

Provider Memorandum

National Drug Code (NDC) Billing Guidelines

As a result to changes in the Public Act 097-0689, referred to as the Save Medicaid Access and Resources Together (SMART Act), Molina Healthcare of Illinois (Molina) has implemented revised National Drug Code (NDC) outpatient billing guidelines as required by the Illinois Department of Healthcare and Family Services (HFS).

Effective with dates of service containing a "Through Date" beginning on and after March 1, 2013 all contracted providers are required to detail revenue code line reporting when billing for more than one NDC per Healthcare Common Procedure Coding System (HCPCS) code in conjunction with revenue codes 0634, 0635, and 0636. Duplicate revenue codes identifying the same HCPCS code but different NDCs on the same claim are not to have the HCPCS units and charges rolled into the first Revenue Code line. Each Revenue Code line must contain detailed reporting and a valid NDC code is to be reported.

Below is an example of Medicaid claim processing guidelines for reporting multiple NDCs when more than one NDC is billed for a single HCPCS code.

HIPAA 837 Institutional Electronic Data Interchange (EDI) Transaction:

The HCPCS Code is reported in Loop ID 2400.

Segment	Instruction
Segment SV201	Enter the national code.
Segment SV202-1	Enter qualifier 'HC'.
Segment SV202-2	Enter the HCPCS code.
Segment SV202-3	Enter the UD modifier if you obtained the drug under the 340B program.
Segment SV203	Line item charge amount. If you obtained the drug under the 340B program, this amount is to be your actual acquisition cost.
Segment SV204	Enter qualifier 'UN'.
Segment SV205	Enter the quantity.

The NDC is then reported in Loop ID 2410 as follows:

Segment	Instruction
Segment LIN02	Enter qualifier 'N4'.
Segment LIN03	Enter NDC without hyphens
Segment CTP04	Enter quantity.
Segment CTP05	Enter unit of measurement.

Example of Correct Billing:

LX*1
 SV2*0634*HC*Q4081*198*UN*110
 DTP*472*D8*20111003
 LIN**N4*55513012601
 CTP***5.5*ML
 LX*2
 SV2*0634*HC*Q4081*297*UN*165
 DTP*472*D8*20111003
 LIN**N4*55513012601
 CTP***5.5*ML
 LX*3
 SV2*0634*HC*Q4081*712.80*UN*396
 DTP*472*D8*20111003
 LIN**N4*55513014801
 CTP***9.9ML
 LX*4
 SV2*0636*HC*J2501*504*UN*42
 DTP*472*D8*20111003
 LIN**N4*0004463701
 CTP***21*ML
 LX*5
 SV2*0636*HC*J2501*360*UN*30
 DTP*472*D8*20111003
 LIN**N4*00074165801
 CTP***6ML
 (CTP – NDC Drug Quantity segment required based on the 5010 837I guidelines)

UB04 Institutional Paper Transaction:

The HCPCS code and NDC information is reported within the Revenue Code service line. Refer to the UB04 Billing Manual for assistance.

Correct Billing example:

FL 42 Revenue Code	FL 43 NDC Reporting examples	FL 44 HCPCS and Modifier	FL 45 Service Line Date	FL 46 Service Units	FL 47 Total Charges
0634	N455513012601ML5.5	Q4081	031011	110	198 00
0634	N455513026701ML5.5	Q4081	031011	165	297 00
0634	N455513014801ML9.9	Q4081	031011	396	712 80
0636	N400074463701ML21	J2501	031011	42	504 00
0636	N400074165801ML6	J2501	031011	30	360 00

NDC Drug Quantity required based on the UB04 coding guidelines.

