

# National drug codes requirement for claims submissions

## Overview

To help us identify billing errors and improve reimbursement processes, we're enforcing the UnitedHealthcare national drug code (NDC) requirement as well as the NDC requirement reimbursement policy that was established in 2017. This means that any claims you submit for reimbursement for drug-related codes must include the NDC number, quantity and the unit of measure.

If you don't include the NDC with your claims submission, we'll deny your claim and notify you through a Provider Remittance Advice (PRA) to resubmit the claim with the correct NDC information.

The requirement applies to paper claim form CMS-1500 and Electronic Data Interface (EDI) transaction 837P when billed for drug-related healthcare common procedure coding system (HCPCS) codes and drug-related current procedure terminology (CPT®) codes.

## Frequently asked questions

### Why does UnitedHealthcare enforce the NDC on professional drug claims?

Enforcing the NDC allows us to differentiate and target drugs that share the same HCPCS code for drug preferences and rebates. NDCs are the industry standard identifier for drugs and provide full transparency to the medication administered. They accurately identify the manufacturer, drug name, dosage, strength, package size and quantity.

### What is excluded from requiring a NDC?

We don't require Radiopharmaceuticals claims to have a NDC.

### What drug codes require the NDC to be submitted on professional claims?

The following drug codes are subject to this requirement:

- J codes, including miscellaneous and unlisted drug codes
- Drug-related CPT codes, including miscellaneous and unlisted drug codes, immunizations, Synagis and Immune Globulin
- Drug-related Q codes, including miscellaneous and unlisted drug codes, Contrast
- Drug-related S codes, including Testopel



## Key points

- This only affects claims for services rendered for UnitedHealthcare Community Plan members

**We won't enforce the NDC requirement for G codes, P codes and radiopharmaceutical codes.**

**What NDC information is required?**

Please include the following information when submitting an NDC:

- Valid 11-digit NDC number
- NDC unit of measure (GR, ML, UN)
- NDC units dispensed (must be greater than 0)

Enter the NDC number in the 24D field of the CMS-1500 Form or the LIN03 segment of the HIPAA 837 Professional Electronic form.

You can find additional resources on NDC conversions [here](#).

**How should I submit the NDC, unit of measure and quantity?**

Please complete the following to submit:

**Paper claim requirements**

CMS 1500 form:

- Enter the NDC in the shaded area of the service lines in Field 24
- The 6 service lines in section 24 have been divided horizontally to accommodate submission of supplemental information to support the billed service. The top portion in each of the 6 service lines is shaded and is the location for reporting supplemental information.
- Submit the NDC code in the red-shaded portion of the detail line item starting in positions 01
- Precede the NDC with the qualifier N4 and follow it immediately by the 11-digit NDC code (e.g., N412345678901)

**When entering supplemental information for NDC, add in the following order:**

- N4 qualifier
- 11-digit NDC code
- 1 space
- 2-character unit/basis of measurement qualifier (units 'UN', international units, gram 'GR' or milliliter 'ML') and quantity

24. A. DATE(S) OF SERVICE						B. PLACE OF SERVICE	C. EMS	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)				E. DIAGNOSIS POINTER	F. \$ CHARGES	G. DAYS OR UNITS	H. POC (Only for NPI)	I. ID. QUAL.	J. RENDERING PROVIDER ID. #	
MM	DD	YY	MM	DD	YY			CPT/HCPCS	I	MODIFIER								
N459148001665 UN1																		
10	01	05	10	01	05	11		J0400				A	500	00	1	N	NPI	0123456789

You're required to put the actual decimal quantity administered and the units of measurement in the claim. If you're reporting a partial unit, you should use a decimal point (i.e., if you dispense three 0.5 ml vials, report ML1.5). Refer to the following examples:

- GR0.045
- ML1.5
- UN2

The number of digits for the quantity is limited to 8 digits before the decimal and 3 digits after the decimal. If you enter a whole number, don't use decimals, commas, zero fill or leave remaining positions blank. Refer to the following examples:

- 1234.56
- 2
- 12345678.123

**UB 04 form:**

- Field 42: Revenue code
- Field 43: NDC 11-digit number, unit of measurement qualifier and unit quantity
- Field 44: HCPCS code

