



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

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December 2013 Provider Training

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- 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

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- 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

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- 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

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- Primary Care Providers
- Specialty Care Providers
- Outpatient Hospital Departments
- All other providers administering drugs to patients in an outpatient setting

# What Remains the Same

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- 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

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- All drug products administered by a provider in outpatient settings
  - Including long acting reversible contraceptives (i.e. intra uterine 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

- 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 [VDPAAdmin@hhsc.state.tx.us](mailto:VDPAAdmin@hhsc.state.tx.us)



# NDC Placement on CMS 1500

- The NDC is placed in delineated block 24
  - Upper shaded portion
- Additional information can be found at: [www.nucc.org](http://www.nucc.org)

24. A. DATE(S) OF SERVICE		B. PLACE OF SERVICE	C. ENG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)		E. DIAGNOSIS POINTER	F. \$ CHARGES	G. DAYS OR UNITS	H. PERSON Family Plan	I. ID. QUAL.	J. FENDERING PROVIDER ID. #
MM	DD	YY	MM	DD	YY	CPT/HCPCS	MODIFIER				
1 N400009737604 ML1											
06	01	08	06	01	08	J1055		50.00	1	NFI	
2											
3											

SUPPLIER INFORMATION

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

# NDC Placement on UB 04

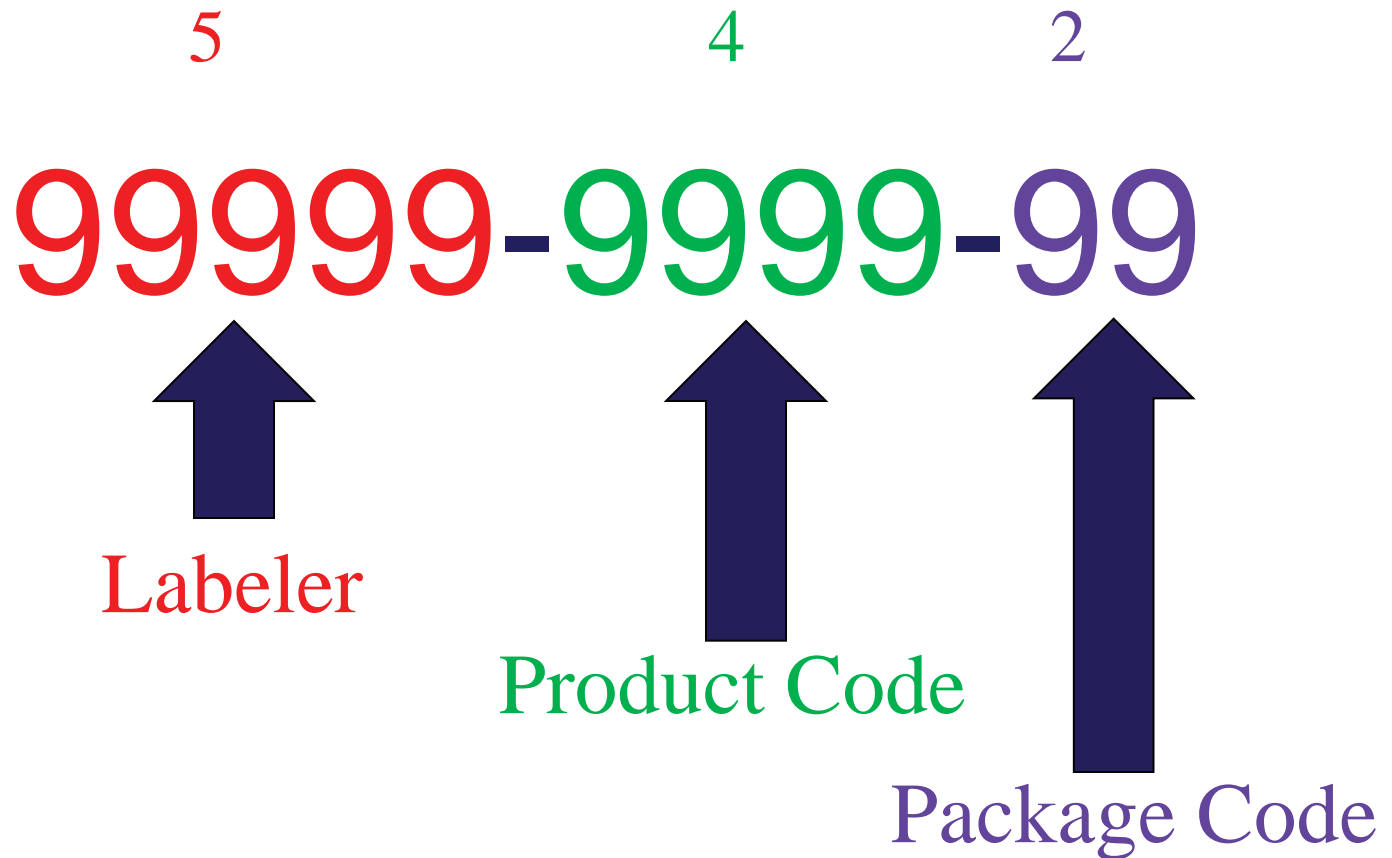
- The NDC is placed in FL43
- Additional information can be found at:  
[www.nucc.org](http://www.nucc.org)

42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATE / HPPS CODE	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES	48 NON-COVERED CHARGES	49
1 250	N458468012201ML10	J1270	010508	20	311.80	⋮	
2						⋮	
3						⋮	
4						⋮	
5						⋮	

# NDC Format Explained

# Required NDC Format

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



- 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

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- 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

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- 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?