Billing with National Drug Codes (NDCs)
Frequently Asked Questions

NDC Overview

1.	**What is an NDC?**
	"NDC" stands for National Drug Code. It is a unique, 3-segment numeric identifier assigned to each medication listed under Section 510 of the U.S. Federal Food, Drug and Cosmetic Act. The first segment of the NDC identifies the labeler (i.e., the company that manufactures or distributes the drug). The second segment identifies the product (i.e., specific strength, dosage form, and formulation of a drug). The third segment identifies the package size and type. For billing purposes, the Centers for Medicare & Medicaid Services (CMS) created an 11-digit NDC derivative, which necessitates padding of the labeler (5 positions), product (4 positions) or package (2 positions) segment of the NDC with a leading zero, thus resulting in a fixed-length, 5-4-2 configuration. (*See question 12 for details.*)
2.	**When should NDCs be entered on claims?**
	Blue Cross and Blue Shield of Texas (BCBSTX) requests the use of NDCs and related information when drugs are billed on professional, ancillary and facility electronic (ANSI 837P) and paper (CMS-1500) claims. *Note: BCBSTX requires inclusion of the NDC along with the applicable Healthcare Common Procedure Coding System (HCPCS) or Current Procedural Terminology (CPT®') code(s) on claim submissions for unlisted or 'Not Otherwise Classified' (NOC) or 'Not Otherwise Specified' (NOS) physician administered and physician supplied drugs.*
3.	**Where do I find the NDC?**
	The NDC is usually found on the drug label or outer packaging. The number on the packaging may be less than 11 digits. An asterisk may appear as a placeholder for any leading zeros. The label also displays information about the NDC unit of measure for that drug.
4.	**If the medication comes in a box with multiple vials, should I use the NDC number on the box or the NDC number on the individual vial?**
	If the medication comes in a box with multiple vials, using the NDC on the box (outer packaging) is recommended.
5.	**Which NDC units of measure should I submit on BCBSTX claims to help ensure appropriate reimbursement?**
	Listed below are the preferred NDC units of measure and their descriptions: • **UN** (Unit) – Powder for injection (needs to be reconstituted), pellet, kit, patch, tablet, device • **ML** (Milliliter) – Liquid, solution, or suspension • **GR** (Gram) – Ointments, creams, inhalers or bulk powder in a jar • **F2** (International Unit) – Products described as IU/vial or micrograms *Note: **ME** is also a recognized billing qualifier that may be used to identify milligrams as the NDC unit of measure; however, drug costs are generally created at the **UN** or **ML** level. If a drug product is billed using milligrams, it is recommended that the milligrams be billed in an equivalent decimal format of grams (**GR**). BCBSTX allows up to three decimals in the NDC Units (quantity or number of units) field.*

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6.	What are the advantages of using NDCs?
	Using NDCs on medical claims helps facilitate more accurate payment and better management of drug costs based on what was administered and billed. To save administrative time and effort in reviewing denials and resubmissions, BCBSTX systematically verifies the 11-digit NDC, and appropriate use of NDC units and HCPCS/CPT units submitted by providers, unless the HCPCS or CPT code is a NOC or NOS code. Also, NDC pricing is normally updated on a monthly basis to reflect changes in drug cost.

Converting HCPCS/CPT Units to NDC Units

7.	What information do I need to have ready before converting HCPCS/CPT units to NDC units?
	Before you can fill out the claim to bill for a drug, you will need to know the following information: • Amount of drug to be billed • HCPCS/CPT code • HCPCS/CPT code description • Number of HCPCS/CPT units • NDC (11-digit billing format) • NDC description • NDC unit of measure Consider the following example for Ciprofloxacin IV 1200 MG (1 day supply):

Amount of drug to be billed:	1200 MG
HCPCS/CPT code:	J0744
HCPCS/CPT code description:	Ciprofloxacin for intravenous infusion, 200 MG
Number of HCPCS/CPT units	6
NDC (11-digit billing format):	00409-4765-86
NDC description:	Ciprofloxacin IV SOLN 200 MG/20 ML
NDC unit of measure	ML

8.	How do I calculate the NDC units?
	Billing the correct number of NDC units for the corresponding HCPCS/CPT codes on your claims is essential. There are two ways to calculate NDC units: **Option 1 – Use Our Online NDC Units Calculator Tool** BCBSTX contracted providers may access the online NDC Units Calculator Tool for assistance with converting HCPCS or CPT units to NDC units. This user friendly tool is available to BCBSTX contracted providers at no cost. **(See question 9 for more details on how to access the online NDC Units Calculator Tool.)** **Option 2 – Calculate the NDC Units Manually** If you prefer to calculate the NDC units manually, there are several steps you will need to take. **Here is a sample manual calculation, using elements from question #7 [Ciprofloxacin IV, NDC 00409-4765-86, 1200 MG (1 day supply)]:** • The amount of the drug to be billed is 1200 MG, which is equal to 6 HCPCS/CPT units. • The NDC unit of measure for a liquid, solution or suspension is ML; therefore, the amount billed must be converted from MG to ML. • According to the NDC description for NDC 00409-4765-86, there are 200 MG of ciprofloxacin in 20 ML of solution (200 MG/20 ML). • Take the amount to be billed (1200 MG) divided by the number of MG in the NDC description (200 MG). *1200 ÷ 200 = 6* • Multiply the result (6) by the number of ML in the NDC description (20 ML) to arrive at the correct number of NDC units to be billed on the claim (120). *6 x 20 ML = 120* (Additional billing guidelines are included in the Billing with National Drug Codes (NDCs) – Billing Guidelines for Professional Claims)

