

Commercial Reimbursement Policy
NDC Requirements: Professional and Facility Reimbursement
Committee Approval Date: 07/15/2022
<p>These policies serve as a guide to assist you in accurate claims submissions and to outline the basis for reimbursement if the service is covered by the member's plan. Services must meet authorization and medical necessity guidelines appropriate to the procedure and diagnosis. You must follow proper billing and submission guidelines. You are required to use industry standard, compliant codes on all claim submissions. Services should be billed with CPT codes, HCPCS codes and/or revenue codes. The codes denote the services and/or procedures performed. The billed code(s) are required to be fully supported in the medical record. Unless otherwise noted within the policy, our policies apply to both participating and non-participating providers and facilities. If appropriate coding/billing guidelines or current reimbursement policies are not followed, MHHP may reject/deny claim, recover/recoup payment or adjust the reimbursement to reflect the appropriate services and/or procedures performed. These policies may be superseded by mandates in provider contracts, or state, federal or CMS requirements. System logic or setup may prevent the loading of policies into the claims platforms in the same manner as described; however, MHHP strives to minimize these variations.</p>
<p>References: https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c17.pdf</p>
National Drug Code Directory FDA
2022 ASP Drug Pricing Files CMS NDC/HCPCS crosswalk

Policy Statement

National Drug Code (NDC) information is required on physician administered drugs billed for reimbursement on professional and outpatient facility claims. The NDC number identifies the manufacturer, drug name, dosage, strength, package size and quantity. Complete NDC information must be submitted on the claim in addition to the applicable revenue, HCPCS or CPT codes and the number of HCPCS or CPT units. If the NDC information, including the unit of measure and quantity is missing, invalid, or incomplete, the claim may be denied. If the NDC information does not match the HCPCS or CPT submitted, the claim may be denied. If the claim is denied, it can be resubmitted with the corrected/completed NDC information.

This requirement applies to both paper claim forms - (CMS 1500 and UB04) and electronic (837P/837I) claims

For dates of service on or after January 1, 2023, all providers are required to supply the NDC information below when billing for injections and other drug items.

1. The applicable revenue code, HCPCS code or CPT code
2. Number of HCPCS code or CPT code units
3. The 11-digit NDC(s), including the **N4 qualifier**
4. Dosage Unit of Measurement (F2, GR, ML, UN, ME)
5. Number of NDC Units dispensed (must be greater than 0)

Where to find the NDC number

The NDC is usually found on the drug label or medication's outer packaging. If the medication comes in a box with multiple vials, using the NDC on the box (outer packaging) is recommended. The number on the packaging may be less than 11 digits. The container label also displays information for the unit of measure for that drug. Listed below are the preferred NDC units of measure with examples:

- **UN** (Unit) – Powder-filled vials 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

How to submit on your claim

The NDC must be submitted along with the applicable HCPCS/CPT code(s) and the number of HCPCS/CPT units.

The NDC must follow the 5digit4digit2digit format (11-digit billing format, with no spaces, hyphens or special characters). If the NDC on the package label is less than 11 digits, a leading zero must be added to the appropriate segment to create a 5-4-2 configuration.

The NDC must be active for the date of service.

Also include the **NDC qualifier, number of NDC units and NDC unit of measure.**

Summary

By requiring NDC numbers, we can differentiate and target drugs that share the same revenue or HCPCS code for drug preferences and rebates. As the industry standard identifier for drugs, NDC numbers provide full transparency of the medication administered. They accurately identify the manufacturer, drug name, dosage, strength, package size and quantity. Including

NDC information on claims will differentiate drugs that share the same HCPCS, CPT, or Revenue codes for drug preferences and enhance reimbursement processes.

Memorial Hermann Health Plan complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability or sex.

Please contact Customer Service at 855.645.8448 (TTY711) between 8 a.m. to 5 p.m. CT, Monday through Friday.

ATENCIÓN: Si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 855.645.8448 (TTY 711).