Additional Molina submission requirements include:

340B Billing Requirements for Outpatient Renal Dialysis and Expensive Drugs

This notice supersedes the HFS clarification regarding billing for 340B purchased drugs notice dated May 30, 2012 available at <https://www.illinois.gov/hfs/MedicalProviders/notices/Pages/prn120530a.aspx>. Effective with claims containing a "Through Date" of service on and after March 1, 2013, providers submitting outpatient institutional claims for renal dialysis injectable drugs or designated expensive

drugs are to identify 340B purchased drugs by reporting modifier "UD" in Form Locator 44 of the UB04 or Loop 2400 of the 837I. Modifier "UD" must be the first modifier listed following the procedure code. This policy will also apply to Medicare crossover claims.

Hospitals, renal dialysis facilities, and Ambulatory Surgical Treatment Centers (ASTC) are required to bill the department their actual acquisition cost for their 340B drugs, with the exception of expensive drugs and drugs on Medicare crossover claims.

340B Billing Requirements for Drugs on Fee-for-Service Claims

Effective with dates of service on and after March 1, 2013, providers submitting fee-for-service claims (837P or HFS 2360) for the following drugs must also identify 340B purchased drugs by reporting modifier "UD". Providers must bill the department their actual acquisition cost for the drug. These drugs may include:

- Chemotherapy agents for the treatment of cancer
- Non-chemotherapy drugs administered for conditions associated with the chemotherapy and submitted with the cancer-related diagnosis
- Baclofen
- Lupron
- RhoGAM
- Synagis
- Tysabri

HIPAA 837 Professional EDI Transaction:

If submitting, the NDC is then reported in Loop ID 2410 as follows:

Segment	Instruction
Segment LIN02	Enter qualifier 'N4'.
Segment LIN03	Enter NDC without hyphens.
Segment CTP04	Enter quantity.
Segment CTP05	Enter unit of measurement.

Example of Correct Billing:

LX*1
 SV1*HC:J1563*500*UN*20
 DTP*472*D8*20051001
 LIN**N4*00026064871
 CTP****2*UN
 (CTP – NDC Drug Quantity segment required based on the 5010 837P guidelines)

CMS1500 Professional Paper Transaction:

If and when reporting NDC codes, report the NDC qualifier "N4" in supplemental field 2 (shaded areas) 4a followed by the NDC code and unit information (UN = unit; GR = Gram; ML = Milliliter; F2 = International Unit).

Example:

24. A. DATE(S) OF SERVICE			B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)		E. DIAGNOSIS POINTER	F. \$ CHARGES	G. DAYS OR UNITS	H. EPICD Part B Pct
From	To				CPT/HCPCS	MODIFIER				
MM	DD	YY	MM	DD	YY					
N400026064871 Immune Globulin Intravenous					J1563	UN2		13	500.00	20 N
10	01	05	10	01	05					

Further NDC Billing Instructions

The Health Insurance Portability and Accountability Act (HIPAA) standard code set for NDCs is eleven digits. The first segment must include five digits, the second segment must include four digits, and the third segment must include two digits (5-4-2 configuration). For example, 12345-1234-12 is a correctly configured NDC. However, the NDC on the product label might not contain 11 digits. The labeler may have dropped leading zeroes in a segment. In this situation, the appropriate number of leading zeroes must be added at the beginning of each segment to ensure that the NDC is shown in the 5-4-2 format. Where the zero is added depends upon the configuration of the NDC. The following table provides examples of incorrectly configured NDCs and the corresponding correctly configured NDC. The segment that is missing the leading zero is bolded in each example.

NDC on Label	Configuration on Label	NDC in Required 5-4-2 Format
05678-123-01	5-3-2	05678-0123-01
5678-0123-01	4-4-2	05678-0123-01
05678-0123-1	5-4-1	05678-0123-01

Reporting Multiple NDCs

These instructions apply to both paper claims and electronic transactions.

At times, it may be necessary for providers to bill multiple NDCs for a single procedure code. This may happen when two different strengths of the same drug are needed in order to administer the appropriate dose. This will also be necessary when multiple vials of the same drug are used to administer the appropriate dose, and different manufacturers manufacture the vials. Modifiers 76 and 51 are to be submitted as necessary. Billing examples of these situations are provided below.