9.	**How do I access the NDC Units Calculator Tool?**
	The NDC Units Calculator Tool is hosted by RJ Health, an independent third party pharmaceutical specialty company. BCBSTX contracted providers may access the NDC Units Calculator Tool at no cost through our secure provider portal, Blue Access for Providers^{SM}, **or** via the Availity™ Web Portal.
	To access the NDC Units Calculator Tool through Blue Access for Providers:
	• Look for the **National Drug Codes (NDCs): Billing Resources** box on our Provider website Home page at bcbsxx.com/provider.
	• If you are a new Blue Access for Providers user, you will need to select the *Register now* link. Once registered, you will have access to the NDC Units Calculator tool, as well as other NDC resources.
	To access the NDC Units Calculator Tool through Availity:
	• Registered Availity users may log on to availity.com, select **Claims Management** from the Home page menu and click on the **NDC Units Calculator Tool** link.
	• Not registered? Visit availity.com to register.

10.	**How do I use the NDC Units Calculator Tool?**
	Here is a quick overview of how to use the NDC Units Calculator Tool:
	1) Enter your search criteria (i.e., fill in a HCPCS or CPT code and/or the drug name, or the NDC in the space provided).
	2) Click **Search** to go to the next screen.
	3) Select the specific NDC to be billed. If there are more drugs related to that HCPCS/CPT code than will fit on the screen, you may need to select the drug name first to see the full list displayed. The NDC selection will be on the next screen.
	4) The NDC Units screen will prompt you for the number of HCPCS/CPT units to be billed. Fill in the number of units and click Submit.
	5) A new box will appear. The Billable Units of Quantity Submitted is the number of NDC units to be entered on the claim.
	For additional information on using the NDC Units Calculator Tool, please refer to our NDC Billing Tutorial, which is available to BCBSTX contracted providers on our secure Blue Access for Provider website.

Submitting NDCs on Professional/Ancillary/Facility Claims

11.	**When submitting NDCs on my claim, what other information will I need to include?**
	When submitting NDCs on professional/ancillary/facility electronic (ANSI 837P or ANSI 837I) or paper (CMS-1500or UB-04) claims, you must also include the following related information in order for your claim to be accepted and reviewed for possible benefits at the NDC level:
	• The applicable HCPCS or CPT code
	• Number of HCPCS/CPT units
	• NDC qualifier (N4)
	• NDC unit of measure (UN, ML, GR, F2)
	• Number of NDC units (up to three decimal places)
	Note: As a reminder, you also must include your billable charge.

12.	**How should the NDC be entered on the claim?**

You must enter the NDC on your claim in the 11-digit billing format (no spaces, hyphens or other characters). If the NDC on the package label is less than 11 digits, you must add a leading zero to the appropriate segment to create a 5-4-2 configuration. See the examples below:

Label Configuration	Add leading zero, Remove hyphens
4-4-2 (**xxxx**-xxxx-xx)	**0xxxx**xxxxxx
5-**3**-2 (xxxxx-**xxx**-xx)	xxxxx**0xxx**xx
5-4-**1** (xxxxx-xxxx-**x**)	xxxxxxxxx**0x**

13.	**Where do I enter NDC data on electronic claim (ANSI 5010 837P or ANSI 5010 837I) transactions?**

Here are general guidelines for including NDC data in an electronic claim:

Field Name	Field Description	Loop ID	Segment
Product ID Qualifier	Enter **N4** in this field	2410	LIN02
National Drug Code	Enter the 11-digit NDC billing Format assinged to the drug administered	2410	LIN03
National Drug Unit Count	Enter the quantity (number of NDC units)	2410	CTP04
Unit or Basis for Measurement	Enter the NDC unit of measure for the prescription drug given (**UN**, **ML**, **GR**, or **F2**)	2410	CTP05

Note: The total charge amount for each line of service also must be included for the Monetary Amount in Loop ID, Segment SV102 for 839P and Segment SV203 for 837I.

14.	**Are there any special software requirements to consider when NDCs are included on electronic claims?**

If you have converted to ANSI 5010, there should be no additional software requirements. Please verify with your software vendor to confirm that your Practice Management System accepts and transmits the NDC data fields appropriately. If you use a billing service or clearinghouse to submit electronic claims on your behalf, please check with them to ensure that NDC data is not manipulated or dropped inadvertently.

