10 digit NDC: 0002-7597-01
  - 11 digit conversion: 00002-7597-01

- **5-3-2 to 5-4-2**
  - 10 digit NDC: 50242-040-62
  - 11 digit conversion: 50242-0040-62

- **5-4-1 to 5-4-2**
  - 10 digit NDC: 50242-0040-1
  - 11 digit conversion: 50242-0040-01
Questions?