Procedure for billing one HCPCS and multiple NDCs:

Service Line 1 or Loop 2400: HCPCS Code

Report HCPCS quantity associated with NDC in Service Line 2

Service Line 2 or Loop 2410: NDC associated with Service Line 1

Service Line 3 or Loop 2400: HCPCS Code (same as Service Line 1) - Modifier 76 (Repeat Procedure)

Report HCPCS quantity associated with NDC in Service Line 4

Service Line 4 or Loop 2410: NDC associated with Service Line 3

Service Line 5 or Loop 2400: HCPCS Code (same as Service Line 1 & 3) - Modifier 51 (Multiple Procedures)

Report HCPCS quantity associated with NDC in Service Line 6

Service Line 6 or Loop 2410: NDC associated with Service Line 5

Example 1: Procedure for billing three (3) 250 mg vials of ceftriaxone manufactured by two different manufacturers.

Provider will bill a **total quantity** of three (3) HCPCS procedure code units, but will divide those units, as follows:

Service Line 1 or Loop 2400: J0696 billed with a quantity of 2

Service Line 2 or Loop 2410: 00781320695

Service Line 3 or Loop 2400: J0696 and modifier 76 billed with a quantity of 1

Service Line 4 or Loop 2410: 00409733701

Reporting Multiple NDCs – Example 1

HCPCS Code	Modifier	HCPCS Code Description and HCPCS Quantity	Drug Administered	HCPCS Quantity Billed	NDCs Used
J0696		Injection, Ceftriaxone Sodium, Per 250 mg (One	Two (2) 250 mg vials	2	00781320695 ceftriaxone 250 mg vial manufactured by

		HCPCS Unit = 250 mg)			Sandoz
J0696	76	Injection, Ceftriaxone Sodium, Per 250 mg (One HCPCS Unit = 250 mg)	One (1) 250 mg vials	1	00409733701 ceftriaxone 250 mg vial manufactured by Hospira

Example 2: Procedure for billing 125 mcg of Aranesp (darbepoetin alfa) using two different vials/strengths of the drug: one (1) 25 mcg syringe and one (1) 100 mcg syringe.

Provider will bill a **total quantity of** 125 HCPCS procedure code units, but will divide those units, as follows:

Service Line 1 or Loop 2400: J0881 billed with a quantity of 25

Service Line 2 or Loop 2410: 55513005704

Service Line 3 or Loop 2400: J0881 with modifier 76 billed with a quantity of 100

Service Line 4 or Loop 2410: 55513002504

Reporting Multiple NDCs – Example 2

HCPCS Code	Modifier	HCPCS Code Description and HCPCS Quantity	Drug Administered	HCPCS Quantity Billed	NDCs Used
J0881		Injection, Darbepoetin alfa, 1 mcg (non-ESRD use) (One HCPCS Unit = 1 mcg)	One 25 mcg/ 0.42 ml syringe	25	55513005704 Aranesp 25 mcg/0.42 ml syringe
J0881	76	Injection, Darbepoetin alfa, 1 mcg (non-ESRD use) (One HCPCS Unit = 1 mcg)	One 100 mcg/ 0.5 ml syringe	100	55513002504 Aranesp 100 mcg/0.5 ml syringe

Please contact your Provider Services Representative if you have questions or need guidance. You may also contact the Provider Service Department at (630) 203-3965 or via email at IllinoisProviders@MolinaHealthcare.com.

Additional Reference sources:

- Chapter 200 HFS Practitioner handbook and Appendix and Chapter 200 Pharmacy handbook and Appendix links found here: <https://www.illinois.gov/hfs/MedicalProviders/Handbooks/Pages/Chapter200.aspx>
- HFS Pharmacy page link: <https://www.illinois.gov/hfs/MedicalProviders/Pharmacy/Pages/default.aspx>
- Provider notice issued 04/15/2013: <https://www.illinois.gov/hfs/MedicalProviders/notices/Pages/pm130415a.aspx>