15.	**Where do I enter NDC data on a paper claim (CMS-1500 or UB-04)?**

CMS-1500: In the **shaded portion** of line-item field 24A-24G, enter NDC qualifier **N4** (left-justified), immediately followed by the NDC. Enter one space for separation. Next enter the appropriate qualifier for the correct dispensing NDC unit of measure (UN, ML, GR or F2). Following this, enter the quantity (number of NDC units).

24. A. DATE(S) OF SERVICE From MM DD YY	To MM DD YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER	E. DIAGNOSIS POINTER	F. $ CHARGES	G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL.	J. RENDERING PROVIDER ID. #
N400409476586 ML120										N	12345678901
01 01 13	01 01 13	11		J0744		1	17.94	6	N	NPI	123456789

UB-04: In line-item field 43, enter NDC qualifier N4 (left-justified), immediately followed by the NDC. Enter one space for separation. Next enter the appropriate qualifier for the correct dispensing NDC unit of measure (UN, ML, GR or F2). Following this, enter the quantity (number of NDC units).

42. Rev. CD	43. Description	44.HCPCS/Rate	45. Serv. Date	46. Serv. Units
636	[60126598741][UN][1111.234]	HCPC code	07/01/2008	HCPCS unit

↑ 11 digit NDC   ↑ Unit of Measurement Qualifier *   ↑ Unit Quantity

16.	Can you give a billing example?
	HCPCS code J9400 provides a good billing example. A patient receives Ziv-Alfibercept ZALTRAP 400 MG. Zaltrap is available as 200 MG per 8 ML (25 MG per ML) solution, single-use vial, NDC 00024-5841-01. For this sample scenario: • The NDC is 00024-5841-01 (the qualifier is N4) • The unit of measure is ML • The quantity (number of J-code units administered) is 400 • The quantity (number of NDC units administered) is 16 On the CMS-1500, the data would be entered as follows: **N400024584101 ML16**

17.	How many decimal places are allowed in the NDC units field?
	BCBSTX allows **up to three decimals** in the NDC units (quantity or number of units) field. The more specific your claim is, the more accurate the reimbursement, if any, will be.

18.	How do I determine if the NDC is valid for the date of service?
	When billing with NDCs on professional/ancillary/facility electronic (837P or 837I) or paper (CMS-1500) claims, it is important to ensure that the NDC used is valid for the date of service. This is because NDCs can expire or change. An NDC's inactive status is determined based on a drug's market availability in nationally recognized drug information databases. Additionally, an NDC is considered to be obsolete two years after its inactive date. It is a good idea to conduct a periodic check of records or automated systems where NDCs may be stored in your office for billing purposes. To help ensure that correct reimbursement is applied, the 11-digit NDC on your claim should correspond to the active NDC on the medication's outer packaging. Inactive products will continue to be reimbursed until they become obsolete.

19.	What if I do not include the NDC and/or related data?
	In accordance with Texas Administrative Code (28 TAC 21.2803), NDC is not a required data element. If NDC data is submitted appropriately, reimbursement will be based on the NDC, as posted on the BCBSTX Provider website at bcbstx.com/provider. If the correct combination of both the HCPCS/CPT code and the NDC data is not submitted, reimbursement will be based on the appropriate HCPCS or CPT code reimbursement, as posted on the BCBSTX Provider website.

Reimbursement Details

20.	How do I obtain NDC pricing information?
	The standard NDC Reimbursement Schedule is available in the Standards and Requirements/General Reimbursement Information section of the BCBSTX Provider website at bcbstx.com/provider.

21.	What if the reimbursement does not match the NDC allowable amount on the BCBSTX Reimbursement Schedule?
	First, review the NDC information you submitted. The NDC allowance on the NDC Reimbursement Schedule equals one NDC unit of measure. Reimbursement will be based on the actual ratio of HCPCS/CPT to NDC units of the product/service billed. While some drugs may be administered as partial NDC units (i.e., 0.5 or 0.7), others may be 1 unit or multiple NDC units (i.e., 2 or 5). The correct NDC units billed (whether partial, single or multiple) should be used as the multiplier to determine the actual allowed amount. If you have additional reimbursement questions, contact your Network Management Representative for assistance.

Billing with National Drug Codes (NDCs) Frequently Asked Questions - cont'

For More Information

22. What if I have additional questions?
We have a variety of resources to assist you. • An NDC Billing tutorial is available to registered users on our Blue Access for Providers secure portal. Look for the **National Drug Codes (NDCs): Billing Resources** box on the Provider website Home page at www.bcbstx.com/provider. • Visit the Standards and Requirements/General Reimbursement Information section of the BCBSTX Provider website at bcbstx.com/provider where you'll find an NDC Billing Guidelines document in the Related Resources area. • Watch the *Blue Review* and online News and Updates for additional BCBSTX information. • As always, your Network Management Representative is available to provide personalized assistance to you and your staff.