**EDI requirements – professional claims (837p)**

- Loop is 2410

**EDI requirements – institutional claims (837I)**

- Loop is 2410

**NDC qualifier N4 and NDC code are sent in the LIN segment**

- LIN02 – NDC qualifier
- LIN03 – NDC code

**Quantity and unit of measure are sent in the CTP segment**

- CTP04 – Quantity
- CTP05-1 – Unit of measure

**Prescription number or link sequence number (to report components for compound drug)**

- REF01 - VY: Link sequence number, XZ: Prescription number
- REF02 - Link sequence number or prescription number

Loop	Segment	Element name	Information	
2410	LIN	02	Product or service ID qualifier	If you bill for a NDC, enter N4
2410	LIN	03	Product or service ID	If you bill for drugs, include the NDC. Sample - LIN**N4* 12345678901
2410	CTP	04	Quantity	If you submitted a NDC in LIN03, include the quantity for the NDC billed

Loop	Segment	Element name	Information	
2410	CTP	05-1	Unit or basis for measurement code	If you submit a NDC in LIN03, include the unit or basis for measurement code for the NDC billed. International unit GR - Gram ML - Milliliter UN - Unit Sample - CTP***3*UN
2410	REF	01	VY: Link sequence number, XZ: prescription number	Link sequence number (to report components for compound drug)
2410	REF	02	Link sequence number or prescription number	Sample - REF01*VY*123456

### Do I have to bill with NCS information in addition to HCPCS/CPT codes?

Yes. You must submit the NDC, NDC units of measure and NDC quantity in addition to the applicable HCPCS or CPT code(s) and the number of HCPCS/CPT units.

You must continue to enter a valid HCPCS or CPT code with units of service on the claim form on the basis for reimbursement. We price claims based on HCPCS or CPT codes and the units of service. If the NDC doesn't have a specific HCPCS or CPT code assigned, please assign the appropriate miscellaneous code.

### Where can I find the NDC?

You can find the NDC on the prescription drug label of the drug container (e.g., vial, bottle or tube). The NDC is a universal number that identifies a drug or a related drug item. The NDC number consists of 11 digits with hyphens separating the number into 3 segments in a 5-4-2 format.

### Example:

XXXX-XXXX-XX = 0XXXX-XXXX-XX XXXXX-XXX-XX = XXXXX-0XXX-XX XXXXX-XXXX-X = XXXXX- XXXX-0X



## Where can I find more information about NDCs?

You can look up NDC information with the Division of Medical Assistance and Health Services (DMAHS), on the [njmmis website](#).

## Are NDC units different from the HCPCS/CPT code units?

Yes. Please continue the correct usage of HCPCS codes and service units as they will remain the basis for reimbursement. NDC units are based upon the numeric quantity administered to the patient and the unit of measure.

NDC unit of measure		
Unit of measure	Description	General guidelines
GR	Gram	Grams are usually used when an ointment, cream, inhaler or bulk powder in a jar is dispensed. This unit of measure will primarily be used in the retail pharmacy setting and not for physician-administered drug billing.
ML	Milliliter	If a drug is supplied in a vial in liquid form, bill in millimeters.
UN	Unit	If a drug is supplied in a vial in powder form, and must be reconstituted before administration, by each vial (unit/each) used.

### NDC units

The actual decimal quantity administered, and the units of measurement are required on the claim. If reporting a partial unit, use a decimal point (i.e., if three 0.5 ml vials are dispensed, report ML 1.5).

- GR0.045
- ML1.5
- UN2.0

The number of digits for the quantity is limited to 8 digits before the decimal and 3 digits after the decimal. If entering a whole number, don't use a decimal, commas, zero fill or leave remaining positions blank. Please refer to the following examples:

- 1234.56
- 2
- 12345678.123

### What if there are multiple NDCs?

If you need to use more than 1 NDC with the HCPCS code, such as when noting multiple drug strengths, submit each applicable NDC as a separate claim line. Each drug code you submit must have a corresponding NDC on each claim line.

If the drug administered has more than 1 ingredient, such as a compound or the same drug with different strengths, represent each NDC on a claim line with the appropriate drug code.

Standard HCPCS or CPT code billing accepts the use of the following modifiers to determine when to bill more than 1 NDC for a service code.

**Paper claim:**

- KP – First drug of a multiple drug unit dose formulation
- KQ – Second or subsequent drug of a multiple drug unit dose formulation

**Electronic claim:**

The compound drug should be reported by repeating the LIN and the CPT segments in the 2410 identification loop

**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?**

You should use the NDC from the vial that was administered to the patient, along with the appropriate unit of measure and NDC quantity administered.



**Questions**

If you have questions or need help, please contact Provider Services at **888-362-3368**.